ANALYSIS OF HAX DELTA STRATEGIC POSITIONING MODEL ON PERFORMANCE OF MOBILE TELECOMMUNICATION COMPANIES IN KENYA

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A Research Thesis Submitted to the Institute of Postgraduate Studies in Partial Fulfillment of the Requirements for the Degree of Doctor of Philosophy in Business Administration (Strategic Management) of Kabarak University.

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To the Institute of Postgraduate Studies and Research:

This Thesis entitled "Analysis of Hax Delta Strategic Positioning Model on Performance of Mobile Telecommunication Companies in Kenya" has been submitted for examination by the candidate under our supervision. We have reviewed the research thesis and recommend it be accepted in partial fulfillment of the requirement for the degree of Doctor of Philosophy in Business Administration.

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This work is dedicated to the Almighty God for His grace, wisdom, strength and providence; and for giving me the strength of mind to make this study possible. Subsequently, I believe no feat can be achieved without the support of family and thus, this Thesis and everything that it represents is dedicated to my family and by extension to my wife Pauline, my daughter Keisha and son Christian; who have always offered me opportunity of choice and incentives to pursue higher levels of learning.

ABSTRACT

The performance of any organization is intricately tied to its ability to design, master and withstand a strategic positioning, which can be collaborated with and thereby directed. Knowing what strategic position a firm has available and the implications of choosing between them is a dilemma facing businesses from all industries. Although each industry may have its own set of unique conditions and particularities, a number of fundamental business strategies can be generalized to assist managers with strategic positioning. The aim of this study was to analyze the influences between Strategic Positioning and subsequent Performance in the mobile telecommunication industry in Kenya. Specifically, the study sought to determine the influences of Best Product Strategies, Total Customer Solution Strategies, System Lock-In Strategies on performance and examine the moderating effect of the competition regulation in the mobile telecommunication industry in Kenya. The study was premised on Hax Delta Model as it was appropriate for studying firms' competitive behavior in complex and uncertain market environment. The study applied a combination of explanatory design, descriptive survey research design and cross sectional design. The research adopted proportionate stratified random sampling technique and convergent parallel mixed methods design. The target population consisted of 4 mobile telecommunication firms and the respondents for this study were 343 managers and a sample size of 142 top, middle and lower level managers from Safaricom, Airtel, Telkom Kenya and Equitel. Secondary data was collected from consolidated financial annual performance reports for a three years period between 2014 and 2017. The overall reliability obtained using Cronbach's alpha reliability coefficient was 0.746, hence the instrument was reliable. Descriptive statistics were used to summarize data while inferential statistics, Pearson correlation coefficient and multiple linear regression were used to test the relationship between the independent and dependent variable. The data were analysed by use of Stata software and Statistical Package for Social Science (SPSS) 21. Looking at the overall industry, the multiple linear regressions explained 26% of the independent variables on the variability of the dependent variable. The interaction of the moderating effect accounted for significantly less variance than just regulation and performance by R^2 change .003, $p = .455$, indicating there was no significant moderation effect between independent and dependent variable. Correlation findings further suggested there was a positive and significant relationship between Best Product Strategy ($\beta = .477$, $p<0.05$), Total Customer Solution ($\beta = .407$, $p<0.05$), Systems Lock-in ($\beta = .286$, $p<0.05$) leading to the rejection of the null hypothesis while competition regulation ($\beta = -.036$, $p<0.455$) was not significant. The study recommends that firms should ensure product range extension, product replacement, product improvement, product repositioning and new product introduction to enable the companies to be more productive, to grow faster, to invest more and also to earn more performance. The study concluded that it is critically important to stay alert to trends such as new technologies or regulations and the need to develop new innovative products and services that are consumer unique and authentic. The study benefits the management since they could use it to formulate internal organizational strategies that are customer-centric, managing the customer experience and building long term relationship. Finally, future studies should continue to explore and examine a comparative and longitudinal approach where a different or similar condition prevails to measure the framework by replicating the same study.

Key Words: *Delta Model, firm Performance, Mobile Telecommunication, Strategic Positioning.*

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

ACRONYMS AND ABBREVIATIONS

ANOVA	**:**	Analysis of Variance
BPS	**:**	Best Product Strategy
BSC	**:**	Balanced Scorecard
CA	**:**	Communication Authority
CAK	**:**	Competition Authority of Kenya
CCK	**:**	Communications Commission of Kenya
CEO	**:**	Chief Executive Officer
CPA	**:**	Consumer Public Affair
DV	**:**	Dependent Variable
EACO	**:**	East Africa Communication Organisation
GDP	**:**	Gross Domestic Product
GSMA	**:**	Global System Mobile Association
ICT	**:**	Information and Communication Technology
IDI	**:**	ICT Development Index
ITES	**:**	IT-enabled services
ITU-T	**:**	International Telecommunication Union- Telecommunication
IV	**:**	Independent Variable
MNO	**:**	Mobile Network Operators
MTRs	**:**	Mobile Termination Rates
MVNO	**:**	Mobile Virtual Network Operator
NACOSTI	**:**	National Commission for Science, Technology and Innovation
NIO	**:**	Not In Operation
PhD	**:**	Doctor of Philosophy
QoS	**:**	Quality of Service
ROA	**:**	Return on Assets
ROE	**:**	Return on Equity
ROI	**:**	Return on investment
SIMCARD	**:**	Subscriber Identification Module
SLA	**:**	Service Level Agreement
SLI	**:**	System Lock-In

SMS	**:**	Short Messaging Services
SOP	**:**	Performance
SP	**:**	Strategic Positioning
SPSS	**:**	Statistical Package for Social Sciences
TCS	**:**	Total Customer Solution
UAS	**:**	Universal Access Service
VIF	**:**	Variance Inflation Factor

OPERATIONALIZATION OF KEY TERMS

Best Product Strategy: According to Hax (2010), the Best Product strategy builds on the inherent characteristics of the product itself - either through low cost, which can offer customers a lower price - or differentiation, which can provide customers unique features. In this study the term will be centered on the intrinsic superiority of a product or service, being first to market, or the differentiation of a so-called dominant design.

Customer centricity: According to Hayes, 2013, this an approach to serving a customer in a way that it delivers a superior service and experience in order to drive repeat business, consistent revenue streams and higher margins. In this thesis, the researcher delimits the term "customer centricity" to putting the customer at the center of everything, or, doing everything with the customer in mind.

Firm: This refer to a single decision making production unit which produces goods and services consumed to governments, consumers, producers and foreigners (Hailey & Balogun, 2014). In this study the term firm has been interchangeably used with organisation and company as the elements of the network infrastructure necessary to provide services to subscribers over the licensed spectrum.

Industry: An industry is a group of companies offering products or services that are close substitutes to each other since they satisfy same basic customer needs (Burgesmani, Christensen & Wheelwright, 2012). In this study, the term is taken to mean the mobile telecommunication companies or firms.

Performance: According to Venkatraman and Ramanujam, (2015) it is the outcome of all of the organization's operations and strategies that enables it to conceive and implement strategies that will improve its efficiency and effectiveness. The definitions adopted in this research will be taken to mean financial and non-financial aspects using the measure of standard or prescribed indicators of effectiveness and efficiency giving it superior results.

Positioning: This is the definition, creation, or re-creation of an organization's niche within the realms of influence relative to the competition, other players, or consumers (Al Ries & Trout, 2014). In this study the term positioning will be used to mean as the process of creating a perception and expectations for a product/service in the minds of target customers (consumer consciousness). In the scope of the present study, and in line with the latter authors, the terms positioning and position are also used synonymously position (i.e. a place in the mind of consumers [i.e., static]) and positioning (i.e., an active process in which the company or consumer is active).

Reposition: Lamb, Hair, and McDaniel, (2014) defines it as of changing consumers' perceptions of a product/service in relation to competing brands that induces an organizational stance regarding company identity, core values, and desired clientele. In this study, it will be construed as to matching the needs of a shifting market by changing a product/service status in comparison to that of the competing brands through varying the marketing mix in response to changes in the market place in the delivery of value to the end customer.

Strategy: Thompson and Strickland (2013)defines strategy as the managerial action plan for achieving organizational objectives mirrored in the pattern of moves and approaches devised by management to produce the desired performance. In this study this term will be taken to mean the managerial commitment to pursue a particular set of actions in growing business, attracting and pleasing customers, competing successfully, conducting operations and improving the company's financial and market performance into a cohesive whole.

Strategic positioning: This is the deliberate crafted actions of a firm that impels the firm to achieve a competitive position within a given market structure. (Kalafatis, Tsogas, & Blankson, 2015). The definitions adopted in this research will be taken to mean the process concerned with the holistic choice of business activities that the organisation should carry out more fully recognizing the competitive and market environment within which an organization operates.

System Lock-In Strategy: A strategy in which the customer is so dependent on a vendor for products and services that the customer cannot move to another vendor without substantial switching costs, real and/or perceived (Hax & Wilde, 2014). In this study, system lock-in indicates the "owning" of unique or constrained capabilities and resources specific to the company that locks-out competitors hence expanding the value of the product/service to the customer – creating a self-reinforcing feedback loop.

Telecommunication: Gu & Lafrance, (2012) define telecommunication form restricted view limiting its description to telephony using wireless and wired means. In this research, telecommunications is a market with rapid technological changes construed with the use of wireless means to transfer information over a distance. Firms providing these services are viewed as telecommunications firms, and the industry as the telecommunications industry.

Total Customer Solutions Strategy: According to Narver and Slater (2007), total customer solution strategy is grounded upon a market oriented philosophy whose focus is on an integrated value chain connecting suppliers, intermediaries and key customers. In this study, the term is used to mean the customer bonding through a portfolio of customized products and services that represent a unique and comprehensive value proposition to individualized customers.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Strategic positioning in telecommunication companies have been a subject under competitive trials by firms since it determines the contents and the character of its activities thus typifying its behavior. Consequently by typifying their behaviors, the mobile telecommunication companies rely on identifying and measuring the key traits of their strategy and assessing differences and similarities across a profile consisting of a set of characteristics that collectively describe the strategic positioning. Selection of any of these strategic positions depends on two criteria, the firm's position and market attractiveness since strategic position informs the strategic choices that need to be made and subsequently implemented.

As much of the conceptual depictions of strategic positioning and strategy development for the mobile phone companies are similar, their overall performance increasingly depend on how well they execute a strategy. Chew (2009) differentiated between strategic positioning, strategic position and positioning strategy since the term 'positioning' has a variety of meanings in the literature. The significance of these definitions lies in the similarities and weaknesses which reflect the characteristics of strategy and positioning. Strategic positioning is the practice concerned with the choice of business activities by taking a holistic view of the organisation. According to Shelli, (2015) strategic positioning defines, creates, or re-creates an organization's niche within a sphere of influence relative to the competition, other players, or constituents.

Strategic position on the other hand is overall intended objectives and approach to a situation. Positioning strategy considers the strength and weakness of an organisation, the needs of the customers and market and the position of competitors'. Positioning defines the organization's identity and helps to create distinction in a competitive environment. Telecommunication firms that are well-positioned have a presence which allows them to achieve strategic positioning in a seemingly effortless manner.

As most companies search for the best strategies in order to consolidate their position in the market, application of appropriate strategy and due maintenance of competitive position must be frequently evaluated. This will mean that strategic positioning must be linked to the organization's objectives, mission, operations, and measurable outcomes that meet the needs of the stakeholders in order to guarantee gain in profitability and financial strength, gain in the company's competitive position strength and market standing. These strategies position firms to be well matched to industry and the surrounding conditions and be distinctive in the eyes of stakeholders. A good strategic positioning statement is reflected in the product-market positions established by the firm, whereby companies seek to find ways to build positional advantages and makes it clear who the customer is and what business problem they need to solve (Power, 2017).

Strategic positioning, which is rooted in the strategic management literature, is a managerial process to the competitive market standing of a firm that aims to effectively distinguish it from other mobile phone service providers (Chew, 2003). Accordingly, strategic positioning is concerned with the impact on strategy of the external environment, internal resources and competences, and the expectations and influence of stakeholders (Johnson and Scholes, 2005). It is outward-focused, more fully recognizing the competitive and market environment within which an organization operates (Hooley, Saunders and Piercy, 2004).

The strategic positioning notion comprises both competitive and customer considerations which embrace the devising of the desired future position of the organization on the basis of present and foreseeable developments, and the making of plans to realize a predetermined positioning. It is important to take account of the future and to assess whether the current strategy is a suitable fit with the strategic position (Johnson & Scholes, 2005). If not, the organisation needs to determine what changes it needs to make and whether it is capable of effecting such changes.

It is imperative for mobile phone companies to be aware of the linkages between these strategic positioning since they mutually reinforce one another, change over time and can be integrated to create value and provide a basis for understanding the industry. Ensuring a unique strategic position is directly related to (and depends on) the ability of the mobile phone company to create value that is different from the value offered by its competitors and is essential to consumers (Dimitrova, 2017).

The strategic positioning school of thought in strategic management focuses on the content of strategies and sees strategy as an analytical process and provides content in a systematic way, enabling future progress (Saleh, 2016). An organisation can prescribe to specific strategies available and the contexts in which either or each seems to work best. Its proponent, Mintzberg (1998) links the strategies as being characteristic to be generic, specifically common, and identifiable in the marketplace; that marketplace (the context) is economic and competitive. Strategies are articulated and implemented; in effect, market structure drives deliberate positional strategies that drive organizational structure. With its emphasis on analysis and calculation, the positioning school has reduced its role from the formulation of strategy to the conducting of strategic analyses in support of the positioning process (Saleh, 2016).

The positioning school of thought links strategic positioning by being deliberate in an industry which goes beyond organizational identity. It entails having a clear distinction in the marketplace and in the minds of constituents. Strategic positioning, when interpreted within the context of industry and customer knowledge can help companies penetrate the complex levels of uncertainties that is evidenced by the unoccupied niches and competitive landscape. This will help to identify opportunities created by changes in the environment and pinpoint the benefits that customers' value, identify opportunities created by changes in the relationship between the primary benefit and prices, and allow companies to anticipate rivals' strategies.

Strategic positioning gives a firm an edge when coping with industrial forces and in attracting and pleasing consumers, conducting operations and improving the company's financial and market performance (Thompson & Strickland, 2003). The positions when interpreted within the context of industry and customer knowledge can help explain why some enterprises' products and brands perform better than others do. Its strength lies in how an organisation looks at its future operations, how can the organization be roughly positioned in the future, how things in the organization are at present, how opportunities can be seized and how threats can be met and how all this be put into practice in a systematic way. The importance of strategic positioning is reinforced by evidence that indicates a positive association between company performance, in terms of profitability and/or efficiency, and well-formulated and clearly defined positioning strategies (Porter 1996 cited by Kalafatis, Tsogas & Blankson 2000).

1.1.1 Concept of strategy

Strategy, according to chandler (1962) the first author articulating the notion of strategy in scholarly circles; is the determination of the basic long term goals and objectives and the adoption of the courses of action and the allocation of resources necessary to carry out these goals. Hax (1990) defines strategy as a fundamental framework through which an organisation can asset its vital continuity while at the same time purposefully managing its adaptation to the changing environment to gain an edge over rivals. Porter (1980) defines it as the creation of a unique and valuable position involving a set of activities. A strategy has to be a long-term effort to solidify the identity of a company, and its products or services, in a unique space within the minds of the target audience. Thus a company's strategy is all about how management intends to grow the business, how it will build a loyal clientele, out-compete rivals and how organisational performance will be boosted.

According to Mintzberg (2005) the different approaches to strategy are an interaction of a plan (course of action), ploy (outwitting manoeuvre), pattern (stream of decisions), perspective (how a company views itself in the world, through the eyes of its management and employees) and position (niche of particular product for particular market). William (2005) defines a strategy as a unified, comprehensive and integrated plan that relates the strategic advantage of the firm to the challenges of the environment. To harmonize these different interpretations, a representative definition of strategy being (a long term direction with dynamic environments to achieve a competitive edge) is formed to integrate the characteristics of an interdependent and interacting position.

Clear and unique strategies grounded in a competitive position should be formulated in a deliberate process to be capable of sustain performance (Thompson & Strickland, 2003). A winning strategy should fit an organisations external and internal situation, build sustainable competitive advantages improve performance. Furthermore, if a company's strategy holds promise for being sustainable (as opposed to just temporary), then so much the better for both the strategy and the company's future profitability (Thompson & Strickland, 2003).

1.1.2 Global perspective of Strategic Positioning

The global market place is more complex than ever before prompting the mobile telecommunication industry to assess the segments and niches in which they operate to remain competitive. From a globally perspective, the United States have mastered the art of strategic positioning with outstanding top-line growth and profitability trajectory. They have positioned themselves as the core of a digitally enabled lifestyle, managing connectivity for objects and data within and across many domains. Research by Mariana (2003) on industry dynamics and strategic positioning in the wireless telecommunications industry: the case of Vodafone Group Plc. provides insights into its future strategic positioning. The study tracks how a firm adjusts resources and capabilities over time to cope with the shifts affecting its positioning.

Vodafone companies, which are the leading mobile phone operators in the United States of America, are the world's biggest wireless operator. Through examining Vodafone's collaborative relationships and strategic positioning behaviour an attempts is made to understand what positioning the company is pursuing in order to ensure further growth in the rapidly changing environment. Conversely, both Asian and European nations continue to pursue other strategies that exploit perceived United States weakness in mobile phone telecommunications and telecommunications research as a way of improving their globally competitiveness in telecommunications, as well as in information technology more broadly. Their strategic positioning efforts are aimed at stimulating the rapid penetration of wireless and mobile access.

In Brazil, a study by Ceragioli and Graeml (2009) on entry mode influence on strategic positioning: analysis of two telephone Operators found the strategic positioning of both companies was to offer the best product based on differentiation. Both operators' targeted the niche of richer customers, especially for value-added products and services, where they both faced competition, also from other entrants. There also exists a degree of influence in the Brazilian market and their strategic position strongly based on regulatory asymmetries that favor new entrants, as mirror enterprises do not have the same obligations as the concessionaires (incumbents) with respect to tariffs and fees, universalization goals or concerning the adoption of new technologies (MIRA, 2003). This provides even greater relevance to studies that help understand this relationship among environment characteristics and strategic choices made by organizations playing in the telecom market. After all, different players are faced with different competitive conditions, depending on the way they entered the market.

1.1.3 Regional perspective of the strategic positioning

The telecommunication sector in Africa, as in case of many other developing countries has seen growth in mobile penetration that has exceeded all expectations. It has undoubtedly had a transformative impact in terms of strategic positioning and re-alignment of operations. With market expectation growing from major players from the region, as well as potential industry consolidation the sectors focus, both locally and regionally is set to grow further. In South Africa, the three major mobile phone operators, that is, Vodacom, MTN and Cell C have strategically position themselves to differentiate their brand positioning of product offerings targeted at different user (Mentz, 2011).

In Nigeria MTN, Glo, Airtel and other companies struggle for market share as they attempt to position themselves. MTN Nigeria believe that appropriate use of marketing mix variables (price, promotion, product, and place) enhance the achievement of their company position in the market while majority of their customers also believe that marketing strategies adopted by MTN such as product strategy influence their choice and patronage of MTN product and services.

1.1.4 Strategic positioning in Kenya since the introduction of mobile phone technology

Strategic positioning, as a management planning and marketing tool, has been widely practiced in Kenya since the inception of the mobile phone technology in the early 2000. The reform measures coupled with the proactive policies resulted in an unprecedented growth of the mobile telecommunication industry in Kenya and it is only recently that they have begun to recognize the relevance of positioning as a means of differentiating themselves in an increasingly competitive operating environment (Bruce, 2005; Chew, 2006). While there have been initiatives to improve the operation, infrastructure and performance, there is an urgent need for a good model to help mobile phone companies managers understand and develop their organization's strategic positions.

The strategic positioning process in Kenya mobile phone companies was not always a deliberate or pre-planned one; rather, it was a response to external environmental influences and internal organizational change. Such an emergent strategy stimulated organizational learning and paved the way for a more conscious approach to strategy development at a later organizational stage. In larger and more established mobile phone companies, there were extended periods of learning from experimentation and past experiences in their positioning activities. In relatively younger mobile phone companies, though, this process evolved quite unconsciously—mainly in response to the rapidly changing external environment which has ultimately encouraged adaptation and adjustment to their strategic positions over time. This has prompted the mobile firm's inception of strategic positioning which have in turn spurred the building a modern and efficient infrastructure ensuring greater competitive environment. The industry has facilitated an equal opportunities and level playing field for all operators, value added services, accelerated broadband penetration and facilitated universal service to all uncovered areas including rural areas thus enabling Kenyan telecom companies to become global players.

The Kenya Mobile telecommunication companies must articulate a strong strategic positioning which aligns their resources, capabilities and purpose in order to achieve their corporate goals and sustain their organizational performance. Safaricom being the market leader has a strong position in the mass market and has significant strength in terms of network coverage given it has the largest number of base stations. Its biggest vulnerability is aggressive price wars as it is perceived to be a premium price product/service. Airtel is second in position with the most aggressive in offering price discounts although it has weak marketing and distribution strategies. Telkom Kenya is placed third with a focus on building subscribers addition with aggressive marketing campaigns' after the rebranding from Orange.

1.1.5 Mobile Telecommunication Industry in Kenya

The telecommunication industry is among the most dynamic industries in the world economy and as their environment continues to change, the nature of demand for telecom services changes as well. These changes are apparently centered on market activities that aim at gaining competitive advantages through strategic combinations of resources and presence in multiple product and geographical markets (Chan-Olmsted, 2000). No other industry touches as many technology related business sector as telecommunication which by definition encompasses not only the traditional telephone services but also advanced technology based services including wireless communication (Plunkett, 2014). Globalizations, increased competition and rapidly changing technology are three significant forces impacting the telecommunication industry, resulting in environments that are more unpredictable and unknowable (Stacey, 2007). These influences have magnified the importance of strategic positioning.

It is estimated that by the year 2020, 80% of the global population will have access to mobile telephony and is further projected that there will be more than 50 billion connected devices globally, with mobile being the primary device for most individuals (Ernst & Young, 2013). According to the Plunkett research (2016), there were more than 7.5 billion global wireless communication subscriptions by mid-2016. The 2016 Global mobile consumer survey alludes that mobile telephony has become indispensable across all demographics and geographies (Deloitte &Touche, 2016).

Connectivity and mobility have become firmly entrenched in our lives, and their power to shape them seems almost limitless (Deloitte &Touché, 2016). The importance of the mobile telecommunication industry to the economy can be measured by its contribution to the Gross Domestic Product (GDP); its contribution to investment; and the volume of labour employed in the country. Globally, mobile telecommunication industry contributes around 2.5% of world GDP (Vodafone, 2016). In Kenya, the ICT services cluster, characterized by offerings like the telecommunication services and mobile telephony contributed up to 8 per cent to the country’s GDP through IT-enabled services (ITES) and created 180,000 jobs by 2017 (ICT Authority).

World Telecommunication Indicators Symposium (2017) has ranked Kenya position 129 in the Global ICT Development Index (IDI) and position 9 in Africa after Mauritius, Seychelles, South Africa, Cape Verde, Botswana, Ghana, Namibia and Gabon. According to the Communications Authority of Kenya, quarterly report (Dec-2016), Kenyan macro environment constitutes a population of 45 million with a subscription base of 39.8 million mobile customers and a mobile penetration rate (teledensity) of 89.2% by early 2017.

The number of mobile subscribers in Kenya gives an indication of how vibrant the telecommunication industry is. It also demonstrates the rate of growth of the sector and helps many firms determine their position and respond strategically. Anecdotal evidence suggests that these numbers subscribers are predominantly in the form of dual Simcard holders as opposed to new or switching users. The rise of dual Subscriber Identification Module cards (Simcard, where over half the subscribers own three or four lines) use is an indicator that price-savvy consumers are starting to treat the incumbent operators as complements rather than substitutes – a third symptom of flagging competition in the market (Jonathan & Pogorelsky, 2011). It is also one more step in the direction of forcing operators to compete directly– as opposed to schemes encouraging dual Simcard.

The mobile network operators in Kenya are at the centre of techno-economic; which has become volatile necessitating a renewed and dynamic approach on their ultimate; being consumers. This large scale growth has made it possible for the mobile firms to deliver efficient and affordable info-communications services which, is recognized as a critical pre-requisite for the country's economic growth. The market share for each player in this field can be determined using growth indicators.

Telecommunication industry promotes economic growth and satisfies government's macroeconomic objectives (Giray, 2007; Awoleye, Okogun, Ojulogbe, Atoyebi, & Ojo 2012). The mobile telecommunication industry's key contributing aspect for firm specific strategic position and performance indicators is majorly an influence of technology and regulation. Mobile technology and regulation are the principal drivers for the telecom growth as they facilitate improved customer services and create markets favorable for growth and productivity stimulating socio-economic wellbeing. Competition regulation from the Competition Authority of Kenya (CAK) ensures that fair practices are adopted by the mobile providers in their effort to increase and maintain customer base. Regulation in the mobile telecommunication industry improves the welfare of customers and confers them with maximum benefits by eliminating inefficiencies and by correcting market anomalies (Franco, 2004), leading to increased innovations, better quality, and reduced service charges.

The mobile telecommunication company survival and success is compelled by industry impulse to expand into diversified functions in which complex markets and technologies are key influences. Mobile phone telephony in Kenya started in the year 2000 when both Kencell (rebranded as Celtel in 2004, Zain in 2008 and now Airtel) and Safaricom PLC Limited (Safaricom PLC) were launched on 5th May and 19th October 1998 respectively (www.cck.go.ke). The mobile telephony services provision in Kenya has been blurred by telecommunications services provided by the Mobile Network Operators (MNOs) and Non-telecom players such as the Equity Bank's mobile virtual network operator (MVNO). An MNO provide services to subscribers via an owned or controlled access to a radio spectrum license from the Competition regulation of Kenya while an MVNO is a mobile operator that does not own spectrum or have its own network infrastructure. MVNO buys voice and data packages in bulk from the MNO and sell it to their subscribers (Kazi, 2016). The Kenyan mobile telecommunication industry is an oligopoly, with only four firms sharing the market. The mobile providers have organized themselves into industry association which includes the Kenya ICT Network (KICTANET), Kenya Telecom Network Operators (KTNO) Association and Telecom Service Providers of Kenya (TESPOK). The industry associations assist the regulators to think through the best way to deal with the problems of regulatory conflict, inertia and arbitrage (Okonjo, 2012).

Safaricom PLC dominates the telephony industry with a mobile subscriber market share of 65% against 17.5% for Airtel Kenya, 12.5% for Telkom Kenya and 4.4% for Equitel out of the 39.8 million mobile subscriptions in total. The voice traffic market share is characterized by Safaricom PLC holding the majority 76.8% of the customers compared to 16.8% for Airtel, 10.8% for Orange and 0.3 % for Equitel (CA, 2016) in first quarter of the year. Safaricom PLC also had an SMS share of 89.9% and also dominated the data market with 60.8% of subscription (on a mobile data subscription base of 24.7 million) compared to 21.1 % for Airtel, 11.2% for Orange and 6.8% for Finserve.

Safaricom PLC, which is the market leader in the Kenyan market controls two-thirds of the subscriber market and has a total subscription of 28.1 million according to the latest available data from the Competition regulation of Kenya (quarterly report, (March-2017). Safaricom PLC is 40% owned by the U.K. - based Telco, Vodafone, 35% owned by the government, and 25% owned by public investors. It boast State of the art infrastructure and spectrum portfolio and its M-Pesa product (a non-core service) is the best in class mobile money platform. The introduction of M-Pesa differentiated Safaricom PLC and made it market dominant as it has been both an attraction for new subscribers and a very good retention strategy. So dominant is M-Pesa (as the first mover in the market) that, virtually every mobile subscriber in Kenya has an M-Pesa account. This, in turn, assures Safaricom PLC of customers and, therefore, performance.

Airtel Limited (Bharti Airtel), which is an Indian telecommunications company renowned for its aggressive pricing, is the second largest mobile service provider in Kenya, with over 6.7 million subscribers by early 2017(CA, 2017). The Telco has a presence in 15 African countries and is known for being the first mobile phone company in the world to outsource almost all of its business operations. However, the operators' subscriber base and the latest financials cause concern on the significant disparity in performance in Kenya. Airtel limited similarly host Essar Telecom's Yu Mobile business following its acquisition.

Telkom Kenya was established as a communication operator under the Companies Act in April 1996 and rebranded as Orange in 2008. It has a total of 5.3 million subscribers according to the latest available data from the Competition regulation of Kenya (quarterly report, (March-2017). In Early 2017, it rebranded again to Telkom Kenya, the decision of which was partly necessitated by the exit of Orange group, the former majority shareholder. Telkom Kenya is 40% government-owned and 60% owned by the private equity investment firm Helios Investment Partners.

Kenya's Equity's Bank Group; Equitel (Finserve Africa), which is a Mobile Virtual Network Operator (MVNO), had 3.8 Million subscribers by early 2017(quarterly report, March-2016). Finserve Africa (branded as Equitel) was operationalised in 2014 and holds two licenses from the Communications Authority of Kenya and operates one of Africa's first Mobile Virtual Network Operators under the brand Equitel. Equitel brings to the fore the convergence between mobile telephony and banking services by offering full voice/SMS/DATA services to Equity's customers. Their mobile services are hosted on the network of Airtel Kenya. Equitel can be accessed via a standard SIM card compatible with Kenya's dual SIM mobile phones or via a "slim SIM" overlay for single SIM mobile phones (Mas & Staley, 2014).

In 2016, a new Mobile Network Operator (MNO), Sema Mobile, acquired a Mobile Virtual Network Operator license. The firm is a unit of local Nano-lender Mobile Decisioning Africa which operates together with Chase Bank. As with Equitel, Sema uses Airtel's Network and it aims in large to operate as mobile money transfer platform with focus in Semas' case on targeting community groups such as churches (Kenya Mobile Internet Reports Q3, 2017) and so far has managed to net 275 subscribers. Subsequently in 2017, Jamii Telecoms which is a tier 2 company was granted a trial license to provide mobile services. It is however yet to launch commercial trials on the 700 megahertz spectrum which is dubbed by other operators (Safaricom, Airtel and Telkom) as the best quality spectrum.

1.1.6 Customer centricity

The 21st century mobile telecom customer has access to information across many platforms which have made them increasingly knowledgeable giving rise to a more empowered global consumer. Liu (2010) believes that this is the result of among other factors as ones involvement, personality, experience, knowledge with products and exposure to environmental factors. They consequently have become more educated, enlightened and quality-conscious thereby exerting pressure on managers in the mobile industry to demonstrate customer-centricity by forcing them to deliver better services and reliability in an attempt to keep a base of satisfied customers. The key differentiator to customer centricity is how the firms distinguish themselves alongside having the right people and processes with the right technologies in place and the ability to provide their subscribers with consistent experiences across multiple channels cost effectively.

Technology is changing consumer dynamics and the mobile telecommunication firms have an opportunity to influence persistency, retention and expectations through improved customer engagement (Ernst & Young, 2013). Responding effectively to rapidly changing consumer needs is one of the top priorities to understand how consumers view the world and the most important attributes for their purchasing decisions. The mobile firms are adopting more customer driven initiatives that seek to understand, attract, retain and build intimate long term relationships with customers. Jamali (2004) lauds the significance of customers not only demanding variety and customization but also services or products of high quality at a cost friendly price. The mobile telecom consumers have recently changed from a passive recipient of goods and services to an active and valuable partner. Research by Deloitte and Touche (2016), found that customer-centric companies were 60% more profitable compared to companies that were not focused on the customer. By virtue of being customer centric and choosing unique and valuable position rooted in systems of activities that are much more difficult to match, the Kenya mobile telecoms have yielded economic advantage since the market; customers and competition are defendable and sustainable.

A company's sustainable agenda is having customers as their primary scope. A customer is whom an organisation creates value for within geographies where it has significant business. Mobile consumers' preference and taste, habit, and patterns of consumption of communications services have changed in recent past with the advancement of telecommunication value network (El-Darwiche & Roman, 2010). Derek (2010) further suggest that an organisation should define its operations in terms of three dimensions: who is being satisfied (customer group), what is being satisfied (product/service) and finally how are the customers' needs being satisfied (by what technologies). These three dimensions from a mobile phone customer perspective illustrate an approach that stresses the need for an organisation to be customer oriented rather than product oriented. Ultimately, this will translate into a position characterized by a pattern whereby the more product and services that the mobile phone providers offer, the more their consumers will be bound to consume and expect (El-Darwiche & Roman, 2010).

A customer centric organization prompts around a deep understanding of its customers increased expectations, convenience, flexibility and personalization and additionally what they value and the contribution each makes to the profitability of the company. This requires designing business processes that recognize different customer segment needs, delivering a positive and seamless customer experience at every touch point across the customer life cycle, maintaining an active dialogue with customers (and acting on feedback) and fostering a culture that places the customer at the heart of the decision-making process(Ernst & Young, 2013).

According to Gronroos (2001), service, is a set of activities' of a more or less intangible nature that take place through the interaction of the customer and a service provider in provision of a solution to the customers problems. A consumer, being a recipient and judge of a product or service, partakes of the service or product on merits of quality, attractiveness and must ultimately be able to satisfy their specific need. The adage "consumer is king" has brought in a paradigm shift that holds that consumers should be the heart of organisations strategy in order to appropriate customer segmentation and a creative value proposition. In light of the above statements, it is evidenced that the mobile telecommunication industry in Kenya has in the recent times massively investment on customers leading to effective customer segmentation and differentiated treatment.

Products (tangibles) include services (intangible) that are designed to support customers with a great experience as they are working towards unlocking their true potential of value. By unlocking their potential; they are constantly trying to distinguish between products and services, with offerings ranging from tangible-dominant to intangible-dominant. The mobile firms may offer services alongside their products and or offer physical products along with their basic service. As such, being customer centric is not just about offering great customer service as it means offering a great experience from the awareness stage, through the purchasing process and finally through the post-purchase process. The wide variety of service offerings means that service providers must address the problems specific to their particular service when seeking to create and maintain a competitive advantage. Firms can create a differential advantage by moving along the continuum, seeking to alter the balance of tangible and intangible elements associated with their offering.

A customer centric organisation is obligated to deliver products and services on time, offers above customer expectations, give lifetime value concepts, ensure reliability, be close, minimize their effort and maximize their value by enhancing its customer relationship management. The overriding theme of this requirement consists of having a full range of products and services available to serve customers upon demand. To improve customer experience and enhance loyalty, the earlier approach to product orientation needs to be replaced by a customer-centric transformation. Customers are enchanted by company brand, product and service and total experience through total life of cycle of ownership. Thus a brand: which is a representation of a firms offering and business, operations; being how a company delivers that value have an immense influence on customer's experiences on the compelling interaction fostered by its operations. A product on the other hand is how a company develops distinguishing factors and functionalities and offers it to a market to satisfy a need or want. A service thus is how a firm enhances the value of its offering which is essentially intangible and does not result in the ownership.

Kenya mobile phone operators seeking to sustain their performance and grow profit must understand what their customers want and then provide a better and more relevant end-user experience. There are many factors that customers determines when choosing a Mobile Service providers. From the perspective of the customer, geographic coverage communication, service quality, price/product range, reliability and innovativeness rank important. According to an Ernst & Young (2016) enterprise service study conducted recently, service reliability was ranked as the most important criteria for enterprise customers in evaluating the performance of their telecom operators. Price was found to play a vital role since customers have more choices and opportunities to compare the structures of diverse serve providers. Outstanding companies go out of their way to keep their customers satisfied. Satisfied customers make repeat purchases, and they tell others about their good experiences with the product. The key is to match customer expectations with company performance (Thomas, 2014). According to Richard, Scott & Richard (2013) firms which deliver more than they promise delight their customers and keep them satisfied.

Besides price, mobile consumers will generally look for value from product features and service tailored to their needs. They will prefer to buy more products from companies they trust and expect the provider's products and services to meet their expectations — and through their channel of choice. As such by being customer centric, the telecom operators ought to identify their most profitable products/services, accelerate product innovation, optimize supply chains and pricing, and identify the true drivers of performance.

1.2 Statement of the Problem

Until early 2000, the Kenya mobile telecommunication industry kept growing and diversifying and its prosperity within the sector attracted new mobile service providers and operators. Each mobile service providers works to equal the price and service offering of rivals in competing for customers giving rise to a tendency of commoditized competition which has proved to be an insufficient strategic positioning between the service providers. As a result of these, fierce competition and regulations has ensured and forced the mobile phone companies to strategically position and aligning themselves to capture new markets or retain their existing market share.

Establishing a solid strategic positioning for the future has never been more important or more challenging for mobile phone company executives and their organizations. Most of the strategies adopted by mobile phone companies did not deliver the promised outcomes and this intensified the competition and impacted on their performance. Accepting and adapting to that changing environment is the difference between those organizations that thrive – and those that do not. Analysts allude that the strategies the mobile phone operators employ make all the difference by how their strategic positioning is assumed and culminates with the tactical means to adapt continuously to an ever-changing environment (Allio, 2005).

Local studies done on the effect of strategic positioning by Kasyoka (2011) on use of strategic positioning to achieve sustainable competitive advantage only concentrated at Safaricom Limited and the findings were that cutting edge technology was helping Safaricom limited in achieving a sustainable competitive advantage. Research by Anyango (2014) on the role of strategic positioning on products performance in the telecommunications industry in Kenya revealed that multiple products influence products performance. Other studies on strategic positioning by Okoth (2015), Munene (2013), Githungu (2012) Muriet (2011), Nyakondo (2010), and Theuri (2003), have been done in other industries. These studies concur that organizations must come up with superior strategic positioning in order to remain relevant and profitable in the market

Subsequently, to bridge knowledge gaps that exist in the Kenya mobile phone telecommunication industry, this study sought to delineate the research along theoretical, contextual and methodological lines. Theoretically, strategic positioning was undergirded by product economics, price and rivalry/differentiation, customer economics, customer share, cooperation, market dominance, systems economics', complementors. Inevitably, no research within the telecommunication sector in Kenya has a conceptual model on Hax Delta Model strategic positioning. The lack of sufficient research in the mobile telecommunication may preclude it from securing knowledge useful for the growth of the mobile Telecom industry as a whole. There was therefore a compelling need to conduct a research on strategic positioning in order to address these gaps.

Contextually, variables in previous studies that have being conducted on strategic positioning have not included the competition regulation as a moderator in the mobile phone telecommunication industry in Kenya. There is a gap between the findings of Kasyoka (2011) and Anyango (2014) on what could be happening today in the mobile industry in Kenya as far as strategic positioning is concerned. To bridge the methodologically gap, the researcher assessed a mix of financial (liquidity, profitability and efficiency ratios over a three year period) and non-financial dimensions which relied on an interview, primary and secondary data to test hypotheses and explain observations.

As the Kenyan mobile phone market continues to experience high growth in customer usage, mobile industry regulations is critical and necessary. Competition regulations, which would otherwise favour consumers, would not be implemented and will most likely need to be used to strengthen competition in the market. This disjointed association between the mobile industry providers and competition regulation inertia has translated into an unresolved economic controversy (among service providers) and undermined consumer welfare. Consequently, to bridge this gap and create a well-balanced strategy application, the researcher applies Hax Delta model by identifying and empirically analyzing strategic positioning on performance of the mobile telecommunication companies in Kenya. This study thus sought to establish how do and to what extent activities of the strategic positioning affects performance in context of the Kenya changing telecommunications sector.

1.3 Objectives of the Study

1.3.1 General Objective

To analyze the Hax Delta Strategic Positioning Model on Performance of Mobile Telecommunication Companies in Kenya

1.3.2 The Specific Objectives

The specific objectives for the study were:

i. To determine influence of Best Product Strategies on Performance in the mobile telecommunication industry.

ii. Investigate influence of Total Customer Solution Strategies adopted on Performance in the mobile telecommunication industry.

iii. To determine influence of System Lock In Strategies on Performance in the mobile telecommunication industry.

iv. To examine moderating effect of the competition regulation on Performance in the mobile telecommunication industry.

1.4 Hypotheses of the Study

Based on the specific objectives, a predictive statement that relates an independent variable to a dependent variable by way of a null-hypothesis was tested.

H_{01}: Best Product Strategies does not significantly influence Performance of mobile telecommunication companies in Kenya.

H_{02}: Total Customer Solution Strategies does not significantly influence Performance of mobile telecommunication companies in Kenya.

H_{03}: System Lock-In Strategies does not significantly influence Performance of mobile telecommunication companies in Kenya.

H_{04}: Regulation of competition by competition Authority of Kenya does not significantly accelerate the relationship between strategic positioning and Performance of mobile telecommunication companies in Kenya.

1.5 Justification of the Study

The mobile telecommunication companies in Kenya have experienced rapid changes associated with increasing competition, changing demographics, changing technology, and stringent competition regulations in the industry. This shift in paradigm requires considerable strategic and structural flexibility in which a scientific reawakening of strategic positioning will bring about the rise of new industries, change how businesses compete, and possibly transform how companies are positioned in the minds of the customers. Evidently, most firms have pulled out of the market or have been acquired thus necessitating them to reevaluate their strategies in order to capture other markets competitively. Despite the increasing demand for better capacity, the telecommunication companies are now realizing that they are not getting the expected interconnectivity reduction, competitive advantage and network stability. The customer centric Delta model used in this study is an effective tool that describes all the strategic varieties for operating in the competitive environment and moving towards new unrivaled customer interactions. The essence of this study relates to the scope strategic positioning has on telecommunication companies and their continued operation in the Kenyan market. This study introduces the strategic positioning framework for Kenya mobile telecommunication firms which has never adopted previously by others. Thus this study should help reinforce the framework's recognition as a rigorous theory of strategic management. Through the study, the researcher provides insights and contributes to greater understanding of how mobile phone operators in Kenya compete with each other in terms of their strategy and how Hax Delta adaptive strategies are applicable in the telecommunication sector.

1.6 Scope of the Study

This research was limited to the four registered mobile phone companies (Safaricom PLC, Airtel, Telkom Kenya and Equitel) in Kenya focusing on their 343 managers. This research was concentrated on the company headquarters in Nairobi and was used to portray the influences of strategic positioning and the moderating effect of the competition regulation and consequently examine their effect of performance in the mobile telecommunications industry. The study was designed to report specifically on the perspectives of strategic positions being influences of Best Product Strategies, Total Customer Solution Strategies, System Lock-In Strategies and the moderating role of competition regulation on performance. The timeframe of the study was twelve months while both Primary and secondary data was collected.

1.7 Significance of Study

The importance of this study lies in the fact that it will further the understanding of the nature of the relationship between Strategic Positioning and Performance by investigating the role of a competition regulation as a moderator on this relationship in the Kenya mobile telecommunication industry. This research potentially contributes to both academics and management practices and informs on policy in the Kenya mobile telecommunication industry by getting insights on successful strategic positioning. The main contribution of this research derives from filling the gap between theoretical construct and practical evidence of Hax Delta Model within the Kenya mobile telecommunication industrial context, as research endeavours related to these topics are very limited. The theoretical implication was significant for the generation of knowledge and contribution to the field of research. The use of theories is a doctoral contribution to the field of strategic management to improve managerial practices in business in Kenya.

The implications of the findings provide useful lessons for telecommunication executives and managers who will use the findings to plan, and develop and improve on their strategic positioning. Other stakeholders like students and lecturers will also benefit from the study.

Findings generated from the study will be useful to university faculties or schools that teach either management or administration courses. The students who specialize in such courses will be the study's beneficiaries. The knowledge gained will be disseminated to other students not only throughout the country but also outside the country thereby contributing to the success of their institutions. Furthermore, the study will generate new data which might trigger new studies.

1.8 Limitations and Delimitations of the Study

A major limitation of this study is that a relatively smaller sample of the target population was used and limited to the top, middle and lower level managers working in the headquarters of mobile telecommunication companies in Kenya. Owing to the busy schedules of managers, some of the questionnaires were not fully filled probably because they may not have had enough time. The researcher however allowed them sufficient time to respond to the questionnaires.

The researcher on one hand attempted to reduce these errors so that the results may be as reliable as possible while on the other hand pre-contacted the respondents prior to administration of questionnaires. According to Gall, Gall and Borg (2007), a pre-contact is an earlier message in which the research participants identify themselves, discuss the study purpose and request for co-operation. The questionnaires were then administered by drop and collect later techniques. Additionally, a cover letter containing detailed instructions was attached to the questionnaires. These approaches reduced the error rates of response.

1.9 Assumptions of the Study

Leedy and Ormrod (2010) posit that assumptions of a study are so basic that, without them, the research problem itself cannot exist. The study was based on the assumption that the respondents would answer the survey and interview questions honestly and factually. Further, it was assumed that the sample would be representative of the population to make inferences.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents a review of theoretical and empirical study on Delta Model and explores the strategic positioning options applied by mobile phone companies in a complex and competitive market environment. Strategic positioning characteristics are reviewed to develop theoretical aspects of the study. These contributions are critically appraised to identify relevant works and identify specifics gaps to create a unique contribution. The subsequent empirical studies section is reviewed in regards to studies related to this research. The conceptual framework of the study was developed after reviewing the relevant literature. Finally, the chapter has a critique of reviewed literature and identification of the knowledge gaps.

2.2 Theoretical Review

This section reviews major theoretical framework applicable to the study and understanding of the strategic positioning. A theory is a well-structured statement which is supported by evidence to explain some phenomena. According to Ocholla and Le Roux (2010), theoretical framework forms the rationale for a study that helps a reader make logical sense of relationships between variables relevant to a problem and the theorized relationship between them. The researcher espouses the Delta model, an adaptive strategic management framework that is especially appropriate for studying firms' competitive behavior in a complex, uncertain market environment (Chan-Olmsted, 2000). The model discussed underpin the study variables and show how theories may be used to explain the phenomena of best product, total customer solution and system-lock-in strategies that are well matched to the company's situation, which leads to the essence of how a firm competes and serves in its markets and ultimately ameliorates organization's performance. The strategies presented so far are not mutually exclusive and may be combined depend on a company's particular circumstances. Note that one central theme runs through all options presented so far. It is the strategy of positioning to achieve sustained performance and/or scope in the market.

2.2.1 Delta Model

The Delta Model (2001), defines strategic positions that reflect new sources of profitability, aligning these strategic options with the activities (processes) of the firm, and introduces adaptation processes able to continually respond to an environment of uncertainties. The customer-centric model was developed by Dean Wilde and Arnoldo Hax whose unique set of frameworks and methodologies underpins strategic positioning as a function of customer bonding to services versus industry or market structure. The proponent of this theory posit that "at the heart of management and, certainly, at the heart of strategy, resides the customer" (Hax & Wilde, 2001). The Delta model (after the Greek letter Delta, standing for transformation and change) is a customer centric model with very strong bond between the company and customer, which strives to attract, satisfy and retain the customer, which in turn makes the model very sustainable. The Delta Model provides a roadmap for identifying optimal strategic positioning, based on achieving customer bonding, and provides three strategic positions for reaching that objective, best product, customer solutions and system lock-in, (Hax, 2003).

This theory proposes that an organisation first reflection should take place in the process of defining the strategy of the company and decide on the relevant strategic positioning since this captures the essence of how the company chooses to compete in its relevant market place, or how the firm decides to attract, to satisfy, and to retain the customer. Compared to a philosophical focus on the characteristics of a product (product economics), the model is based on the totality of enhancing customer experience and economics.

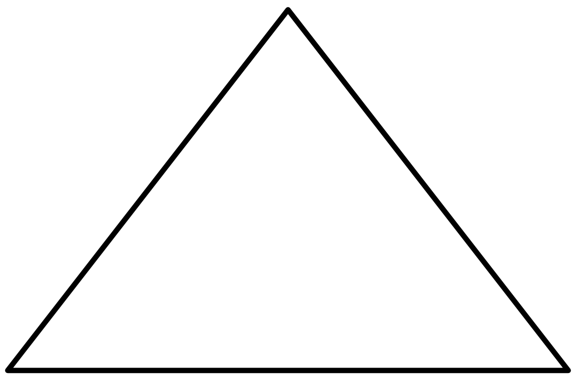
The Model is a complement to Porters generic strategies (1980) and is a fresh approach to business strategy development and strategic management in today’s increasingly networked economy. Hax and Wilde (1999) disputed that the generic strategies do not describe all the ways companies compete in the current environment. The delta model grew from the fact that changes in the world of business were so enormous that existing managerial frameworks had become invalid or incomplete (Hax, 2003). The idea was to get companies to stop focusing so strongly on competitors but to focus their strategies more around the customer.

The Delta Model expands and improves the previous models by linking strategy to execution through the use of adaptive processes to drive performance. This approach not only presents a strategic frame work to position in the market but how to do customer bonding thereby gaining not just market share but customer share (Harry, 2004). It also aims at increasing and deepening the understanding of how to position a firm strategically in order to generate the best possible organisational performance (Hax & Wilde 2001). One of the most distinctive aspects of the Delta Model is that it provides firms with guidance on how to select the strategic position of its business and gives them the analytical tools to achieve it.

To conceptualize the Delta Model to serve as a framework, the researcher adopts a set of principles, called Haxioms; which serve as a framework for its conceptualization. They theorize that at the center of the strategy is the customer with high value-added propositions being both sustainable and unique. It further stress that a firm does not win by beating the competition but rather winning is achieving through customer bonding by understanding them deeply. This principle by Hax (2003), argues that the customer cannot always be "right" as the customer has no idea what can be offered to them and if a close relationship has not been formed between the customer and business, how can the business understand their needs. Satisfaction can only be achieved by working jointly with the customers.

It is accordingly through positioning that operators are obligated to offer what benefits appeal to customers and convert the customers experience into value by focusing on offering the intangible benefits and deliver value across all channels. It is consequently imperative to establish a strong positioning strategy, align and reinforce them to balance within the sustained overall company performance plan that the firm intends to hold.

Systems lock-in Option
Systems economics
Market dominance
Complementor share



Total Customer Solutions Option
Customer Economics
Customer Share
Horizontal Breadth

Best Product Option
Product Economics
Product price / low cost
Rivalry / differentiation

Fig. 2.1 Strategic positions options

Source: Hax Model, 2001.

The Delta model can be illustrated using the strategic triangle (fig: 2.1). These strategic points enable the researcher to see strategic positions that demonstrate new sources of profit. There are three points: best product, total customer solutions and system lock-in. Best product enables the company to get the edge on competition, which will increase market share (Hax, 2003). Total customer solutions need cooperation and will achieve customer share System lock- in enables market dominance and can achieve complementor share, it focuses on the entire system economics and instead of product-centered economics, which makes it very sustainable (Aboy, 2009).

In perspective, the Delta Model offers an original approach and seems to be a promising domain, integrating concepts and strategy processes, marketing and information technology in the context of a contemporary environment characterized by hyper-competition, competition among networks, innovation and market orientation as the philosophy underlying the organisations managerial activity (Mateus, Geraldo & Cláudia, 2008).

Since almost all business is related and dependent, a wider view is needed to see this expanded enterprise, which is the entity of real importance in our strategic analysis. By challenging the adoption of current perspectives on strategic positioning derived from commercial strategy the researcher develops a theoretical framework that accounts for the uniqueness of positioning strategy in the telecoms industry. This uniqueness is attributed to the difference in positioning goals, the process of developing a positioning strategy, and the influencing factors on the choice of a positioning strategy.

2.3 Influence of Strategic positioning

This section presents a review of literature related to the theories and the study. It contains the strategic positioning literature that revolve around the concept of best product option, total customer solution and system lock-in to advance theories that were used as supported ideas in undertaking this research.

2.3.1 Best Product Strategic Positions on performance

The Best Product strategic positioning builds upon an organization’s identity that helps to create distinction in a competitive environment. The position applied is not more of what it does to a product but rather what the firm does to the mind of the customers. Organizations that have well-positioned product or service have a presence which allows them to achieve their strategic goals in a seemingly effortless manner. This in turn amplifies and distinguishes the firm position as superior as they create a clear perception for a brand/product in the marketplace which is an integral part of an organization’s overall marketing strategy.

The customer is attracted by the inherent characteristics of the product itself , either due to its Low Cost, which provides a price advantage to the customer, or due to its Differentiation, which introduces unique features that the customers values and for which they are willing to pay a premium. The products tend to be standardized and unbundled. The customers are generic, numerous, and faceless. The central focus of attention is the competitor, which we are trying to equal or surpass. Competitive advantage rests upon product economics and the internal supply chain, which provide the engine for efficient product production. Innovation is centered in the internal product development process. The liability of this approach is that it generates the minimum amount of customer bonding, hence making the incumbent firms most vulnerable to new entrants. Its obsessive concern with the competitors often leads to imitation and price war, resulting in rivalry and convergence; the worst of all situations. In spite of the inherent limitations of this strategic position, it is by far the most widely adopted, and the default position for those businesses that do not deliberately consider other strategic options.

According to Thompson and Strickland (2003), a firm's assessment of the industry and competitive environment directly affects how it should try and position itself in the industry, and what its basic product options should be. Since organisations in the same industry are assumed to make identical decisions, clear positioning helps the consumer differentiate between competitive offerings (as well as between similar offerings from the same product/service). Having a number of clearly positioned products/services increases the competitive strength of the organization in the marketplace. Their brand equity becomes stronger as they 'own' more market space. Products/services that are well understood by consumers will typically generate higher sales levels, as they are seen as the ideal product solution for particular consumer needs. As a result, these customers become less likely to switch to competitive offerings.

Products and services can be positioned in many different ways in the marketplace. The major positioning categories include positioning by product attribute (product feature and/or benefit) relative to the competitive offerings. Positioning by user (the ideal or representative target consumer) and suggests that the product is the ideal solution for that type of person and may even contribute to their social self-identity. Positioning by product class, "we are the best in our field", tends to take a leadership position in the overall market. Positioning versus competition compares against certain well-known competitors. Positioning by use/application looks at how a product/service is positioned in terms of how it is used in the market by consumers, indicating that the product is the best solution for that particular task/use. Finally, positioning by quality or value represents significant high quality or value.

Product positioning allows the firm to place more products in a related category, with a reduced risk of cannibalization. This is because consumers will perceive the difference between the firm’s similar offerings, rather than viewing them generically. A well-positioned product/service has distinct visibility and perception advantages over its competition since the consumers will see greater value and will become less sensitive to prices and competitive sales promotions. Positioning as a best product is a great assistance when marketing low-involvement products. For the purchase of low involvement products, consumers often rely on their memory to make a quick or impulse purchase decision. If a product is well positioned on key attributes/benefits, then the consumer can internally rationalize why they buy the same product on a regular basis without consideration of the competitive offerings.

Product positioning is about how you want your customers to perceive your product or service in relation to their perception of your competitors and what marketing strategies you should adopt to reach this perceptual goal. Position will happen whether or not you are proactive, reactive or passive about the on-going process of developing and sustaining a market position however, you can positively influence these perceptions by developing and implementing deliberate market positioning strategies.

Rich and Eppinger (2003) asserts that a product/service is agreed to be the most important in the marketing mix elements that sustains a competitive advantage for an organization and it is the first of all decisions that involves planning what products and services to offer to the market. Product positioning goals must be supported by the full marketing mix. The marketing mix draws together various aspects that a firm market offering and ensures that they work together as an integrated whole. The 4p’s incorporate product/service (commodity), place (convenience), price (cost) and promotion (communication). Growth in the service industry has led to the intangible nature of these services to incorporate 3 more p’s being: people (customers), processes (comfort) and physical evidence (continuity). Hence, the service providers in this industry adopt marketing mix factors differently for the purpose of differentiation due to stiff competition, focusing on all the 7Ps of product, price, place, promotion, people, physical evidence and process (Stallings, 2004). Consumer will typically form their understanding of the product or service over a period of time using information from the variety of sources and marketing mix present. Product positioning needs to be implemented by the full range of the marketing mix, so a firm that outlines clear positioning intentions will be more likely to implement marketing mix that is consistent and supports its positioning goals.

Simply aligning the marketing mix as a best product options needs developing a position that select the most persuasive, meaningful and unique points of difference that allows to compete for the largest number of potential customer. Some companies develop a carbon copied strategy and position themselves close to their competitors so prospects can make a direct comparison when they purchase. It is thus imperative that firms gather the information sources as to pertain to the best position. The product feature will entail the actual design and features of the product, particularly when consumers use the product, has a major impact on the perception of the product and its relative advantages.

Products are normally expected to have specific perceived characteristics that contribute to their success or failure. According to Cagan and Vogel, (2002) product characteristics encompass attributes of quality, durable, unique features, value, and meet stakeholder's needs, safe and efficient. To put these strategies into context, the study identified Airtel as pursuing a cost-leadership strategy and Safaricom PLC as pursuing a differentiation strategy.

In the best product position, the spotlight is on the company's competitors, generating little or no action by the client, while strategy is focused on the products inherent characteristics; intrinsic superiority of the product or service on either low cost or differentiation or both. All efforts and resources are devoted to product competition. The product represents how a company develops distinguishing features and functionalities as well as those which are deemed valuable if they are intangible, heterogeneous and perishable or adds other values when purchased or used. A product conveys customer's value along the design, technology, usefulness, convenience, value, quality, packaging, branding, accessories and warranties.

Service on the other hand reflects how a company enhances the value of its offering. In the scope of best product strategy, consumers are generic, numerous and faceless and firm primary responsibility is to attract, satisfy, and retain the customer. Strategies based on best product or low cost are the most difficult to sustain. The best product strategy is somewhat inward and narrow since it is centered on prevailing product economics. Best product strategy enables a firm to get the edge on competition, which will subsequently increase its market share. The firm therefore requires skills/knowledge on consumer knowledge, consumer preferences and values, market knowledge, knowledge about the competitors in the market; know the market trends for the products/services, knowledge about purchase, use and feedback from customers, future needs and wants of customers.

Zettelmeyer (2000) asserts that companies competing on multiple channels get information from multiple sources and can decide to communicate different amounts of data to different clusters of customers, thereby creating new differentiation opportunities. This strategy gives the organization a domination power exactly because of the uniqueness of the product's characteristics or services. The differentiation strategy seeks to be different, it is what organizations strive for companies and product range to appeal to customers and "stand out from the crowd" it seeks to be unique in its industry along some dimensions that are widely valued by buyers/customers appropriate where the target customer are not price-sensitive (Yin, 2008). The risks associated with a differentiation strategy include imitation by competitors and changes in customer tastes.

The delta model addresses uncertain business environments. A firm can position itself with an environmentally responsible image though best product strategy. The image is reflected from a responsible identity that is built upon the values of the product. The perception in the key customers leads to differentiation from competitors. Thus the firm becomes a more preferred employer, partner and supplier; results as enhanced employees' motivation, cost savings, better reputation, and greater guest loyalty.

2.3.1.1 Product Economy

A product is only the physical manifestation of applying a particular technology to satisfy a particular need for a particular consumer group. How a product is positioned augments the consumers' understanding of the product and its specific benefits. Kurtz (2010) defines a product or service (both tangible and intangible elements), as something of value a seller is offering the customer. Mobile firms are obliged to strategize to being the first to launch a new product or service into a new market (first mover) thus creating a lead, which other have to follow (Thompson & Strickland, 2003, Blythe, 2003). The chosen strategies will depend on the firms' respective status as either being a market leader, market challenger or a market follower. This will subsequently stimulate the firm to stay ahead of the competition throughout or risk paving the way for its competitors to beat it later. The central focus of attention is the competitor, which we are trying to equal or surpass. Competitive advantage rests upon product economics and the internal supply chain

Using the language of economics, a successful firm is one that is dominant and appropriates monopolistic rents. The strategic position of low cost and differentiation are centered on product economics. Differentiation calls for creating a product that the customer perceives as highly valuable and unique. Approaches to differentiation can take many forms: design of brand image, technology, features, customer service, and dealer networks.

Customers will judge the value of consumption after contrasting benefits gained from products and services with their costs (Zeithaml, 1988). Service firms can improve customer satisfaction and retention by providing superior value through enhanced offers. When products or services performance exceeds expectation, positive disconfirmation will occur. Hence, positive confirmation or disconfirmation of customer expectations will lead satisfaction but customer expectations with negative disconfirmation will lead to dissatisfaction.

When customers purchase a service or product and the utilization is below their expectation, they will have perception that the supplier is the causes of dissatisfaction. The service or product comparison is moving forward to individual's value rather than expectation. Firms which execute certain value-adding strategies can increase customer's perceived benefits and reducing customer's perceived sacrifices, which in turn stimulate customer repurchasing activities and remain in the same service provider. In a long-term relationship, customer perceived value offered is related to both episodes and expectations (Ravald & Grönroos, 1996). When customer's expectations are satisfied, they will feel safety, credibility, and security as perceived value in this relationship, which all together increase trust and then enhance customer's loyalty. In telecommunication sector, it is essential for operators to offer something valuable to customers in service interaction process, such as reward refund activities and promotional offers, in order to gain customer satisfaction and trust, which are expected to enhance customer loyalty.

2.3.1.2 Price Perception/Low cost

Consumers use price as an important extrinsic cue and indicator of product quality or benefits. Goi (2005) asserts that price is the value attached to a product or service, and it is the only element of the marketing mix that generates revenue to the organization, hence is directly related to profits. High- priced brands are often perceived to be of higher quality and less vulnerable to competitive price cuts than low- priced brands" (Yoo, Donthu & Lee, 2000). Price is often a preferred focus for the consumers if the rivalry in the industry is high and the competing products quit similar in the eyes of the consumer, as it is with companies in cluster industries. Customers are keen on price and priority is sometimes wholly and entirely ascribed to this aspect of the firm's products (Kim & Yoon, 2004). Customers are willing to pay a reasonable amount of money for having the usage and benefits of the products or service. In contrast, price is also determined by consumer demand, industry supply and the competitive environments that allow flexible price change.

Price is an important indicator of customer satisfaction as consumers normally assume price is an external signal of quality. Tiobas, (2009) posits that perceived price increase price fairness and price fairness increase customer satisfaction. In making purchase decisions customer price plays a vital role since a reasonable price will be an important contributor to their satisfaction. Mobile telecom customers are sensitive to prices; which is one criterion that time and again is the first to compare among providers, and every so often the providers are forced to lower prices. In consequence price is a high influence on switching decisions and a key indicator to customer satisfaction. According to Peng and Wang, (2006), consumers every so often shift usage of product or service predominantly in line of perceived high prices or deceptive pricing practices. Therefore, in order to increase customer satisfaction, it is essential for service firms to actively manage their customers' price perceptions, e.g. carrying out attractive pricing, offering reasonable prices mix, lower prices without decreasing quality, etc.

Price wars that have racked the mobile telecommunication industry provide a good illustration of what can happen when companies are interdependent. The pricing strategy must reflect the benefit offered and your promotion strategy must clearly communicate this benefit. Customers usually select their service providers strongly relying on perceived price. How much consumers are willing to pay differs due to their different needs and wants since perceptions differ among individuals. Higher pricing perceived by consumers might negatively influence their purchase probabilities (Peng & Wang, 2006). Based on previous studies, Cheng, Lai & Yeung (2008) suggested that price perception can be measured by reasonableness of prices and the relative status of the service provider in terms of price. In general, high-quality services are considered to cost more than low-quality equivalents (Chitty, Ward & Christina, 2007)

The impetus for striving to be the low cost provider is the ability to set industry's price floors and still earn a profit around its market position. Firms in low –cost position relative to rivals have a significant edge in appealing to consumers who base their purchase decisions on low price. Low costs will permit a firm to sell relatively standardized products that offer features acceptable to many customers at the lowest competitive price and such low prices will gain competitive advantage and increase market share (Porter, 1980). If the low cost base could be maintained for longer periods of time it will ensure consistent increase in market share and stable profits hence consequent in superior performance (Tuminello, 2002).

Galliers and Leidner (2006), argue that as it becomes harder to sustain operational advantages in a competitive market, firms turn to strategic positioning in order to gain a cost advantage or premium pricing by competing in a distinctive way. However, low cost leadership is attached to a disadvantage which is less customer loyalty (Yakhlef, 2001). Relatively low prices may create a negative attitude towards the quality of the product in the mindset of the customers (Roger, 2009). Customer‘s impression regarding such products will enhance the tendency to shift towards a product which might be higher in price but projects an image of quality. The domination through costs strategy is specific to organizations which produce and sell standardized products. Boyne (2001) implies a growing attention to maintain this advantage in front of the competitors.

2.3.1.3 Rivalry/differentiation

Firms engage in rivalry to influence the customer's purchasing behavior in their favor. The higher the degree of rivalry, the more difficult it is for existing firms to generate high profits. The most prominent factors that affect the intensity of firms' rivalries are numerous competitors, slow industry growth, high fixed costs, and lack of differentiation, high strategic stakes and high exit barriers. The aim is to capture the customers of their rivals, develop potential customers as well as competing for sales to shared customers. This option fragments the business activities into a disconnected set of product offerings. The highest limitation of this approach is that it generates the minimum amount of customer bonding, hence making the incumbent firms most vulnerable to new entrants. Its obsessive concern with competitors often leads to imitation and price war, resulting in rivalry and convergence – the worst of all deals. In spite of the inherent limitations of this strategic position, it is by far the most widely adopted and the default position for those business firms that do not deliberately consider other strategic options.

Rivalry is intensified when the industry as a whole is growing through the addition of new consumers or when the existing consumers are purchasing more of the industry products. Thus intense rivalry among established companies constitutes a strong threat to profitability. The magnitude of rivalry among firm within an industry is largely a function of industry competitive structure, demand conditions and the height of exit barriers in the industry. The competitive structure refers to the number and size distribution of the organisations in the industry. Structure varies from fragmented to consolidated. A fragmented industry contains a large number of small or medium sized organisations none of which is in a position to dominate the market. A consolidated industry is dominated by a small number of large companies or in extreme cases by just one company (a monopoly). The most common competitive structure in Kenya is a consolidated structure – what economists call an oligopoly. The competitive action of Safaricom PLC directly affects the market share of its rivals, forcing a response from them. The consequences can be dangerous competitive spiral, with rival companies trying to undercut each other prices, pushing industry profits down in the process. The demand conditions of the mobile firms tend to moderate competition among the providers by providing greater room for expansion.

Product differentiation grows out of a firm's value chain and can help improve product quality and satisfy some minimal level of customers' needs. All companies must differentiate their products to a certain degree but some differentiate their products to a much greater degree than others and this difference can give them a competitive edge. Some companies simply offer a customer low price product, without engaging in much product differentiation. Others seek to create something unique about their products so that they can satisfy customer needs in ways other products cannot. This uniqueness may relate to the actual physical characteristic of the product such as quality, reliability or it may lie in the products appeal to customers' psychological needs. Firms should assess each value creation function in terms of its potential impact upon differentiation and its being strength or a weakness from a differentiation perspective.

2.3.2 Total Customer Solution strategies on performance

The ultimate goal of any firm is to delight their customers and provide them with products/solutions that are defined by them and not by the business since they are the final arbiter their offering. Many of the global telecom companies have adopted a customer-solution strategy, attempting to provide the connectivity/coverage and feature that are attractive to the customers (Chan-Olmsted &Jamison, 2001). TCS strategy represents a 180-degree departure from the best product positioning strategy. According to Hax (2010) Total Customer Solution strategies offers a portfolio of customized products and services that have are inimitable. Customer-driven quality should be the main focus of any mobile firm since they build value by managing relationships with customers.

To execute this strategy, it demands that the firm be intimately familiar with the customers' needs and desires.Bundling of services is most likely to bring positive impacts on the customer economics either by lowering the customer's internal costs or by allowing the customers to have higher revenue (Jamison 2001). Mobile firms ought to engage a dedicated customer experience team with customer experience specialists for all channels – retail, online, contact center – and have a chief customer officer at a sufficiently high level to ensure that employee recruitment, training and performance management all focus on delivering the optimal customer experience. Following this, total customer satisfaction will be continuously measured and analysed.

2.3.2.1 Customer Economics

In this position, focus is placed on considering the full experience of the customer from the point of acquisition through to the complete lifecycle of ownership of the product and reduces complexity for the customer. This positioning is based upon an intimate knowledge of the customer base leading towards effective customer segmentation and a differentiated treatment of the customers' tiers. In addition to the demand of end-to-end network, customers' no longer view mobile telephony, money transfers service and internet as separate products. As a result, some mobile telecommunications companies are bundling the products into a single price, or giving customers discounts for buying more than one (William & Willow, 1997). The focus here is on the customer‘s economics, rather than the product‘s economics. The telephony services bundling is bound to bring positive influences on the customer economics either by lowering the customer‘s internal costs or by allowing the customers to have higher revenue. A customer-solutions strategic option calls for the development of partnerships and alliances, linking various firms' ability to complement a customer offering. Safaricom PLC and Telkom Kenya are an example of firms expanding horizontally across a range of related services for the targeted customer segment, or bundling.

2.3.2.2 Customer share

Tax, McCutcheon and Wilkinson (2013) have pointed out that customer base is increasingly fragmented and consumers encounter several providers when using services. Improving perceptions of customer service, including factors such as the provision of information, will be central to achieving increased patronage and loyalty. A complete set of products and services offering that fulfill the entire customer needs are customized and provided “One stop shopping for unique solution”. It seeks a dominant position in the “share of wallet of the customers” since customers will judge the value of consumption after contrasting benefits gained from products and services with their costs (Zeithaml, 2008). It is clear that companies that execute certain value-adding strategies can increase customer’s perceived benefits and reducing customer’s perceived sacrifices, which in turn stimulate customer-repurchasing activities and remain in the same service provider.

2.3.2.3 Cooperation

Cooperation takes a consumer-centric perspective to analyze, how consumers construct their journeys with different firms, and also with products, services, persons, co-consumers and communities (Cova & Dalli, 2009). This is outsourcing in its extreme form and presents a complex web of connections with the customers that enhance their ability to do business and use their product. The firm achieves customer share and is regarded as a bundle of competencies that will be brought to the customer to enhance customer economics. This positioning of customer integration represents a powerful competitive advantage, as it increases customers’ costs of switching due to their investments in time and resources (Hax and Wilde II, 2001).

2.3.3 System Lock-in strategies on performance

Finally, the Lock-In Strategic option emphasizes “market collaborators” instead of the product or the customer by addition of economic value to its products or services through attracting, retaining and nurturing complementors (Hax and Wilde, 1999). The SLI suggests that customers choose the business product or service because it is the only one of its kind that satisfies their needs. SLI strategies encompass the entire web of companies that are part of the firm’s network whose strategic strength stems from an extraordinary close linkage between their suppliers and customers. It is the most desirable strategic option with the widest scope and the full economic system.

The concept of customer bonding is essential to this strategic position. Standard are the strongest form of customer bonding. At this stage of bonding both the customers' needs and supplies mesh so well with the business product that they provide a feedback loop that drives new product development and enhancement. A company undertaking SLI effectively could reach the point of locking customers in because of the system and locking out competitors.The SLI addresses the full network as the relevant scope, the gaining of complementor share as the ultimate objective, and the system economics as the driving force. De facto dominance in the market not only guarantees firms a customer "Lock-In" but also a competitor lock-out. The bases for the De facto dominance are the complementors.

The SLI positioning is challenging to actualize since not every firm has the capability to achieve it. However, to establish SLI positioning, two conditions must be fulfilled: the existence of growing marginal returns, and effects of external networks. Given that these are essential to establishing SLI; three possible ways to achieve this positioning should be dealt with along:

2.3.3.1 System Economics

Significant barriers are in place that makes it difficult for competitors to even compete for the acquisition of customers. It is a difficult position to achieve and sustain since a firm assumes de facto monopoly on retail activities in areas and use similar approaches to the retail business by heavily discounting prices in their department stores. The competitors are deprived of access to the customer because the channel has limited capacity to handle multiple vendors. To achieve restricted access, a firm needs to start with a full analysis of the overall delivery system to identify the most constrained points and bottlenecks and to position the business to dominate these points.

Value proposition relates to the outcome of the activities and the value this adds to its stakeholders. The most tangible outcome of any enterprise is embodied in the products and/or services it produces. It can be distinguished by the type of value proposition it offers (to its customers). This proposition is modeled along three dimensions: customer value, system value and product value. Customer value, using logic of customer economics and customer intimacy, provides products or services aimed at offering highest possible value to customers. System value, based on system economics and operational excellence, is aimed at providing highest possible value in terms of excellence of the entire enterprise system. Lastly product value: based on best product; product leadership is aimed at providing highest possible value through technological and product leadership. As described by Porter (1996), the enterprise is wise to focus on one of these value propositions as tremendous efforts are required of the whole activity system in order to deliver a distinctive and sustainable proposition to customers

2.3.3.2 Market Dominance

With this strategy the firm provides an interface between the provider and consumers by offering a unique and customized value proposition that is very hard to displace once it achieves its critical mass. A firm expands into a wide, diversified set of product lines – there seems to be no end to what they can offer to the client. The value of association increases according to the number of individuals that go to the firm to seek, buy, or exchange items.

2.3.3.3 Complementor Share

A complementor is the epitome of the ultimate profit model. It brings the highest margins, the greatest market share, and the most enduring sustainability but it is also the most elusive and most difficult strategic position to capture. A complementor can be understood as a service provider that directly enriches the firm’s offerings, thereby involving itself in the demand for the firm’s products and services. In order to attract, satisfy, and retain customers, the firm also needs to attract, satisfy, and retain complementors, which increases the value of the system due to a stronger participation of its components, all of which benefit from growing returns and expansion (Hax and Wilde II, 2001).

The consumer is drawn to the product because the extensive network of third party complementors that are designed to work with the product. To achieve complementor share, a firm certainly need as a first step to position its approach to the business as the natural choice and the crucial interface between all key participants in the overall system. Integrating disparate pieces in an open system requires adherence to a widely recognized standard. This creates a powerful positive self-reinforcing feedback loop – consumers choose to gain access to the most providers to reach the most consumers. Once has achieved a slight edge, it quickly became the overwhelming choice. We need to achieve the full ownership of the standard to appropriate the major share of value created by its adoption. According to Henderson (2006), there should be at least two more competitive forces in a particular industry, namely "Complementors" and "Political, regulatory and institutional context". Complementors are referred to two businesses with respect to a customer which they sell a product (or products) that complement the product of another company by adding value to them. Political, regulatory and institutional force refers to the guidance and power influence exerted from political parties and professional bodies that might shape the industry.

2.3.4 Performance

Organizational performance is as a result the measure of how well organizations are managed and the value they deliver to customers and other stakeholders and escalates in direct proportion to increases in efficiency and effectiveness. The relationships between variables of interest (such as strategic positioning use in this case) and performance can be influenced by other measures the organization uses internally and how they alter managerial decisions and actions (Devinney, Richard, Yip, & Johnson, 2005). Most empirical studies define organizational performance as the dependent variable to identify what variables may explain or predict its variance (March and Sutton, 1997). Organizational performance is one of the most important variables in the management research and undoubtedly the most important indicator of organizational success. Continuous performance is the focus of any organization because only through performance organizations are able to grow and progress (Corina & Liviu, 2009). Performance provides a new dimension as ‘‘the outstanding measure of relationship of all performance variables influencing an organization’s functioning’’ (Job & Sanghamitra, 2010).

In the world today, majority of the largest mobile telecommunication service providers have tried to make steps towards addressing sustainability (Sonnenschein, Grabowski, Stenger, & Haas, 2009). Heightened competition in the telecommunication industry called for firms to look for alternative strategies that will contribute to the firm performing better than its competitors (Akar & Mbiti, 2010). Therefore, it is important to use an industry comparison approach when making firm performance assessments for organizations sampled from a wide variety of industries. Organisations ought to delineate performance as a process to quantify the efficiency and effectiveness of past strategies, an indicator used to highlight how effective and/or efficient is a strategy and a set of indicators used to quantify the efficiency and effectiveness of a strategic position (Neely, Gregory & Platts, 2005).

Researchers also advocate the benefits of the use of a portfolio of performance measures to promote a balance between all critical success factors of the business (De Waal, 2002; Kaplan & Norton, 1992; Neely, Adams, & Crowe, 2001). A model by Venkatraman and Ramanujam (1986), documented a combination of financial and non- financial and operational performance and which he termed as organizational effectiveness. The study thus emphasizes on the multiplicity and variety of organisational performance measures that can be grouped into a broad set of financial performance, non-financial performance and organisational effectiveness. A key assumption of measurement diversity is that measurement across all critical success factors is necessary regardless of the firm's strategy (Ittner, Larcker & Randall, 2003).

Dess and Robinson (1984) assert that research involving organizational performance must address two basic issues: selection of a conceptual framework from which organizational performance is defined and identification of valid measures to operationalize organizational performance. Goncharuk and Monat (2009) found that the key performance indicators in a company may include parameters such as a customer satisfaction index, revenue growth, profit growth, total or partial measure productivity, percent on-time shipment or rate of new product introduction.

Porter (1985) argued that the objectives of business units need to be established to reflect the goals of the overall organization. Porter adopts multi-constituency, multidimensional perspective of organizational performance. Freeman (1984) proposed that for an organization to accomplish its objectives, it had to utilize its relationships with stakeholders to accomplish both organizational goals and stakeholder goals. Stakeholders are not considered organizational constraints. Rather, they are a resource to accomplish organizational objectives. This requires satisfying at least the minimal interests of all stakeholders. Freeman's perspective is both multi-constituency and multidimensional.

Richard, Devinney, Yip & Johnson (2009), outlines multi-dimensionality of organizational performance as the product financial performance, market performance and shareholder returns. These dimensions are viewed through the resources and strategic choices available to each firm, time series implications and the stakeholders' expectations (Richard, Devinney, Yip & Johnson 2009). According to Paauwe (2004), performance needs a more encompassing and sophisticated definition, one that takes into accounts the pluralistic / multidimensional nature of the concept. He exemplary introduces following areas of measurement: profit, market value, market share, sales increase, productivity, product/service quality, customer satisfaction, development of products/ services, future investments. Allen and Helms (2002) posits that performance can also be measured in three dimensions –

effectiveness, efficiency, and adaptability. Many researchers have used a wide variety of both subjective/objective and financial/nonfinancial measures to quantify a firm’s performance (Enida & Vasilika, 2014).

Performance, being a complex and a multi-dimensional concept, implies multiple performance indicators such as business performance, organisational effectiveness and financial performance. (Neely, 2005). Performance can be measured quantitatively and qualitatively. Ittner and Larcker (2003) stated that non-financial measures are better performance indicators in the service industry than financial measures. This is because non-financial measures are better measures of value and motivation which complement short-run financial figures as indicators of long-term goals. Performance is regarded as an output which is aligned to objectives or simply profitability and is explained in terms of expected behavioural output and also results. Ittner and Larcker (2003), claim that a firm’s performance should not be measured by financial performance but also operational and market indicators.

According to Barney (2011), a firm’s performance superiority is not from one source but from a package of resources both tangible and intangible. Thus, differences in firm's performances across time are driven primarily by their unique resources and capabilities rather than by an industry's structural characteristics (Currie, 2009). Hoque and James (2000) measured organizational performance by evaluating return on investment (ROI), margin on sales, capacity utilization, customer satisfaction, and product quality. Later, Hoque (2004) adapted a well-tested Govindarajan’s (1984) questionnaire and assessed 12 dimensions of organizational performance (i.e., operating profits, ROI, sales growth rate, market share, cash flow from operation, new product development, market development, R&D, cost reduction programs, personnel development, workplace relations and employee health and safety) over a three-year period. There appears to be agreement in the literature that there is a need to operationalize organizational performance as a mix of financial and non-financial measures.

Sustained performance is achieved by positioning the firm in the market by delivering the right product and services as defined by the market and the customers. Consequently the ever changing environments may necessitate the firm to be responsive in meeting customers’ needs and remain relevant by adapting and transforming in order to sustain performance. In summary for and organisation to be effective, a performance process should be based on a model or system that integrates both financial ratios and non-monetary indicators, because, according to the authors Kaplan and Norton (1992, 1995) non-financial indicators are able to better reflect the organization's performance against financial indicators. Integrating the indicators necessary because by doing so, organizations have the ability to determine whether the objectives have been achieved, to assess their performance and develop future initiatives to improve their performance The critical importance of this research is how the organizational performance is quantified, as a dependent variable, and is examined as influenced by a number of independent variables.

2.3.4.1 Financial Performance

Financial performance is a subjective measure of how well an organization can use assets from its primary mode of business and generate revenues (Greenwood & Jovanovic, 1990). This term is also used as a general measure of a firm's overall financial health over a given period of time, and can be used to compare similar firms across the same industry or to compare industries or sectors in aggregation. The ratios in study were computed for the last five financial years. Under profitability ratios three ratios were computed, the return on asset, return on equity and return on investments. Profitability is the revenue realized in excess of costs incurred while sustainability may be represented as a number of objectives to be maximized or minimized. The volume of business performed by a firm is directly related to its strategic positions which in turn affect its performance and subsequently its profitability. Under liquidity ratios, current and quick ratios were computed while under market ratios the earning per share was computed. Under efficiency ratios, inventory turnover, receivable turnover and asset turn over ratios were computed.

Telecommunications sector are now more than ever focused on growing the company’s bottom line and on creating value to their shareholders. Their function is no longer seen as a pure cost centre (a “necessary evil” to avoid unacceptable bad debt and losses) but it is seen a genuine profit centre (Experian survey, 2014). Although this was not the primary focus of the researcher, a general overview was necessary to evaluate the operation of the company and its financial activities.

2.3.4.2 Profitability Measures

Profitability indicators measure the institution’s net income in relation to the structure of its balance sheet and they are helpful to shareholders and management in determining whether the institution earns an adequate return on the funds invested in it (Ledgerwood, Joanna & White, Victoria, 2006). Furthermore if a company strategic position holds promise for being durable and sustainable (as opposed to just temporary) then so much the better for both the strategy and the company's future profitability. Sustained performance is key to above average profitability and financial performance because strong customers preference for the company's products offering translates into higher sales volume and the ability to command a higher price thus driving up earnings, return on investment and other measures of financial performance.

The basic frame for linking performance to profitability in the telecommunication industry can be explained by Hax and Wilde (2003). Strategic positioning through activities that drive profitability is achieved through sustainable advantages of the firm's strength and weakness. The external factors to the firm explain factors affecting industry profitability in opportunities and threats. The most useful indicators measuring how well any mobile telecommunication manages its assets for a purpose of generating income are: Return on Equity (ROE) and Return on Investment (ROI). These are good indicators of the financial health of an organization since they measure how efficiently businesses are utilizing their assets and the value they are returning to shareholders on their investments. These indicators are submitted to observation along a period of time in order to detect the tendencies of profitability.

Return on Equity or return on capital indicates how well a firm has used the resources of owners. It reflects the extent to which a satisfactory return to owners has been accomplished. The ROE of the company should be compared with the ratio for other similar companies and the industry average. This will reveal the relative performance and strength of the company in attracting future investments. ROI is the most versatile and simple metric since it blends all the ingredients of profitability (revenues, costs, and investment) into a single percentage and may be compared to other ROI's both inside and outside the firm(Pandey, 2000).

2.3.4.3 Liquidity measures

Liquidity ratios show how quickly the organisation can meet its short-term obligations using its current assets.The measure comprises of current and quick ratios.The current ratio shows the ability of the organisation to pay its liabilities, i.e. debts and payables during the period. It is computed as (Current Assets/Current Liabilities). A current ratio that is greater than two times indicates that the firm has not utilized its funds well thus tying it in cash. The quick ratio; As an alternative to the use of the current ratio, which may include financial statement items that are not easily liquidated and have uncertain liquidation values, the quick ratio does not include inventory in the computation of liquidity. Generally, the ratio should not be less than 1:1. It is computed as; (Current Assets-Stock)/Current Liabilities. When the quick ratio is less than 1 times, it implies that should an emergency occur the firm could not meet that obligation. It thus checks how the firm can sustain its current obligations on a daily basis. Pandey (2000).

2.3.4.4 Efficiency Ratios

Efficiency ratios also called activity ratios measure how well companies utilize their assets to generate income. These ratios involve a relationship between sales and assets. Efficiency ratios often look at the time it takes companies to collect cash from customer or the time it takes companies to convert inventory into cash—in other words, make sales. A proper balance between sales and assets generally reflects that assets are managed well. Accounts receivable turnover is the ratio of net credit sales which are expected to be converted into cash over a short period. Inventory turnover indicates the efficiency of a firm in producing and selling its products. Asset turnover ratio shows the firm’s ability in generating sales from all financial resources committed to total assets. Trend analyses assisted in making comparative study of the changes in the items or groups of item over a period of time and to draw conclusion. The results are included in the data analysis section. Pandey (2000)

2.3.4.5 Non- Financial Performance

Although financial indicators are still significant factors for performance measurement particularly in the intense competitive environment, these indicators are no longer the main determinant of sustained performance. Within this new environment, non-financial indicators are heavily based on common sense, intelligence and creativity. Non-financial measures could lead an organization to higher performance as the diverse set of measures reduces problem of sub optimization, i.e., trying to improve one measure at the expense of others. Product quality, customer and employee satisfaction, business operations as well as shareholders satisfaction, collectively known as non-financial indicators have become an important measure as well.

As non-financial are more forward looking, less aggregate and closely related to the business operations, they are able to modify the focus of the manager as well as aid the directors in making better strategic decisions. A good reputation of a company among its key stakeholders such as customers, suppliers, and financiers as well as present and prospective employees enables it to attain its goals easily (Best, 2009). Brands that are easily recognized, new and innovative products, success rate, favorable positions in the market and adapting to changing conditions of the environment are components imperative to non-financial measures.

Although non-financial measures are increasingly important in decision-making and performance evaluation, companies should not simply copy measures used by others. The choice of measures must be linked to factors such as corporate strategy, value drivers, organizational objectives and the competitive environment. In addition, companies should remember that performance measurement choice is a dynamic process – measures may be appropriate today, but the system needs to be continually reassessed as strategies and competitive environments evolve (Ittner & Larcker, 2003).

2.3.5 Competition regulation

The need for industry regulation varies depending on the circumstances of the prevailing innovation and technological business environment. Intven, Oliver, & Sepulveda(2000), describes regulatory objectives as to "Promote universal access to basic telecommunication services; foster competitive markets to promote; where competitive markets do not exist or fail, prevent abuses of market power such as excessive pricing and anti-competitive behavior by dominant firms; create a favorable climate to promote investment to expand telecommunications networks; promote public confidence in telecommunications markets through transparent regulatory and licensing processes; protect consumer rights, including privacy rights; promote increased telecommunications connectivity for all users through efficient interconnection arrangements; optimize use of scarce resources, such as the radio spectrum, numbers and rights of way."

Buckley (2003) perceives regulation as a process of developing, agreeing, setting, evolving and enforcing rules of conduct and engagement, with the aim of encouraging desirable outcomes, or to remedy proven problems. These elements are the government way of inducing mobile telecommunication firms to act in line with its socio-economic pursuits. Proponents of regulation believe it restricts firms' behaviour and prevents undesirable market outcome (James, 2000).

It is reasonably common for the regulator to fall into the trap of either "regulatory capture" or "political capture". Regulatory capture is evidenced when the regulator sympathizes with any of the firms it is regulating. Political capture takes place when regulatory goals are altered to serve political ends, e.g. the re-election of the government or in non-democratic countries the pleasing of the government to maintain government positions. Both types of capture are at the expense of consumers and, ultimately, at the expense of overall welfare (El-Haddad, 2017).

Telecom regulators all over the world have a common goal to create a level playing field for all operators in the industry and to protect the consumer's rights by ensuring proper services from service providers. The industry regulator, Competition regulation of Kenya (CAK) is the main regulatory body mandated to promote, develop and regulate information and communication services and moreover to protect consumer rights within the communications environment. Its success in Kenya as elsewhere depends on the willingness and ability of the government to provide regulatory and legislative environments that promote progress of telecommunications infrastructure and service provision that will guarantee increased service quality as well as higher penetration levels. Therefore it could be argued that the policies and regulations are benefiting consumers and more importantly, in the long term, will give more people access to the market (Esselaar, Gillard & Stock, 2006)

The competition regulator, Competition Authority of Kenya (CAK) is for responsible for regulating competition across all economic sectors in the country, and is established under the Competition Act, No. 12 of 2012, to mandated to *inter alia*, promote and safeguard competition in the national economy, and to protect consumers from unfair and misleading market conduct (Section 7, Competition Act No. 7 of 2010). The CAK is also mandated to negotiate agreements with any regulatory body with which it has concurrent jurisdiction in respect of any conduct regulated under the Act in order to identify and establish procedures for management of concurrent jurisdictions (section 5(3) of the Competition Act.

The regulatory authority in the mobile telecommunication applies "ex ante" or "ex post" regulation (Blackman & Srivastava, 2011). With "ex ante" regulation, the CA applies measures (e.g., price control, entry terms etc.) along the structure of the industry while anticipating actions of industry providers. Parts of the regulations require dominant players in the industry to report to the regulator before revising pricing. The "ex post" regulation on the other hand uses fines and sanctions to deal with specific conduct and rule violation (Blackman & Srivastava 2011).

The Competition Authority of Kenya (CAK), which was established to manage the competition for the entire economy ex-post has the principal jurisdiction in regard to competition and consumer welfare matters. One way to ensure efficiency on customers is to encourage competition. To take advantage of the positive effects of competition, CAK must guarantee appropriate interconnection agreements between competitors and the incumbent firm.

Both parties thus must be clear on matters such as points of interconnection, cost responsibilities and pricing. The objective of the sector regulator and the competition regulator in a regulated industry is to improve economic performance by preventing market power and avoiding inefficient regulations (John, 2006). The Sector performance is the result of a combination of factors: regulatory governance and incentives, competition, ownership, and political stability. Analysts argue that special attention must be given to establishing stable and independent regulatory agencies that promote credibility for investors, legitimacy for consumers, and result in more efficient sector performance (Kerf & Smith 1996). The enforcement side of policy management in regulation by the parties should be able to implement controls QoS (is there enough capacity to support this new service), Universal Access and Service (is the customer allowed to use this service) and interconnections and operability.

2.3.5.1 Influence of interconnection and interoperability on performance

Mobile firms should be committed to ensuring that their products and services works well with many other platforms and systems, without requiring customers to spend extensive resources on systems integration. This commitment to interoperability improves information sharing, reduces computing costs and extends the benefits from past technology investments. According to the Consultative Group to Assist the Poor (CGAP), some of the most common issues related to interoperability in mobile money transfer are: Platform interconnection – enables customers of one mobile money service to send and receive money from customers of another service, agent level interoperability – allows agents of one mobile money service to provide such services to customers of another service and finally Customer level interoperability – refers to customers being able to access their account using any SIMcard. The requirement for interoperability is essential in ensuring mobile payment ecosystem enhances competition by way of improving the quality of service provisioning and lowering of costs of transacting through this service.

2.3.5.2 Influence of quality of service on performance

According to Competition regulation and Consumer Public Affair (2014) brochure on Consumer Education Programme, the term quality of service (QoS) describes the level of performance (guaranteed or achieved service quality), i.e. the service support, service operability, serveability and Service security. The international telecommunication union – telecommunication (ITU-T) describes QoS as “The collective effect of service performance which determines the degree of satisfaction of a user of the service” (ITU-T, 2014). A consumer is entitled to expect the following levels of service; value for money, ease of the use of product or service, professionalism, flexibility in the use of the product or service, performance of the product or service according to expectation and as specified, reliable service which fulfills the needs of the consumer as specified and privacy. However regulation can also play a major role in quality of service, but should be applied carefully. In some cases, it can create further restrictions, which can affect the cost of the service, its quality and even competition (GSMA, 2016).

Lack of connection capabilities or quality in places where the customer requires service can cause customers to abandon their current carrier in favor of one with broader reach or a more robust network (Peppard & Rylander, 2006). By demanding a certain quality of service a consumer is empowered to select the best service provider that satisfies their specific needs, get optimum value for their money, maintain informed consent and evaluate the service level agreements (SLA) correctly (CA & CPA, 2014). Ultimately, by providing a certain QoS, the provider is also empowered to qualify the pricing structure, follow and promote the “best practice” within the industry, accurately scale capacity load to meet optimum demand, differentiate the level of quality offered in relation to that offered by their competition and ultimately judge the level of service delivery and make any adjustments that may be required (CA, 2014).

QoS is a major factor in ensuring optimum consumer/provider relation and can be evaluated by the consumer, the service provider and the CA. The mobile service quality can be influenced, e.g. by network delay, jitter and packet loss (ITU-T, 2014). The standards and setting of targets for optimum performance generate such information which maintains or improves delivery of QoS, enables consumers to make informed choices, enables the providers to ensure optimum continuity of service, ensures cooperation of fair competition; facilitate such consideration as billing service response and call set up time. Consequently the

CA is also enabled to define optimum quality levels in relation to such considerations as ensuring the interconnection and interoperability of all networks and service (CA & CPA, 2014).

2.3.5.3 Influence of universal access and service on performance

This refers to the availability of the telecommunication networks to every citizen within a distinct location and is defined within the context of the countries' social and economic conditions, imperatives and market maturity (Falch, 2009). The defined location could be a country, province, local area or even a continent depending on the terms of reference (Falch, 2009).

2.4 Critique of the reviewed literature and identification of the knowledge gap

This part highlights the knowledge gap identified in the foregone sections by the researcher as he reviewed related literature. The knowledge gap manifests it selves in conceptual, contextual, and methodological aspects. The strategic positioning school theory is biased towards the big, the established, and the mature industries and firms. It reflects itself in a bias toward conditions of stability that are normally found in the larger industries. It does not take account of the smaller firms that would be operating in a fragmented industry that is highly unstable. Industries structure also keeps changing requiring much faster speed of response in strategy. The positioning school takes note of the external conditions affecting the firm but does not mention the importance of internal capabilities to actualize the strategy.

From the reviewed literature, it has come out strongly from several researchers that strategic positioning has positive impact on individual performance indicators. The varied results and alternative opinions from different researchers are mainly as a result of lack of comprehensive analysis of multiple performance indicators. It is challenging to guarantee the scientific reliability of the applied models and theories since they can only constitute a framework that makes room for the researcher's reflections.

The study intends to take a departure from the previous studies and incorporate multiples performance indicators and delves into the effect, degree and extent of the relationship that has not been addressed. The paucity of these subscales in those studies is addressed by this comprehensive study. Although the model on positioning is not mutually exclusive, firms could decide on a blended position strategy. The researcher explains that distinguishing among them provides a useful way of understanding and analyzing them differently.

Architect of the delta model proposed an enhancement of the combined views by proposing the importance of the customer as the missing perspective. It explains most of the salient features of the porter's generic strategies in addition to proving some extensions of the theory rather than an entirely new principle. Hax and Wilde argue that the generic strategies by Porter do not provide the necessary guidance and support for decision making in a world of change, complexity, and uncertainty. Instead of best-product solutions, like cost leadership or a differentiation strategy, the Delta model is based on customer economics and customer bonding. However, the Delta model does not focus on competition. Consequently, a negative of the Delta model is price, as putting the customer first and building an immensely strong customer rapport may mean that the company will struggle to increase prices (Frank, 2015).

The main argument goes that a firm can only be sustainable if it is able to deliver superior or distinctive value to customers and/or other stakeholders over time. It should therefore aim to occupy a position in industry that is significantly different than that of competitors. In this sense, firms should determine their position in its environment by establishing value exchange relationship with customers, markets, industry, suppliers and competition.

Evidence from the literature review shows that much of the previous researches have concentrated on Michael Porter strategies and used only correlation analysis in their methodologies. This study covers an additional important concept of a moderating variable and the Hax Delta Model that is configured as a customer centric theoretical framework. More so the performance indicators applied are also broad capturing financial and non-financial aspects. This makes the study even more comprehensive. In Kenya, few studies within the field of strategic management have looked at the said relationship among the mobile telecommunication industries. A comprehensive review was carried out that filled the literature gap both empirically and theoretically, within the empirical setting of Kenya. Identified gaps as seen to identify strategic options on the positioning of the companies in mobile telecommunication, and can be used for new studies that prove the strategic positions on sustained performance of the industry.

Consequently, much of the empirical reviews have tended to study cost leadership and differentiation within specific segments rather than at the overall industry level. While a review of the existing literature on this area demonstrates wide-ranging relationships between strategic positioning and performance, little has been done to examine their performance from a delta model perspective, which covers much more than previous studies. Additionally, the aspect of position-competition-performance link has not been considered in prior research. It is evident from the aforementioned that there is a problem regarding performances in the telecommunication industry, so far in Kenya. These trends and pressure shifts emphasis on customer oriented service that did not exist before, where customer needs become the central focus of the service provider’s activities.

Table 2.1: Empirical studies and knowledge gaps

Researchers	Focus of Study	Methodology	Findings	Knowledge Gaps	How Current Study Addressed the Gaps
Chew, C. & Osborne, P.S (2006)	Strategic Positioning In Voluntary And Non-Profit Organisations In The Charitable Organisations In The United Kingdom	The study adopted inductive methodology and exploratory postal survey. A sample size of 95 Charities was used.	It established that a combination of external environment and organisational factors influenced their choices of positioning strategies.	The operating environment in which UK charities operate have become increasingly competitive and challenging in the new millennium thus there was an urgent need for a good model to help charity managers understand and develop their organization's' Strategic positions.	This study focused on strategic positioning of mobile phone telecommunication companies in Kenya with Hax Delta model being the very first attempt to depict its various influences on them.
Heikkurinen P. (2009)	Strategic Positioning With An Environmentally Responsible Image.	Aspects of (responsible) business were excluded, such as cost efficiency. Multiple case studies and quantitative testing of the model were propounded	The study revealed that a company that becomes environmentally responsible can rip easy cost benefits, both in short and long term, by using their resources efficiently.	This model/study focused on the strategic positioning through image differentiation, and in particular with environmental responsibility with a model building approach.	This study covered mobile phone telecommunication companies in Kenya and focused on the industry's financial dimensions that influence successful strategic positioning over a three year period.

Mariana, D. (2003)	Industry Dynamics and Strategic Positioning in the Wireless Telecommunications Industry: The Case of Vodafone Group Plc	This study deployed mainly secondary data.	The findings demonstrate that wireless communications firms are forced to build competitive advantage reaching beyond their core capabilities and business activities and entering new market segments of the information technology industries associated with future growth.	Industry evolution. Insights into industry dynamics can identify directions of migration and thus, an approach to future strategic direction. The study tracks how a firm adjusts resources and capabilities over time to cope with the shifts affecting its industry.	This study applied primary and secondary data to be obtained in order to verify the results and achieve more in-depth insights with both financial and non-financial aspects.
Munene M. W. (2013)	Strategic Positioning And Organizational Performance Of The Top Five Oil Companies In Kenya	The adopted cross sectional survey research design using self-administered questionnaires.	The study found out that differentiation strategy, costing and promotion, perceived quality of service and pricing strategy were used by the companies to improve their performance.	The researcher has not come across studies that have been conducted on the strategic positioning on organizational performance in the oil industry.	The research offers a competitive approach as a moderating variable by drawing on industry's multi-dimensional perspectives to explain their significance and influence to improve performance

Kasyoka, M. N (2011)	Use Of Strategic Positioning To Achieve Sustainable Competitive Advantage At Safaricom Limited	Case study research was used. Face to face interviews were used Content analysis was employed to process the collected data.	Cutting edge technology was helping Safaricom limited in achieving a sustainable competitive advantage. The study found that resource based view in Safaricom PLC was highly influencing the achievement of a sustainable competitive advantage.	The study focused on strategic positioning achieving sustainable competitive advantage at Safaricom PLC only.	This study focused on the four mobile phone companies and their determinants of successful strategic positioning in the mobile telecommunication industry in Kenya and keenly focused on both independent and moderating variables.
Anyango, M. O &, Ragui, M (2012)	The Role of Strategic Positioning On Products Performance in the Telecommunications Industry in Kenya	Descriptive research design was used A questionnaire and content analysis was used in processing of qualitative data. Multivariate regression analysis was applied.	The study found that combining strategic resources was influencing products performance in the telecoms industry in Kenya most, followed by multiple products, research and development and firms' marketing strategy.	To identify with the cornerstone that comes with successful strategic directions by creating their fundamentals on the basis of strategic positioning.	The study took a holistic approach of operating profits, ROI, sales growth rate, market share, cash flow from operation, new product development, market development, R&D, and cost reduction programs.

Tharamba, T. M., Rotich, G., & Anyango, W.(2017)	Effect Of Strategic Positioning On The Firms Performance In The Telecommunications Firms In Kenya: A Case Of Safaricom Limited	This research study considered a descriptive research design using a census approach. A multivariate regression analysis was used	The study established that marketing, R & D, resource availability and multiple products had a positive influence on the organizational performance in the telecommunication industry in Kenya.	A direct relationship between strategy and performance, the influence of Strategic positioning has not been investigated financial performance.	This study borrowed the thinking of other researchers in the context of determinants of strategic positioning from the entire industry perspective in Kenya.
Kosgey (2013).	Determination Of Strategic Positioning Of Newly Chartered Public Universities In Kenya	A case study design with questionnaires was used to collect data.	The results indicate that leadership, organizational culture, technology and possession of the unique resources are key determinants of successful strategy implementation. Involvement of the stakeholders at the point of strategy formulation is fundamental for it promotes ownership of the strategy plan.	The study focused on determinants for successful strategic positioning implementation in Public Universities in Kenya.	This study focused on determinants of successful strategic positioning and implementation in Kenya and the mobile phone telecommunication industry keenly focusing on customers as the chief stakeholders.

Nyakondo (2010)	The Effect Of Strategic Positioning On Organizational Performance In The Banking Industry.	This study was carried out through a descriptive research also known as survey design.	He found out that some banks had adopted mobile banking to a moderate extent with emphasis on the implementation of mobile banking as a method of strategic positioning as a source of revenue, image and to increase customer satisfaction..	A knowledge gap still exists on the challenges facing the implementation of Strategic Positioning in Commercial banks in Kenya.	The study employed the concept of strategic positioning from the mobile phone industry to place themselves positively in the competitive environment
Okoth, C. A (2015)	Strategic Positioning And Performance Of Insurance Firms In Kenya	The study adopted a cross sectional descriptive survey design. Pearson correlation analysis technique was used.	The study established that well positioned firms were perceived to be closely aligned to the needs of their target segments, both current and emerging	Studies on strategic positioning and performance in the Insurance Firms In Kenya are scarce and therefore this study will add more knowledge into gap on how positioning strategies affects their performance	This study focused on strategic positioning the mobile phone companies in Kenya and will also add more knowledge into gap on how positioning strategies affects their performance
Gichungu, J. M. (2012)	Strategic Positioning As A Basis Of Building Sustainable Competitive	A case study was used. The study used both primary and	It can be concluded that the return of Uchumi supermarkets to its lost glory has	No research has been done to establish the strategies that can be applied in the supermarket sector to gain	This model is the first attempt to depict the various influences on strategic positioning for

	Advantage In Uchumi Supermarkets In Kenya	secondary data. Content analysis technique was used to analyse the data	been made only possible by use of proper strategies.	and sustain a competitive advantage especially through sustainable strategic positioning.	mobile phone companies delineating performance as a process to quantify the efficiency and effectiveness of their past strategies.
Theuri, I (2003)	Strategic Positioning Of Promotional Marketing Firms In Kenya	Questionnaires were self-administered through personal interviews Correlation analysis was used	Differentiation was the most popular strategic position taken by most organizations	Promotional marketing industry is very young Anticipated market growth and industry profitability played a key role in motivating entry in the sector, which faced constant business seasonality.	A mix of subjective/objective and financial/nonfinancial measures to quantify efficiency and effectiveness of a strategic position in a mobile companies firm's performance was used.

Source: Secondary Data (2017)

2.5 Conceptual Framework

According to Kombo and Tromp (2009), a conceptual framework is a set of broad ideas and principles taken from relevant fields of enquiry and used to structure a subsequent presentation. The conceptual framework forms part of an agenda for negotiation to be scrutinized, tested, reviewed and reformed as a result of investigation and it explains the possible connections between the variables (Smyth, 2004).

Conceptual Framework

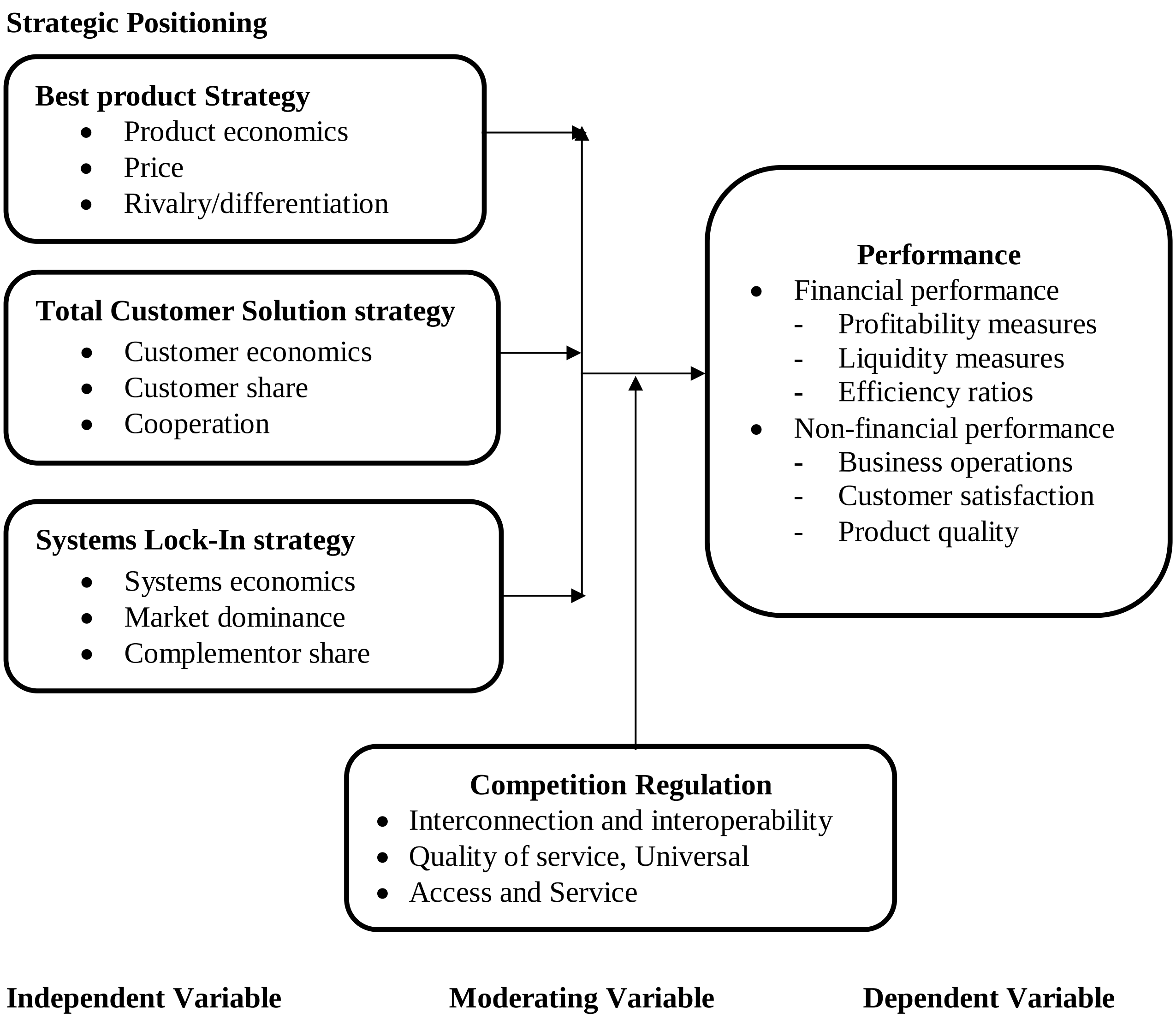


Figure 2.2: Conceptual Framework

The conceptual framework for this study, as presented in Figure 2.2, examines the link between strategic positioning and performance with competition regulation as the moderating variable. The moderating variable is a second independent variable that was included because it is believed to have a significant contributory or contingent effect on the original independent variable and dependent variable relationship.

This framework identifies three categories of variables that have direct or moderating effects on firm performance, in conjunction with, strategic positioning as the independent variable being manifested by (1) Best product strategy, characteristics that describe a product's features relative to competitor products or, in the case of a new product, relative to the firm's current products; (2) Total Customer Solutions strategy, as a measure of how products and services supplied by a company meet or surpass customer expectation and (3) Systems Lock-In strategy, which is to lock customers in and outcompete other players. These are variables constituting firms strategic positions, hence, the independent variables. The strength of the relationship between performance and each of the strategic positions dimensions may vary depending on industry characteristics, customer characteristics, or the type of performance measure used. The effects of these independent variables were hypothesized to influence performance.

Performance is the dependent variable in this study. The resultant effects measured performance along multiple dimensions, rather than on any single dimension. Multidimensionality implies indicators of different dimensions can be used interchangeably, since they represent different aspects of firm performance. Strategic positioning may also have different impacts on each dimension. Thus, in arriving at a measure for performance, the degree of importance of each dimension were used as weights, with performance on each item being weighted by the relative importance of each item. The items comprising this scale were divided into two subscales, financial performance and non-financial organizational. In addition, the relationship between firms strategic positions and performance were modified by moderating variables namely; the competition regulation. An effective regulatory environment was influenced by the incorporation of interconnection, Quality of Service and Universal Access and Service. These three regulatory factors were considered vital to the consumers and the industry at large and may be impacted and moderated by those characteristics.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

The purpose of this chapter is to develop a methodology to answer the research hypotheses. This chapter further develops the study by expounding on the research philosophy, the target population, data collection instruments and data analysis techniques applied. The validity and reliability as well as credibility and dependability of the data collection instruments and ethical considerations that applied in the study are also clarified.

3.2 Research Philosophy

Research philosophy relates to the development of knowledge and the nature of that knowledge is grounded on the methodological rationality and criteria for a research study (Crotty, 2003). Research philosophy constitutes a way of looking at the world and interpreting what is studied and therefore an indication of how research ought to be conducted and to what degrees of involvement and interpretation (Rubin & Rubi 2005). The researcher adopted a positivist epistemological research philosophy which is an objective-based method and could be used to test a hypothesis from existing theories. Saunders, Lewis, and Thornbill, (2009) affirms that through positivism, the researcher is concerned with facts and not impressions. The philosophy merited the application since the researcher believed that strategic positioning on performance in the data can be defined objectively through the use of established theoretical frameworks and structured instruments to assess and analyze it, upon which generalizations can be made from the findings. A pragmatism approach by use of multiple method design was applied using quantitative methods. In line with Bryman (2006), survey served as the main quantitative data collection method, supplemented by key informant interview as the qualitative data collection method.

3.3 Research Design

Research design is basic plan and or a framework that guides the data collection and analysis phase. According to Sekaran and Bougie (2010), the research design addresses important issues relating to a research study to ensure effective addressing of the research problem to obtain answers to research questions, location of the study, type of investigation, extent of researcher interference, time horizon and the unit of analysis. It is also the link between the philosophical paradigm and discussion adopted for the study (Jwan & Ongondo, 2011). In view of this, the researcher adopted a mixed method approach design made of explanatory research design and cross-sectional survey design. Explanatory research design served to test hypotheses derived from the theory and thus tested causality between the independent and dependent variable to determine their significance (Saunders, Lewis & Thornhill, 2009).

Cross-sectional surveys design was used to collect data at one point in time from a specified population in documenting associations between variables and the causal processes that gave rise to those associations (Saunders, Lewis & Thornhill, 2009). As the current study was concerned with the field of strategic management behavior, a survey strategy which is associated with a deductive approach to data collection was adopted due to its ability to empirically measure characteristics under investigation, which has wide and inclusive coverage. This approach to specifically address the research question on strategy related issues is most commonly used in business and management research according to Baker and Foy (2008). Furthermore Zikmund (2003) considers a survey to be a means of quick, inexpensive, efficient and considerably accurate assessment of information about the population, which suited the research environment of the researcher.

This study employed a mixed method approach, which involved both qualitative and quantitative research methods for purposes of triangulation hence aid to increase the breadth and depth of understanding (Johnson, Onwuegbuzie, & Turner 2007). These methods were integrated for purposes of providing a more comprehensive picture of the mobile Telecommunication industry than either method would alone. Using a deductive approach, quantitative research seeks to establish facts, make predictions, and test hypotheses that have already been stated. Yates (2009) argues that qualitative methods, especially survey work, are one of the major ways in which researchers collect information upon which policy decisions are made, as such the researchers deemed it fit to use these methods. Qualitative methods were used to elaborate, illustrate, enhance and clarify findings from the quantitative investigation. In recognition of the fact that no single design exists in isolation, Saunders, et al, (2007), postulate that combining different designs in one study enables triangulation and provides stronger substantiation of constructs.

3.4 Location of the Study

The area of study was Nairobi County which serves as the capital city of Kenya and with a population of more than four million thus being a major contributor to the economy. The rationale for choosing Nairobi County as the area of study was the existence of mobile telecommunication headquarters.

3.5 Population of the Study

Population refers to the entire group of people, events, or things of interest objects having common observable characteristics that conform to a given specification that the researcher wishes to investigate (Babbie, 2011).The target population consisted of four mobile operator companies: Safaricom, Airtel Kenya, Telkom Kenya and Equitel that are categorized by the Competition regulation as mobile telecommunication companies. In view of that, the respondents for this study were the 343 managers drawn from these four mobile firms in Nairobi, Kenya. This included 1 key informant (CEO) who was considered as expert sources of information.

3.6 Sampling Procedure and Sample Size

According to Leedy and Ormrod (2010) a sample is an individual person or a social group of the chosen population or individual units of analysis that form the basis for sampling. Sampling methods allow for representative cross-sections to be identified or targeted. The study sample, being a subset of the targeted population is an element from which the information was gathered to solve the research problem. Proportionate stratified random sampling was employed because the sampling frame was not homogeneous since the sample contained subgroups thereby necessitating a fair representation of these sub-groups in the sample size (Ahuja, 2005). The study applied proportionate stratified random sampling technique to select the required sample from the target population of 343 managers, drawn from the three strata of top, middle and lower-level managers of the mobile telecommunication companies in Kenya. Advance knowledge of the of the key informant population characteristics was used to select them for the interview using the purposeful sampling. They were hence deemed a vital source of information in this study representative of the mobile telecommunication industry.

3.6.1 Sample size determination

The researcher using probability sampling had a significant measure of control over each stratum sample size proportionate to total population. In this way, the researcher could draw inferences about specific subgroups. The sample size was obtained using the formula propounded by Nassiuma (2000). Nassiuma suggests that the coefficient of variation should range between 21% and 30% while the standard of error margin should be between 2% and 5%.

$$n = \frac{\mathrm{N}C^2}{C^2 + (\mathrm{N}-1)e^2} \ldots\ldots\ldots\ldots\ldots\ldots (1)$$

Where;

n= Sample required

N=Total population size

C=Coefficient of variation

e^2 =Standard error which in this case is 0.02

$$n = \frac{343 * 0.30^2}{0.30^2 + (343 - 1)0.02^2} = 142$$

The margin of error was 5%: being the amount of error that could be tolerated: while the confidence level being 95% was the amount of uncertainty that was tolerated (Nassiuma, 2000).Thirty percent coefficient of variation was used to ensure that the sample was wide enough to justify the results being generalized. Higher coefficients of variation were used to embolden a larger sample. Using formula (1) the study sample size for the mobile telecommunication managers was 142 as seen in Table 3.1.

The corresponding sample size distribution of the respondents was as shown in Table 3.1 using the following formula:

$$n_i = \left(\frac{n}{N}\right) N_i \ldots\ldots\ldots\ldots\ldots\ldots (2)$$

Where: $n_{i} =$ sample size in the stratum,

n = Total sample size;

N = Total population size (343),

$N_{i} =$ Number of respondents. (142)

Table 3.1 Sampling Frame and Sample Distribution

Mobile Network Operator	Management level	Stratum Population(N)	Sample Size(S)
Safaricom	Top	10	4
	Middle	39	16
	Lower	66	27
Airtel Kenya	Top	8	3
	Middle	30	12
	Lower	58	24
Telkom Kenya	Top	6	3
	Middle	21	9
	Lower	48	20
Equitel	Top	4	2
	Middle	22	9
	Lower	31	13
Total		**343**	**142**

3.7 Instrumentation

Bryman and Bell, (2007) contends that questionnaires concern two primary issues: the extent to which the questions asked in the questionnaire adequately cover the various aspects of the research problem(s) and whether they do so with sufficient detail. Converse and Presser, (1986) presupposes questionnaires that have a natural and logical order, combined with good overall presentation, can improve the response rate. Shaping the research methodology, the researcher particularly generated a multifaceted research questions to address the study.

3.7.1 Self-Administered Questionnaire

This study used two research instruments to collect data: questionnaire and an interview guide According to Kothari (2004), while deciding about the method of data collection to be used for the study, the researcher should keep in mind the type of data to be collected. Copper and Schindler (2003), state that structured questions help in getting as much information as possible from the limited space on the form. The questionnaire was divided into six sections. Section A presented demographic information aspects of the respondents, Section B for Best Products Strategy items, Section C for Total Customer Solution strategy items while Section D for System Lock-In strategy items. Section E, which was the dependent variable which captured aspects of performance while Section F concentrated on the moderating effect.

The structured questionnaire addressed many of the outlined objectives in a standardized fashion (to which statistical analysis was applied) and to generate findings of to be investigated in greater depth by means of the semi-structured interviews. Questionnaires were intended to collect relevant and accurate data that would allow comparability and commonalities to be examined between participants and to cover the population thus further enhancing the validity of the study.

Questions using the Likert scale typically present a statement, and subjects are invited to choose their response to it from an ordered set of choices(Sarah & Paul, 2014).A Likert Scale (1 = strongly disagree; 2 = disagree; 3 = neutral; 4 = agree; 5 = strongly agree) was used to measure the responses from respondents. The use of Likert scales and the rigor employed in using these scales is an essential component of the questionnaire design. The lowest rating of 1 signified a low opinion by the respondents while a high rating of 5 signified a high rating by the respondent. The scales of measurements employed in the research involved nominal, ordinal and interval ratio or scale. Measurement is the process of systematically assigning numbers to objects and their properties to facilitate the use of mathematics in studying and describing objects and their relationships (Sarah & Paul, 2014). A nominal scale (categorical), i.e. gender, which allows inferences on equality or difference, but nothing else, was used to classify the data (Collis & Hussey, 2003). The ordinal scale was logically arranged in a meaningful order, (Strongly Disagree/ Disagree/ Neutral/ Agree/ Strongly Agree). Intervals were ordered and had a meaningful difference**,** but doubling was not meaningful since they could only be measured rather than classified or ordered, i.e. age of the respondents.

3.7.2 Key Informant Interview Guide

The key informant interview was a follow-up to the questionnaire survey. According to Bryman and Bell, (2007) the interview guide enhances dependability and allows the interviewer to glean the ways in which research participants view their social world. Interviewees’ words and actions represented the data of qualitative inquiry allowing the researcher to capture their language and behavior. The interview record the researcher made and used in the analysis and interpretation was a representation of that talk. As this study adopted an exploratory sequential mixed methods design, inferences from previous phases of the research were used to construct certain questions while questions for the qualitative interviews and questions were formulated in line with the research objectives. The questions on the guide were generated from a number of sources and provided greater insight into the management perspective of strategic positioning and how their firms are perceived by their customers. A sample of the final interview guide is available in Appendix IV of this thesis.

The guide in this case consisted of nineteen questions, broken into four sections and was adapted from the initial survey designed. As previously mentioned, the survey was far too long and it was felt that four of the sections were only applicable to the CEO's. It was therefore decided to transform these sections into a guide for semi- structured qualitative interviews. The researcher found patterns within those words (and actions) while at the same time stayed as close to the construction of the world as the participants originally experienced it. Further to this, the responses were presented in a way that they could not be linked to a specific organization or individual so as to jeopardize participants' anonymity (Elfving & Sundqvis, 2011). What was discovered by qualitative research was not sweeping generalizations but contextual findings. This process of discovery is basic to the philosophic underpinning of the qualitative approach.

3.8 Validity and Reliability of Research Instruments

This section examined the characteristics of the dependent and independent variables that influence the application of inferential estimator. These pre-estimation diagnostics include validity and reliability tests.

3.8.1 Validity of the instrument

Validity is the most important criterion of data quality since. It refers to the relationship between a construct and its indicators (Wilson, 2010). Validity is thus the degree to which the results obtained actually represents the phenomena under study measure, i.e. accuracy of measurement. This study addressed and concentrated on approaches to establishing content validity. Content validity refers to how well the process of measurement reflects the important content of the domain of interest and is of particular concern when the purpose of the measurement is to draw inferences about a larger domain of interest (Sarah &Paul, 2014). Content validity was ascertained by an assessment of whether the proposed measures incorporate all content of the constructs and based on an intensive review of the literature. Experts in the field (managers) were used to determine if the set of items accurately represented the concepts under study to answer the research questions and test the hypotheses (Cooper & Schindler, 2008).Their opinions were assimilated to enhance content and construct validity of the questionnaire. The validity of e.g. a questionnaire partly depends on whether the findings are really about what they appear to be (Saunders et al., 2000).

3.8.2 Reliability of the instrument

Reliability is a measure of the degree to which a research instrument yields consistent results or data after repeated trials (Babbie, 2011). In this study Cronbach's Alpha coefficient (α) statistical procedure was used to ascertain the internal consistency of the study variables tells us how highly the items in our questionnaire are interrelated (Hayes, 2008).Reliability eliminates the occurrence of random error that arises at the time of data collection and as the random error increases, reliability decreases. These errors are due to the inaccuracy of the instruments, error due to the inaccuracy of scoring by the researcher and unexplained error. Researchers have found out that a larger number of items for each attitude objects improve the reliability of the scale. The rule of the thumb suggests that 5% to 10% of the target sample should constitute the measure (Cooper & Schindler, 2011; Creswell, 2003 & Gall, Borg 7 Gall, 2007). The Cronbach's alpha estimate also Cronbach's alpha was computed by correlating the score for each scale item with the total score for each observation, and then comparing that to the variance for all individual item scores.

The Cronbach's alpha coefficient ranges between 0 and 1 with higher alpha coefficient values being more reliable. A questionnaire with a good internal consistency should have high alpha coefficients. Alpha value of 0.70 or above is considered to demonstrate reliability (Muijs, 2008; Sekaran & Bougie, 2010). The threshold of 0.746 was the guide to this study. The questionnaire items under different sections specific to the objectives and research questions were tested and all variables were considered acceptable as shown in Table 3.2 since they exceeded 0.70, signifying tolerable reliability. In accordance with the Cronbach alpha test, the total scale of reliability for this study varied fromα = 0.908 to α =0.811 indicating an overall higher reliability factors.

According to Shanghverzy (2003), reliability is increased by including many similar items on a measure, by testing a diverse sample of individuals and by using uniform testing procedures. Therefore, the measurement scales appear to consist of a set of consistent variables for capturing the meaning of the model constructs. The overall reliability was 0.746 based on Cronbach's alpha, 0.737 based on standardized items and with 79 numbers of items tested, from the ten (10) questionnaires administered to the pilot sample.

Table 3.2: Measures of Internal Consistency

Aggregated Variables	Number of Items	Cronbach's Alpha Coefficient	Reliability Status
Best Product Strategy	25	0.811	Reliable
Total Customer Solutions Strategy	23	0.908	Reliable
System Lock-In Strategy	23	0.898	Reliable
Competition Regulation	6	0.367	Not reliable
Overall		**0.746**	**Reliable**

Source: Pilot data (2017)

3.8.3 Pilot Testing

Pilot testing the measurement instrument is a critical component of minimizing measurement error in a survey research (Bound, Brown, & Mathiowetz, 2001). According to Polit and Beck (2003), a pilot study or test is a small scale version or trial run done in preparation for a major study. Converse and Presser (1986), outlines ten aspects of piloting that presents what issues must be considered relating to specific questions and the questionnaire design. They suggest checking for variation, meaning, task difficulty, respondent interest and attention, flow and naturalness of the sections, the order of questions, skip patterns, timing, respondent interest and attention overall and respondent wellbeing. In the context of this study, these aspects are discussed in relation to the pilot testing undertaken by the researcher.

The researcher conducted a pilot study to test the design of the questionnaire and evaluate feasibility, time, cost, adverse events and effect size (statistical variability) by administering the questionnaire to Sema Mobile in Langata, Nairobi. This was with the intention of improving upon the study design prior to performance of the full scale research project. The pilot study allowed the researcher to ascertain issues linked to representativeness of the items for the particular constructs, clarity of questions, questionnaire format, clarity of instructions, and specificity of items (Netemeyer, Bearden, & Sharma, 2003). The pilot study focused on 10 respondents who occupied management position as they had the most significant involvement and influence in the strategic management process of organizations and subsequently hold a more holistic view of the organisation as a whole. The time for each respondent to complete the questionnaire was reduced from 25 minutes (pilot study) to approximately 15 minutes (actual survey) in order to be time efficient. To increase the validity and reliability of the research, the amendments from the pretest were included in the final draft of the questionnaire.

3.9 Data Collection Procedures

The researcher obtained an introductory letter from Kabarak University for use in applying for a research permit from National Commission of Science and Technology. Subsequently, the managers from whom the data was collected were presented with the introductory letter and the NACOSTI permit. Borg and Gall (2007), points out that, questionnaires are appropriate for studies since they collect information that is not directly observable as they inquire about feelings, motivations, attitudes, accomplishments as well as experiences of individuals. The main data collection instruments used was self-administered/interviewer administered or structured interviews and questionnaire and a combination of both.

Primary data (i.e., collecting data directly from organizations) was collected by way of a questionnaire and was supplemented with in-depth interviews of key informants for qualitative data to enable the respondents to answer specific research questions and help achieve the objectives of the study. The drop- and –pick method was preferred because it reduced Non response bias through reduction of non-coverage, noncontact or refusal to participate (Paxson, 1992). Sufficient time was given to the respondents to respond to the questionnaire and once they were entirely answered, the researcher collected them. The questionnaire was designed based on the five point likert-type scales on which they were required to rate by scoring the extent to which they perceived a particular statement is descriptive of the force in the industry.

Secondary data are suitable primarily because numerous sources are used, which saves cost and time in the implementation of the study (Ghauri & Gronhaugh, 2002). Secondary data was classified in terms of its source – either internal or external. Internal, or in-house data, is secondary information acquired within the organization where research is being carried out. External secondary data was obtained from outside sources (i.e., journals, articles, publications, press releases, previous study reports, working papers, University repositories, and the internet). Both sources facilitated the researcher to gather data on financial performance thus evaluating the relationship between component parts of a financial statement to obtain a better understanding of a firm's position and performances. The data was gathered and analysed using information relevant to the research objectives on annual performance reports for a three years period between 2014 and 2017. Ratio analysis was used as a medium to understanding the financial weakness and soundness of the organizations.

The researcher used convergent parallel mixed method (Table 3.3 & 3.4); to further elucidate the data collection procedures, instrumentation and data analysis method. Convergent parallel mixed method is a mixed methods strategy in which a researcher collects both quantitative and qualitative data, analyzes them separately, and then compares the results to see if the findings confirm or disconfirm each other Johnston and Christensen (2012). This helps build a more comprehensive view of the phenomena being investigated. However, Convergent parallel mixed method is not without its weaknesses. It can be time consuming and requires the researcher to have knowledge of both quantitative and qualitative methods.

Table 3.3: Convergent Parallel Mixed Methods Research Design Matrix for Research Questions

Research Questions	Nature of the variable	Instrumentation	Analysis technique
To determine influence of best product strategies on performance in the mobile telecommunication companies	Independent	Questionnaire and interview guide	Quantitative data: Frequencies, Percentages & Chi-Square. Qualitative data: Thematic analysis.
Investigate influence of total customer solution strategies adopted on performance in the mobile telecommunication companies.	Independent	Questionnaire and interview guide	Quantitative data: Frequencies, Percentages & Chi-Square. Qualitative data: Thematic analysis.
To determine influence of system lock in strategies on performance in the mobile telecommunication companies.	Independent	Questionnaire and interview guide	Quantitative data: Frequencies, Percentages & Chi-Square. Qualitative data: Thematic analysis.
To examine the moderating effect of competition regulation on performance in the mobile telecommunication companies.	Moderating	Questionnaire and interview guide	Moderated regression analysis.

Source: Adopted from Creswell and Clark (2007) and Creswell (2014

3.10 Data Analysis Procedures

Yin (2003) suggests that in studies whereby the research question has been formulated based on the literature review; those theories that have been used in the postulation of the research question should also be used in analyzing the findings. The researcher organized data into descriptive and inferential statistics and further into quantitative and qualitative data. Quantitative research is said to be controlled, objective, generalizable, outcome oriented and assumes existence of facts which are somehow external to and independent of the researcher (Hammersley & Atkinson, 2007; Silverman, 2005; Mason, 2002; Gillham, 2000). An essential feature of quantitative research is that it produces numerical data, which is amenable to statistical analysis. Quantitative data was obtained from questionnaires which were solicited through closed-ended items. The items consisted of frequencies in terms of well-defined and mutually exclusive categories which were structured as either scale, nominal or ordinal.

Qualitative approach which emphasizes a naturalistic search for relativity in meaning, multiplicity of interpretation, particularity, detail and flexibility from data was sought by use of an interview guide(Jwan & Ong`ondo 2011). More specifically, as interviews are interactive, interviewers can press for complete, clear answers and can probe into any emerging topics. Hence, interviewing is expected to broaden the scope of understanding investigated phenomena, as it is a more naturalistic and less structured data collection tool. The qualitative technique via Interview schedule was conducted in person using formally (structured) semi-structured, questions which were focused, clear, and encouraged open-ended responses. Some of the respondents' answers were quoted as they would provide remarkable and 'invaluable interpretations' (Bechhofer & Paterson, 2000). This process of organizing the materials into chunks or segments of text and assigning a word or phrase to the segment was necessary for the researcher in order to develop a general sense of it (Creswell, 2014).

Descriptive statistical analysis that is frequencies, percentages prepared the data for further inferential analysis. Descriptive statistics takes the form of pie charts or tables, showing the basic data of the main components of the study covering demographic characteristics of the participants and all response variables from closed ended questions in the questionnaire. According to Mugenda, (2008) descriptive statistics give the primary features of the data gathered on the variables as well as the impetus for carrying out further analyses on the data.

Inferential data analysis was utilized to establish the statistical significance of the respective hypotheses. Factor analysis was carried out on all items in each variable to determine what items or scales should be included on and excluded from the measure. These techniques were considered suitable for the present study since they provided an analysis of the complicated data set and that had many independent and dependent variables (Tabachnick & Fidel, 2007).

Multicollinearity was measured by use tolerance and the Variance Inflation Factor (VIF) while normality used Shapiro-Wilk test, Shapiro-Francia test and Skewness and Kurtosis test. Multicollinearity measured the assumption that the independent variables are uncorrelated and its effect on the dependent variable is low and the researcher made inferences about the causes and effects of variables reliably. Normality tests were applied to pre-empt type I and type II errors and focused on the extent to which the sample data distributed according to normal distribution (Hair, Black, Babin & Anderson, 2010).

The data was analysed using Stata and Statistical Package for the Social Sciences (SPSS). Pearson correlation coefficient was applied to test the relationship between strategic positioning and performance. Correlation coefficients reveal the magnitude and direction of the relationships (Cooper & Schindler, 2006). The magnitude is the degree to which variables move in unison or opposition while direction indicate whether a large value on one variable are associated with large value; as one increases the other also increases. Multiple linear regression analysis was conducted to generate a measure of the degree of association, appropriate at 95 percent confidence level (α=0.05). Sherri (2009) postulates that multiple regression analysis involves combining several predictors in a single regression equation. A probability value less than the significance level (.05), if obtained from the null hypothesis would fail to be accepted and the alternative hypothesis would be accepted (Johnson & Christensen, 2012) while Coefficient of determination (R^2) would determine the degree of association.

The multiple regression equation used to assess the predictive effect of two independent variables (X and Z) on Y is: $y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$

Whereby:

Y= Performance,

β_0 Is the constant

α =Constant (intercept)

β_1 Is the coefficient of X_1 for i= 1, 2, 3, 4,

X_1= Best Product Strategy,

X_2= Total Customer Solution Strategy,

X_3 = System Lock-In Strategy,

X_4= Competition Authority,

Z = the hypothesized moderator

The moderated regression equation used to analyze and interpret a 2-way interaction is:

$y = \alpha + \beta_1 X + \beta_2 Z + \beta_3 XZ + \varepsilon$

$\beta_3 X$Z is the coefficient of $X_1 \ * \ Z$the interaction term between CA and each of the independent variables. (Amount of change in the slope of the regression of Y on X when Z changes by one unit).

εIs the error term which is assumed to be normally distributed (difference between the results of the model and actually observed results).

In this equation, if (the interaction between the independent variable and moderator variable) is not statistically significant, then Z is not a moderator variable, it is just an independent variable. If is statistically significant, then Z will be a moderator variable, and thus moderation is supported causing an amplifying or weakening effect between X and Z.

Table 3.4: Convergent Parallel Mixed Methods Research Design Matrix for Research Hypotheses

Research Hypotheses	Analysis technique	Interpretation
H_{01}: Best Product Strategies does not significantly influence Performance of mobile telecommunication companies in Kenya	Statistical Analysis: Pearson Correlation Coefficient & Regression Coefficient.	Coefficients β1 denotes the change in best product strategies from a unit increase in performance. The closer R approaches ±1, then a relationship exists. This is interpreted as evidence of X_1 having a significant effect on Y. Reject H_{01} if P- value ≤ 0.05 otherwise fail to reject H_{01} if P – value is > 0.05.
H_{02}: Total Customer Solution Strategies does not significantly influence performance of mobile telecommunication companies in Kenya.	Statistical Analysis: Pearson Correlation Coefficient & Regression Coefficient.	Coefficients β2 denotes the change in total customer solution strategies from a unit increase in performance. The closer R approaches ±1, then a relationship exists This is interpreted as evidence of X_2 having a significant effect on Y. Reject H_{02} if P- value ≤ 0.05 otherwise fail to reject H_{02} if P – value is > 0.05.
H_{03}: System Lock-In Strategies does not significantly influence Performance of mobile telecommunication companies in Kenya.	Statistical Analysis: Pearson Correlation Coefficient & Regression Coefficient.	Coefficients β3 denotes the change in system lock-in strategies from a unit increase in performance. The closer R approaches ±1, then a relationship exists. This is interpreted as evidence of X_3 having a significant effect on Y. Reject H_{03} if P- value ≤ 0.05 otherwise fail to reject H_{03} if P – value is > 0.05.
H_{04}: Regulation of competition by Competition Authority of Kenya does not significantly accelerate the relationship between strategic positioning and Performance of mobile telecommunication companies in Kenya..	$Y2= \alpha+ \beta_1 X + \varepsilon$ $Y3= \alpha+ \beta_1 X+ \beta_2 Z+\varepsilon$ $Y4= \alpha+ \beta_1 X+ \beta_2 Z+\beta_3 XZ +\varepsilon$ α =constant (intercept) $\beta_1, \beta_2, \beta_3$= coefficients Y2, Y3 andY4 = Performance X= Strategic Positioning Z=CAK ε= Error term XZ= interaction effect	Coefficients β_1, β2 and β^3 denote the change in competition regulation from a unit increase in each of the performance. Reject H_{04} if P- value ≤ 0.05 otherwise fail to reject H_{04} if P – value is > 0.05. This is interpreted as a significant interaction between X and Z as predictors of Y

Source: Adopted from Creswell and Clark (2007) and Creswell (2014).

3.11 Ethical Considerations in the Research

Concerns over moral and ethical behaviour were adhered to from research design to data collection and data processing and storage. Ethics are sets principles or norms that are used to guide moral choices of behaviour and relationships with others (Blumberg, Cooper, & Schindler 2005). Ethical concern considered in the study revolved around informed consent, confidentiality and anonymity and privacy. Consent to undertake the study was obtained from the relevant authorities and respondents. The respondents were provided with sufficient time to consider their decision between the time they got the questionnaires and the time they granted consent. Walford (2008) observed that confidentiality and anonymity are also used to try to reduce participants' fears and encourage them to take part in a research while DiCicco-Bloom and Crabtree (2006) posits that there is need to protect respondents by non-disclosure of their identity and from those whose interests conflict with those of the interviewee. To guarantee confidentiality and anonymity, the researcher assured the participants that no information would be shared or divulged either in writing or verbally. The researcher also adhered to privacy

The respondents' were provided with adequate information and clarity concerning the study and were allowed to ask questions before, during and at the end of the study. No one was coerced to respond to the survey. The researcher explained to the respondents that participating in the study was voluntary and that they would be free to withdraw from it at any time they deem fit. The study was conducted in an ethical manner and all the participants treated with dignity and due respect. Fraenkel and Wallen (2000) assert that the researcher should strive for respect and concern for dignity and welfare of the people who participate and professional standards governing the conduct of research with human participation.

The researcher also followed the ethical issues related to data analysis and reporting. The presentation of data should not be misrepresented; confidentiality and anonymity issues should be followed in the reporting stage of data (Saunders et al, 2007). Johnston and Christensen (2012) state that the researcher should ensure that fabrication, falsification or plagiarism in proposing, performing or reviewing research or reporting research should be avoided. The researcher carefully and systematically considered all the ethical dimensions and duly acknowledged information within the work from all sources and adhered to the highest level of accuracy.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND DISCUSSION

4.1 Introduction

This chapter presents the results of the influence of strategic positioning on performance of mobile telecommunication companies in Kenya. The results of the quantitative and qualitative analysis are presented whereas descriptive analysis was employed in order to describe the basic characteristic of respondents while inferential statistics was used to infer if there were significant relationships between the dependent and the independent variable.

The study findings are presented, and discussed based on the following study objectives.

- **i.** To determine influence of Best Product Strategies on Performance in the mobile telecommunication industry.
- **ii.** Investigate influence of Total Customer Solution Strategies adopted on Performance in the mobile telecommunication industry.
- **iii.** To determine influence of System Lock-In Strategies on Performance in the mobile telecommunication industry.
- **iv.** To examine the moderating effect of Competition Regulation on Performance in the mobile telecommunication industry.

4.2 Questionnaire Return Rate

The researcher issued out one hundred and forty two (142) questionnaires of which 128 were returned. After coding and checking for accuracy in the data, the missing values in terms of non-responses were screened hence seven (7) questionnaires were eliminated. Since the incomplete questionnaires could bias the results, one hundred and twenty one (121) questionnaires were used for data analysis, yielding a response rate of 85%. According to Neuman (2000), a 50% response rate is adequate, 60% is good and above 75% is rated as very good. Based on this assertion, the response rate of 85% in this case was deemed acceptable.

Table 4.1 Return rate of Questionnaires

Mobile Phone Company	Distributed questionnaires	Received questionnaires	Return rate (%)
Safaricom PLC	47	43	92
Airtel Kenya	39	32	82
Telkom Kenya	32	27	85
Equitel	25	19	76
	142	**121**	**85%**

Source: Research data, 2017

Table 4.1 shows the individual representation of the mobile phone companies. Safaricom PLC had a return rate of (92%), Airtel (82%), Telkom (85%) and Equitel (76%). This shows that the data collected was consistent with the population and can be relied on for unbiased results.

4.3 Demographic Characteristics of Respondents

Demographic characteristics were used to determine factors that influenced respondent's answers, interest and opinion. Demographic responses to the sample are summarized in the cross tabulation tables. Cross tabulation provides a side by side comparison of how different groups of respondents answered the survey questions. The demographic characteristics that were considered in this study were gender, age, education level, current position, length of service in the same position and company and finally the ownership structures of the company.

4.3.1 Gender of the respondents

Gender is one of the common variables in social investigations and can be employed as a descriptive variable (Morgan, 2000). Male representation in top management and policy-making positions in the mobile phone telecommunication is disproportionately higher than that of females in almost all the ranks. The gender of the respondents was as shown in Table 4.2.Out of the 121 valid questionnaires, there were 65% (n=79) male and 35% (n=42) female respondents. The International Labour Organisation (ILO) asserts that women represent slightly over 40% of the global workforce and occupy 20% of management positions. The organisation further alludes that in the largest and most powerful companies worldwide, women comprise only 3% of top positions. Published report by Global System Mobile Association (2015) on gender diversity in the telecommunications sector highlights that women are widely under-represented as employees in the telecommunications sector, and this gender gap becomes more pronounced with seniority.

The findings are also corroborated by Gender Equality & Mainstreaming Technology (2015) who in their study established that despite the progress made by women in the workplace, huge gender disparities still exist. Venkatesh and Morris (2000) investigated the relationship between gender differences and identified that the gender is an important determinant and have indicated that the percentage of men is more than women. Hassan and Ogunkoya (2014) posit that men were seen as more powerful than women and viewed as good performers. This under-representation underlines their minority status in policy-making management positions. The situation has however changed with the new constitution that guarantees equality for both genders (Manya, 2000). The researcher thus established that the 30% gender representation as required by the Constitution of Kenya, 2010 was met.

4.3.2 Age of the respondents

Age is one of the most common demographic questions asked in surveys and in this study it was used to determine the respondents' knowledge and experience. Information on age determines to whom research findings generalize and allows for comparisons to be made across replications of studies.

Table 4.2: Cross Tabulation of Gender and age of respondents

		Age Bracket							Total
		Below 30	30-34 Years	35-39 Years	40-44 Years	45-49 Years	50-54 Years	55-59 Years	
Gender	Male	9	13	22	27	6	2	0	**79**
	Female	5	6	11	12	6	1	1	**42**
Total		**14**	**19**	**33**	**39**	**12**	**3**	**1**	**121**

Source: Research data, 2017

The results displayed in Table 4.2 shows the dominant age being 40-44 years accounted for (31%) of the sample. Those in the intervals of 35-39 were 33(27%), in number followed by those in the 30-34 being 19(16%) and those at 45-49 years being 13(10%). The below 30 years were represented by 14(12%), the 50-54 years 3(3%) and finally only 1(.8%) was in the intervals of 55-59 years. In lieu of the dynamism of the industry high level of technology, the study findings support age consideration of managers is a factor that affects the organisation performance. Pounder (2000) in his study corroborates the this research findings when observed that the average age of people in the workplace is getting higher, with increasing number of middle-aged and less old workers employed in many different jobs.

The research established that the mobile telecommunication workforce was young as the advent of new technologies offers perspectives for development in ICT intensive activities which has favoured their employment in comparison with traditional activities. Their average age; being 30 they are often employed on more attractive but less secure contracts than their older counterparts. This is to imply that majority of the respondents in the age bracket of 35-39 and 40-44 are male and seek more of job stability and security.

This could be explained by the fact that male in those age brackets are in the mid-level management. This phenomenon could also be explained by the results that more male are stable in their jobs and career progression in These findings are supported by the Motivation-Hygiene Theory by Herzberg, *et al.,* (1998) where employees continue looking for factors that sanitize their work. As employees got older, they stabilized in their employment stations, while younger ones kept looking for greener pastures.

4.3.3 Education level of the respondents

The study determined the respondents' level of education in order to ascertain if they were well equipped with the necessary knowledge and skills for the running and the overall management of telecommunication industry. The target population comprised of people in different responsibilities and qualification requirements hence different academic qualifications. Education level profile of respondents in Table 4.3, shows that 86(71%) of the respondents had a bachelor's degree level of education while 33(27%) had a Master's degree and (1.7%) had Diploma.

This is to show that the mobile phone service providers are managed by highly skilled individuals. From the results, it can also be observed that most of the respondents understood the contents of the questionnaires and their responses can be taken seriously. Education levels have been cited as a critical success factor in helping organisations survive and sustainably manage in difficult conditions and to improve business profitability (Yusuf, 2005). Similarly, Lussier and Halabi (2008) also summarized that the managers with higher education level and experiences have greater chances of performing exceptionally. The research findings are in line with Kuneel, Hezlett, and Ones, (2004), and Ng and Feldman (2009), studies which established that education facilitates performance in most jobs and were positively related to task performance.

The results imply that educational levels positively influence creativity in strategy formation and execution as knowledge and abilities from intellectual training influences management attitudes towards aligning strategic positioning of mobile phone companies and increase the provision of innovative products and services while being customer centric oriented and outperforming rivals since their experience can predict their performance if well managed and coordinated.

4.3.4 Current position of the respondents

The study sought to establish the current position of the respondents at the workplace. This helped establish any relationship between the role of the respondents and their levels of performance in the organisation. Experienced management teams with deep market knowledge have a strong historic operational performance. From the results in Table 4.3, 1(1%) was in top management; 61(50%) in middle management and 60(49.6%) in lower level management. It could be argued that respondents with different positions or from different functional areas may have inherently different views of how the organization is performing or of performance measurement use practices.

Davis and Kohlmeyer (2005) corroborated these research findings. They found that position (rank) within the organization moderates performance and that lower ranking employees within the organization perform better when they were in agreement with their performance standards established by their supervisors. In as such, the study established a significant influence of current position to performance. The respondents' current positions was the link between senior management and lower level managers and relates with the management direct influence on strategic positioning the organisational takes and their responsibility for aligning the performance of their departments with overarching organisations goals. Their current positions also play a vital role in shaping how the success of the company strategic positioning sets the context to help each component to deliver its contributions to wider goals given the interconnected nature of their approach and style.

4.3.5 Length of service in the same position

The length of continuous service in the same position in an organization determines the extent to which the respondents are aware of the issues sought by the study.

Table 4.3: Cross tabulation of Education levels, Current position and Length of service in the same position

Length of service in the same position			**Your Current position**		**Total**
			Middle Level	Lower Level	
0-4 Years	What is your level of education	Masters	8	0	8
		Bachelors	11	26	37
	Total		19	26	45
5-9 Years	What is your level of education	Masters	22	1	23
		Bachelors	15	30	45
	Total		37	31	68
10-14 Years	What is your level of education	Bachelors	1	2	3
	Total		1	2	3
Above 15 Years	What is your level of education	Masters	2	0	2
		Bachelors	1	0	1
		Others	1	1	2
	Total		4	1	5
Total	What is your level of education	Masters	32	1	33
		Bachelors	28	58	86
		Others	1	1	2
	Total		**61**	**60**	**121**

Source: Research data, 2017

Results from Table 4.3 indicates that the majority of the respondents (56%, n=68), had being in the same position for a period of 5-9 years while (37%, n=45) had been working for less five years. Respondents with 10-14 years represented (2%, n=3) while those with over 15 years was (4%, n=5). The study finding are corroborated by Ng and Feldman (2010) who specifically asserts that the impact of length of service on organisational performance was most significant between 3 and 6 years with an organization, and gradually diminishes until about 14 years of employment. Education, length of service and position provides reasons why management prefers workers who have stayed relatively longer as the strength of their association increases with the organisations strategic positioning and subsequently translates into improved performance.

4.3.6 Length of service in the company

The study sought to determine the length of service of the respondents which could be associated with experience and knowledge acquired over time which can lead to superior firm performance. Length of service is related to continuance and occupational commitment. More so, it served to establish whether the respondents had attained adequate experience to provide accurate and reliable information.

Table 4.4: Length of service in the company

Mobile Phone Company	0-4 years	5-9 years	10-14 years	15- 19 years	20-25 years	Total
Safaricom PLC	11	30	2	0	0	43
Airtel Kenya	10	22	0	0	0	32
Telkom Kenya	3	17	1	5	1	27
Equitel	14	05	0	0	0	19
Total	**38**	**74**	**3**	**5**	**1**	**121**

Source: Research data, 2017

The results in Table 4.4 show that (31%, n=38) of the respondents had worked with the firms for a period less than 5 years. Respondents who had worked for the firms between 5 – 9 years were (61%, n=74), those with 10-14 years were (2.5%, n=3), with 15-19 years were (4%, n=5) while only with (0.8%, n=1) were in the ranges of 20-25 years. In the light of these findings one can argue that the majority of the respondents are very loyal to their organisations in the sense that they do not like to change organisations. This also implies that majority of the respondents had worked with the organization for a considerable period of time and thus gave credible information relating to this study. The study findings are corroborated by Lee, Yen and Chen (2008) and Ng and Feldman (2010) who found that there was a correlation between tenure (length of service) and organizational performance. Length of service influences management strategic positioning as new employees often require learning skills specific to that job. This indicates that respondents who have stayed long in the job are not likely to make mistakes like new employees on the job and hence perform better.

4.3.7 Ownership structures of the mobile phone companies

With respect to ownership structure, the respondents were requested to state any of the three categories (Privately owned–Local, Government and privately owned or Foreign owned) prevalent to their respective firms. This could be a reflection of the probable confidence consumers have in the mobile telecommunication industry in Kenya.

Table 4.5: Ownership structures of the mobile phone companies

Ownership structure	Mobile Network Operator
Privately owned (Local)	Equitel
Government and privately owned	Safaricom/Telkom Kenya
Foreign owned	Airtel

Source: Research data, 2017

Table 4.5 results established that of the four companies that were studied, one (Equitel) was privately owned, while 2(Safaricom/Telkom Kenya) are both government and privately owned while another one (Airtel) was foreign owned. This corroborates a report from World Telecommunication Development Report, ITU (2002), which states that the earlier structures of the traditional state owned telecom market is rapidly being replaced by competition and privatization. Conversely, previous studies done by Aydin, Sayim, & Yalama (2007) that find that foreign owned firms perform better than locally owned firms, and therefore foreign ownership has a positive impact on firm performance. Their findings are consistent with Goethals and Ooghe (1997) study of 75 Belgian firms, which find foreign owned firms perform better than the locally owned firms. In summary the results indicated that the mean scores obtained from the three sets differed statistically from each other therefore the study established that ownership structures of a company are a significant influence to performance.

4.4 Descriptive Statistics

The researcher analyzed descriptive statistics as a way of presenting data that shows the number of cases having each of the attributes of a particular variable. Frequency descriptive analysis converts large sets of data to more meaningful, easier to interpret, values. A 5-point Likert scale response to measure attitudes was used to collect perception regarding the variables with: Strongly Agree (SA) = 5; Agree (A) = 4; Neutral (N) = 3, Disagree (D) = 2; Strongly Disagree (SD) = 1 as the anchors. The highest scale is 5 while the lowest is 1. The data was summarized with useful statistical measures such as frequencies, percentages and Chi Square.

4.4.1 Best Product Positioning Strategy

The study sought to determine the influence of best product strategies on performance in the mobile telecommunication industry. The responses (on likert scales) measured the extent of agreement on statements based on product economics, price/product share and rivalry. The discussions that follow were based on the results displayed on Table 4.6.

Table 4.6 Best Product Positioning Strategy

Product Economics	Frequency					Influence	
Statement	**SA Freq (%)**	**A Freq (%)**	**N Freq (%)**	**D Freq (%)**	**SD Freq (%)**	χ^2	**p-value**
Our prd/services are always first to market	51(42)	50(41)	19(16)	1(.8)	--	59.59	0.000
We possess an industry dominant design	43(36)	48(40)	28(23)	2(1.7)	-	42.33	0.000
We pursue leadership strategy	40(33)	58(48)	22(18)	1(.8)	-	59.13	0.000
We have systems to assure quality	37(31)	52(43)	31(26)	1(.8)	-	45.44	0.000
Our company has a variety of products.	43(36)	46(38)	30(25)	2(1.7)	-	39.95	0.000
We regularly introduce new prds / services	43(36)	53(44)	23(19)	2(1.7)	-	50.60	0.000
We regularly improve our products/ services	40(33)	57(47)	19(16)	4(3)	1	94.99	0.000
We aggressively pursue economies of scale	37(31)	58(48)	21(17)	5(4.1)	-	50.86	0.000
We engage in process and prd simplification	34(28)	53(44)	29(24)	5(4.1)	-	38.70	0.000
Product Share/Price							
Statement	**SA**	**A**	**N**	**D**	**SD**	χ^2	**p-value**
Our pricing policies are attractive	43(36)	61(50)	16(13)	1(.8)	-	71.62	0.000
Prices are an influence to the consumers	42(35)	61(50)	18(15)	-	-	23.02	0.000
We benchmark on pricing prior to launching	32(26)	67(55)	21(17)	1(.8)	-	75.86	0.000
Low cost attracts price sensitive customers	45(37)	56(46)	19(16)	1(.8)	-	61.57	0.000
Our products /services are affordable	37(31)	59(49)	21(17)	4(3.3)	-	54.43	0.000
Our products/services are easily available	43(36)	59(49)	19(16)	-	-	20.09	0.000
Our products/services are easily accessible	51(42)	53(44)	16(13)	1(.8)	-	66.33	0.000
Pricing strategies reflect organisational goals	43(36)	55(46)	20(17)	3(2.5)	-	53.64	0.000
Rivalry							
Statement	**SA**	**A**	**N**	**D**	**SD**	χ^2	**p-value**
We have a modern, scalable and reliable network infrastructure	36(30)	54(45)	22(18)	8(6.6)	1 (.8)	75.73	0.000
We competitively specific niche or segment	26(22)	67(55)	23(19)	5(4.1)	-	68.05	0.000
Our prd/services differs from competition	43(36)	58(48)	15(12)	5(4.1)	-	59.59	0.000
We provide specialty product/services	34(28)	64(53)	18(15)	5(4.1)	-	64.15	0.000
Our products/service are of higher quality	39(32)	63(52)	17(14)	2(1.7)	-	70.17	0.000
We educate our customers on prds/services	35(29)	66(55)	17(14)	3(2.5)	-	73.34	0.000
We have a strong brand image	44(36)	51(42)	23(19)	3(2.5)	-	46.76	0.000
We have acquired better experience and learning curve	48(40)	56(46)	16(13)	-	1(.8)	67.33	0.000

Source: Research data, 2017

The first question sought respondents' opinion on whether their products and services were always first to market. Results show that majority of respondents (42%) strongly agreed with the statement that their products are first to market while (41%) of the respondents agreed. On the other hand, (16%) of the respondents were not sure whether their products were first to market while (.8%) of the respondents disagreed. The next question sought to investigate the respondents' opinion on whether they possessed an industry dominant design. The results indicated that majority of respondents (40%) while (36%) strongly agreed. On the other hand, (23%) of the respondents were not sure whether their products or services possessed an industry dominant design while (1.7%) disagreed.

The third question sought to establish the leadership strategy pursued by the organizations. Results show that majority of respondents (48%) agreed while (33%) of the respondents strongly agreed. On the other hand, (18 %) of the respondents were not sure while only (.8%) of the respondents disagreed. The next question on systems that assure the quality of products and services revealed that majority of respondents (43%) agreed with the statement while (31%) of the respondents agreed. (26%) of the respondents were not sure while (.8%) of the respondents disagreed.

Response from the opinion on variety of products show that majority of respondents (38%) agreed while (36%) of the respondents strongly agreed. On the other hand, (25%) of the respondents were not sure whether they had a variety of products and services while (1.7%) of the respondents disagreed. On regularly introducing new products and services, the results show that majority of respondents (44%) agreed while (36%) strongly agreed. (19%) of the respondents were not sure while (1.7%) disagreed.

When asked if they regularly improved their products and services, the results show that majority of respondents (47%) agreed with the statement while (33%) strongly agreed. On the other hand, (16%) of the respondents were not sure, (3%) disagreed and only (.8%) strongly disagreed. On being aggressive in pursuing economies of scale, the results show that majority of respondents (48%) agreed while (31%) strongly agreed. On the other hand, (17%) of the respondents were not sure whether their products were first to market while (4.1%) of the respondents disagreed. The response elicited from the engagement in process and product simplification, results show that majority of respondents (44%) agreed while (28%) of the respondents strongly agreed. On the other hand, (24%) of the respondents were not sure and (4.1%) disagreed.

Response from attractive pricing policies show that majority of respondents (50%) agreed, (36%) strongly agreed, (13%) were not sure while (.8%) of the respondents disagreed. On prices being an influence to the consumers, results show that majority of respondents (50%) agreed, (35%) strongly agreed, while (15%) were not sure. Response from benchmarking on pricing prior to launching a product or service show that majority of respondents (55%) agreed, (26%) strongly agreed, (17%) were not sure while (.8%) of the respondents disagreed. The question on low cost attracting price sensitive customers' show that majority of respondents (46%) agreed, (37%) strongly agreed, (16%) were not sure while (.8%) disagreed.

The affordability of products and services response show that majority of respondents (49%) agreed (31%) strongly agreed, (17%) were not sure while (3.3%) of the disagreed. On products/services being results show that majority of respondents (49%) agreed, (36%) strongly agreed and, (16%) were not sure whether their products were easily available. The question on products/services being easily accessible show that majority of respondents (44%) agreed, (42%) strongly agreed, (13%) were not sure while (.8%) disagreed. On pricing strategies reflecting their organisational goals, the results show that majority of respondents (46%) agreed, (36%) strongly agreed, (17%) while (2.5%) disagreed.

Response from modern, scalable and reliable network infrastructure show that majority of respondents (45%) agreed (30%) strongly agreed, (18%) were not sure while (6.6%) of the disagreed and (.8%) strongly disagreed. On competitively targeting a specific niche or segment results show that majority of respondents (55%) agreed (22%) strongly agreed, (19 %) were not sure while (4.1%) of the respondents disagreed. The question on product/services differing from competition, the results show that (48%) of the respondents agreed, (36%) strongly agreed, (12 %) were not sure while (4.1%) disagreed.

We provide specialty product/services results show that (53%) of the respondents agreed, (28%) strongly agreed, (15%) were not sure while (4.1%) of the respondents disagreed. Our products/service are of higher quality results show (52%) of the respondents agreed with (32%) strongly agreed, (14%) were not sure while (1.7%) disagreed. We educate our customers on products/services question show that (55%) of the respondents agreed, (29%) strongly agreed, (14%) were not sure while (2.5%) disagreed. Response from the question on strong brand image show that (42%) of the respondents agreed (36%) strongly agreed, (19%) were not sure while (2.5%) disagreed. The last question on acquiring better experience and learning curve show that (46%) of the respondents agreed, (40%) strongly agreed, (13%) were not sure while (.8%) strongly disagreed.

In all cases over 70% of the respondents strongly agreed and agreed combined showing that the mobile telecommunication companies were intent on providing quality product, new and innovative product and exceptional services to the expectation of the costumers.

Through the interview as one senior manager confirmed, his firm majorly subscribes to product economics. As he put it:

> "*New products are informed by a combination of timing design and price influences when and how we introduce new products and services. This is in line with certain conditions defined by the expected product life span, product cost, development time, and customer preferences. Our other motive on introducing new products and services is prompted by product differentiation which always arises at equilibrium due to the joint effects of resource utilization, price competition, and product life cycle*" (Key Informant).

This interview corroborate those ones of Chell, Haworth and Brearley, (2001) who posits that strategies which result in high performance are identified with activities that include emphasis on product quality; product and service innovations that meet changing customer needs are associated with market share increase arising from attracting new customers and retaining existing ones. Porter, (2004) who corroborates the findings also posits that products and process should be maintained by ceaseless innovations and improvements. An organization can derive more value from its product innovation effect as it can create customer value, grow market share, enter new markets and increase profitability (McDermott & Handfield, 2000).

Pricing results were corroborated by a quantitative survey of Chinese firms by Liqin, Xie and Koos (2009) who noted that superior performance in companies is attained when prices and products are consistently in line with the main condition of the customers intended needs and the goals of an organisational. Response from the interview indicated that:

> *"We endeavor to understand the pricing structure and how we are positioned amongst other providers. We approach the whole process through the angles of understanding our competitors' profile; i.e. competitive advantage, their marketing profile i.e. target market, market share & marketing strategies and lastly their product/service profile i.e. product/service offerings, pricing and costs & channels"* (Key Informant).

On aspect rivalry, a differentiated focus was the preferred position used against competitor. On issues of a differentiated customer service strategy the interview data indicated that:

> *"We want to build off our legacy to be absolutely focused on putting customers at the center of everything we do"* (Key Informant).

The results of a chi-square test from the categorical variables are reported in a table that shows either the number or percentage of responses or cases in each category (McMillan, 2008). A small chi-square statistic indicates that the null hypothesis is correct and that the two variables are independent of each other. The larger the observed (or actual) frequency is in comparison with the expected (or hypothesized) frequency, the larger the chi-square statistic. This indicates that the difference is statistically significant (Vogt, 2005).

In consideration of the above outcomes, the researcher asserts that there is a high prospect that best product strategy influences performance. All the p-values at $p<0.0001$ showed a statistically significant relationship between the categorical variables.

4.4.2 Total Customer Solution Strategies

The study sought to investigate influence of total customer solution strategies adopted on performance in the mobile telecommunication industry. The responses were on the scale of 1(strongly disagree) to 5(strongly agree), the extent of agreement on statements based on customer economics, customer share and cooperation.

Table 4.7: Total Customer Solution Strategies

Customer Economics	Frequency					Influence	
Statement	**SA Freq (%)**	**A Freq (%)**	**N Freq (%)**	**D Freq (%)**	**SD Freq (%)**	χ^2	**p-value**
We are involved in customer value chain	34(28)	59(49)	23(19)	5(4)	-	50.60	0.000
We deliver specialized distribution channels	25(21)	63(52)	24(20)	9(7)	-	52.58	0.000
We are approachable	33(27)	63(52)	21(17)	3(3)	1(.8)	106.64	0.000
Customers rate our prds/services as superior	42(35)	57(47)	18(15)	4(3)	-	55.95	0.000
We have broad set of related prd & services	54(45)	54(45)	13(11)	-	-	27.78	0.000
We bundle additional benefits	47(39)	62(51)	11(9)	1(.8)	-	83.13	0.000
We have one stop shopping facilities	57(47)	57(47)	6(5)	1(.8)	-	95.03	0.000
We provide the best service	52(43)	62(51)	6(5)	1(.8)	-	96.68	0.000
We provide multiple forms of payment	54(45)	51(42)	13(11)	3(3)	-	67.26	0.000
Customer Share							
Statement	**SA**	**A**	**N**	**D**	**SD**	χ^2	**p-value**
We have genuine guarantees and warranties	37(31)	55(46)	20(17)	7(6)	2(2)	79.28	0.000
We always meet delivery targets	32(26)	63(52)	21(17)	5(4)	-	59.46	0.000
We own convenient facilities & locations	62(51)	13(11)	4(3)	1(.8)	-	114.99	0.000
We define customer relationship experience	26(22)	53(44)	30(25)	11(9)	1(.8)	65.24	0.000
We track customer feedback	23(19	48(40)	28(23)	21(17)	1(.8)	46.72	0.000
The operator follows up in a timely manner	25(21)	45(37)	30(25)	16(13)	5(4)	37.30	0.000
Cooperation							
Statement	**SA**	**A**	**N**	**D**	**SD**	χ^2	**p-value**
We outsource for business	25(21)	39(32)	30(25)	18(15)	9(7)	21.60	0.000
We jointly develop new products	24(20)	38(31)	29(24)	26(22)	4(3)	25.81	0.000
We foster a mutual learning environment	29(24)	46(38)	29(24)	15(12)	2(2)	45.40	0.000
We know our customers' requirements	31(26)	62(51)	23(19)	5(4)	-	56.15	0.000
We have the capabilities and experience	37(30)	66(55)	16(13)	2(2)	-	76.85	0.000
We offer personalized services	34(28)	75(62)	12(10)	-	-	50.69	0.000
We find out the needs of our customers	32(26)	73(60)	15(12)	1(.8)	-	96.48	0.000
New services are timely introduced	33(27)	61(50)	15(12)	9(7)	3(2)	90.77	0.000

Source: Research data, 2017

The first question sought the respondents' opinion on whether they were actively involved in customer value chain. Results show that (49%) of the respondents agreed, (28%) strongly agreed, (19%) were not sure while (4%) disagreed. The next question sought to investigate the respondents' opinion on whether they deliver specialized distribution channels. The results indicated that (52%) of the respondents agreed, while (21%) strongly agreed, (20%) were not sure while (7%) disagreed. When asked whether they are approachable, (52%) the respondent agreed, (27%) strongly agreed, (17%) were not sure, (3%) disagreed while (.8%) strongly disagreed. Response from customers rating their products and services being superior elicited (47%) the respondent agreed, (35%) strongly agreed, (15%) were not sure while (3%) disagreed. We have broad set of related products and services (45%) the respondent agreed, (45%) strongly agreed while (10%) were not sure. The question we bundle additional benefits had (51%) the respondent agreed, (39%) strongly agreed, (9%) were not sure (.8%) disagreed. We have one stop shopping facilities (47%) the respondent agreed, (47%) strongly agreed, (5%) were not sure, (.8%) disagreed. We provide the best service (51%) the respondent agreed, (43%) strongly agreed, (5%) were not sure, (.8%) disagreed. We provide multiple forms of payment (42%) the respondent agreed, (45%) strongly agreed, (11%) were not sure, (3%) disagreed.

We have genuine guarantees and warranties (46%) the respondent agreed, (31%) strongly agreed, (17%) were not sure, (6%) disagreed while (2%) strongly disagreed. We always meet delivery targets (52%) the respondent agreed, (26%) strongly agreed, (17%) were not sure, (4%) disagreed. We own convenient facilities & locations (51%) strongly agreed, the respondent, (11%) agreed, (3%) were not sure, (.8%) disagreed. We define customer relationship experience (44%) the respondent agreed, (22%) strongly agreed, (25%) were not sure, (9%) disagreed (.8%) strongly disagreed. We track customer feedback (40%) the respondent agreed, (19%) strongly agreed, (23%) were not sure, (17%) disagreed. (.8%) strongly disagreed. The operator follows up in a timely manner (37%) the respondent agreed, (21%) strongly agreed, (25%) were not sure, (13%) disagreed. (4%) strongly disagreed.

Results show that (32%) agreed that they outsource for business, (21%) strongly agreed, (25%) were not sure, (15%) disagreed while (7%) strongly disagreed. On jointly developing new products (31%) agreed, (20%) strongly agreed, (24%) were not sure, (22%) disagreed while (3%) strongly disagreed. Response from we foster a mutual learning environment elicited (38%)

agreed, (24%) strongly agreed, (24%) were not sure, (12%) disagreed while (2%) strongly disagreed. Response from the opinion on endeavoring to know their customer show that majority of respondents (51%) agreed, (26%) strongly agreed, (19%) were not sure while (4%) of the respondents disagreed. On having capabilities and experience (55%) of the respondents agreed, (30%) strongly agreed, (13%) were not sure while (2%) of the respondents disagreed. Personalized services elicited a response of (62%) of the respondents agreeing, (28%) strongly agreed and (10%) were not sure. Results show that (51%) of the respondents agreed that customers' needs are sought while (26%) strongly agreed, (12%) were not sure while (.8%) of disagreed. Finally when asked whether they provide timely information to new services, (50%) of the respondents agreed, (27%) strongly agreed, (12%) were not sure, (7%) disagreed while 2% strongly disagreed.

Significance of the deviation from expectation of the observed amount of association ranged from the least association; "we outsource business from our customers" (χ^2 =21.60, P≤0.00) to the highest association, "we possess convenient locations of our service facilities" **(**χ^2 =114.99, P≤0.00). The p-values tested whether one variable was independent from another and subsequently confirmed a statistically significant relationship between the categorical variables. The interview report established an industry predominant preference to customer economics and as he put it:

> *"Creating a unique customer experience is one of the best ways to achieve sustainable growth, particularly in this telephony industry. Through creating a highly differentiated customer experience that turns dissatisfaction or indifference into delight, we have been able to gain market share, and generated revenue growth through subscriber increase. We subsequently tailor and design customer experiences for different customers and deliver best value propositions through an emphasis on cross-functional collaboration by focusing on the entire company"* (Key Informant).

4.4.3: System Lock In Strategies

The study finally sought to determine influence of system lock-in strategies on performance in the mobile telecommunication industry. The responses were on the scale of 1(strongly disagree) to 5(strongly agree), the extent of agreement on statements based on market dominance, complementor share and system economics.

Table 4.8: **System Lock In Strategies**

Market Dominance	Frequency					Influence	
Statement	SA Freq (%)	A Freq (%)	N Freq (%)	D Freq (%)	SD Freq (%)	χ^2	p-value
We have best value for lifetime ownership	36(30)	62(51)	18(15)	5(4)	-	60.45	0.000
We massive distribute and supply	31(26)	55(46)	22(18)	12(10)	1(.8)	69.70	0.000
We possess first mover advantage	29(24)	45(37)	29(24)	15(12)	3(3)	41.85	0.000
We are forward/backward compatible	40(33)	38(31)	30(25)	18(20)	5(4)	27.09	0.000
We design proprietary standards	22(18)	43(36)	30(25)	17(14)	9(7)	27.88	0.000
We have variety and numbers	62(51)	46(38)	9(7)	4(3)	-	79.23	0.000
We have improved system performance	42(35)	68(56)	10(8)	1(.8)	-	93.51	0.000
We evolve rapidly on industrial standards	63(52)	42(35)	12(10)	3(3)	-	76.20	0.000
Complementor share							
Statement	**SA**	**A**	**N**	**D**	**SD**	χ^2	**p-value**
We benchmark to match product/service	39(32)	74(6)1	7(6)	1(.8)	-	119.95	0.000
We enhance durable purchases	41(34)	66(55)	11(9)	3(.3)	-	82.86	0.000
We undertake product specific training	32(26)	70(58)	15(12)	4(3)	-	82.80	0.000
We engage on Innovation focus	50(41)	63(52)	8(7)	-	-	40.97	0.000
We secure information database systems	32(26)	51(42)	12(10)	15(12)	11(9)	49.04	0.000
We have a strong domestic agent relation	24(20)	57(47)	14(12)	25(21)	1(.8)	71.02	0.000
We foster strong supply relationships	25(21)	55(46)	22(18)	16(13)	3(3)	60.77	0.000
We are constantly visible to our customer	47(39)	59(49)	11(9)	3(.3)	1(.8)	119.53	0.000
System Economics							
Statement	**SA**	**A**	**N**	**D**	**SD**	χ^2	**p-value**
We constantly value end-user reliability	28(23)	69(57)	17(14)	7(6)	-	73.47	0.000
We have special relations with Customers	25(21)	87(72)	9(7)		-	84.16	0.000
We have superior loyalty programs	31(26)	73(60)	13(11)	4(3)	-	93.05	0.000
We undertake contractual commitment	24(20)	55(46)	33(27)	7(6)	2(2)	74.99	0.000
We have Patents for our products/services	25(21)	64(53)	28(23)	3(3)	1(.8)	106.89	0.000
we undertakes customer value proposition	25(21)	67(55)	26(22)	3(3)	-	70.70	0.000
We create ownership of direct distribution channels	32(26)	47(39)	34(28)	8(6.6)	-	26.20	0.000

Source: Research data, 2017

The first question on market dominance was specific to the representation of best value for lifetime ownership. (51%) of respondents agreed, (30%) strongly agreed, (15%) were not sure while (4%) disagreed. When asked whether they thought having massive distribution and supply channels 'was an indication to market dominance, (46%) of respondents agreed, (26%) strongly agreed, (18%) were not sure, (10%) disagreed while only (0.8%) strongly disagreed. On possessing first mover advantage (37%) of respondents agreed, (27%) strongly agreed, (24%) were not sure, (12%) disagreed while 3% strongly disagreed.

We are forward/backward compatible (31%) the respondent agreed, (33%) strongly agreed, (25%) were not sure, (20%) disagreed while (4%) strongly disagreed. We design proprietary standards (36%) the respondent agreed, (18%) strongly agreed, (25%) were not sure, (14%) disagreed while (4%) strongly disagreed. We have variety and numbers (38%) the respondent agreed, (51%) strongly agreed, (7%) were not sure, (3%) disagreed. We have improved system performance (56%) the respondent agreed, (35%) strongly agreed, (8%) were not sure, (.8%) disagreed. We evolve rapidly on industrial standards (35%) the respondent agreed, (52%) strongly agreed, (10%) were not sure, (3%) disagreed.

We benchmark to match product/service (60%) the respondent agreed, (32%) strongly agreed, (6%) were not sure, (.8%) disagreed. We enhance durable purchases (55%) the respondent agreed, (34%) strongly agreed, (9%) were not sure, (3%) disagreed. We undertake product specific training (58%) the respondent agreed, (26%) strongly agreed, (12%) were not sure, (3%) disagreed. We engage on Innovation focus (52%) the respondent agreed, (41%) strongly agreed, (7%) were not sure. We secure information database systems (42%) the respondent agreed, (26%) strongly agreed, (10%) were not sure, (12%) disagreed while (9%) strongly disagreed. We have a strong domestic agent relation (47%) the respondent agreed, (20%) strongly agreed, (12%) were not sure, (21%) disagreed while (.8%) strongly disagreed. We foster strong supply relationships (46%) the respondent agreed, (21%) strongly agreed, (18%) were not sure, (13%) disagreed while (3%) strongly disagreed. We are constantly visible to our customer (39%) the respondent agreed, (49%) strongly agreed, (9%) were not sure, (.3%) disagreed while (.8%) strongly disagreed

We constantly value end-user reliability (57%) the respondent agreed, (23%) strongly agreed, (14%) were not sure, (6%) disagreed. We have special relations with Customers (72%) the respondent agreed, (21%) strongly agreed, (7%) were not sure. We have superior loyalty programs (60%) the respondent agreed, (26%) strongly agreed, (11%) were not sure, (3%) disagreed. We undertake contractual commitment (46%) the respondent agreed, (20%) strongly agreed, (27%) were not sure, (6%) disagreed while (2%) strongly disagreed. We have Patents for our products/services(53%) the respondent agreed, (21%) strongly agreed, (23%) were not sure, (3%) disagreed while (.8%) strongly disagreed. we undertakes customer value proposition(55%) the respondent agreed, (21%) strongly agreed, (22%) were not sure, (3%) disagreed. The last question sought to investigate the creation of ownership of direct distribution channels. The results show that (39%) of the respondents agreed while (26%) strongly agreed. (28%) were not sure while (6.6%) disagreed.

Significance of the deviation from expectation of the observed amount of association ranged from the least association; “We create ownership of direct distribution channels” (χ^2 =26, P≤0.00) to the most “We benchmark to offer matching product/service” **(**χ^2 =119, P≤0.00). The p-values show a statistically significant relationship between the categorical variables. The interview report established an industry predominant preference to system economics and as indicated:

> *“The overall customer experience as an interface has influenced customers’ direct and indirect interactions with our firm since lock-in effects are likely to be concentrated among the “spuriously loyalty” customers’ who are not willing to churn just of switching costs. As innovation pervades the value chain, we migrate quickly from one competitive position to another, creating new ones, depreciating old ones, and matching rivals”* (Key Informant).

4.4.4 Financial Performance

This section sought to establish the financial performance of the Safaricom PLC, Airtel, Telkom Kenya and Equitel for the last three financial years (2014-2017). This was done in order to determine whether the strategic positioning strategy had a positive, negative, or no effect at all on performance. Different measures of financial performance were used in the study.

Table 4.9: Profitability Financial Trends

Mobile phone company	RETURN ON INVESTMENT			
	2014-15	**2015-16**	**2016-17**	**Averages**
Safaricom PLC				
ROI (in %)	29.00	32.60	39.85	33.82
Airtel Kenya				
ROI (in %)	7.98	7.32	6.76	7.353
Telkom Kenya				
ROI (in %)	12.11	14.21	18.65	14.99
Equitel				
ROI (in %)	NIO	NIO	8	8
Mobile phone company	**RETURN ON EQUITY**			
	2014-15	**2015-16**	**2016-17**	**Averages**
Safaricom PLC				
ROE (in %)	32.60	34.48	43.09	26.72
Airtel Kenya				
ROE (in %)	9.52	9.42	8.58	9.17
Telkom Kenya				
ROE (in %)	12.11	16.64	21.65	16.8
Equitel				
ROE (in %)	NIO	NIO	12.11	12.11

Source: (Annual reports of the respective companies)

The investigated time period 2014– 2017 was heavily impacted by the economic crisis and electioneering period and as a result the average ROI as well as ROE percentages are used in the analysis below to provide a more general basis for the conclusions and generalization of the findings. The researcher deduced that Safaricom PLC was strongly outperforming the other mobile telecom company. On the basis of above details, it can be concluded that the highest ROI was 33.82% of Safaricom PLC, followed by Telkom, (14.99%), Equitel (8%) and finally Airtel (7.35%). This suggests that Safaricom PLC business operations (revenues, costs, and investment) are run very efficiently and profitably. The trend of Return on Equity on the basis of above details concludes that Safaricom PLC was well positioned with an ROE of 26.72% of followed by, Telkom (16.8%), Equitel (12.1%) and Airtel (9.17%). Compared to other mobile phone companies, Airtel was not relatively performing well and strength was weak in attracting future investments.

Table 4.10 Liquidity Ratios Financial Trends

Mobile Phone Company	**Liquidity**			
	2014-15	**2015-16**	**2016-17**	**Averages**
Safaricom PLC				
Current ratio	0.62	0.71	0.45	0.52
Quick ratio	0.47	0.63	0.43	0.49
Airtel Kenya				
Current ratio	0.22	0.27	0.22	0.18
Quick ratio	0.17	0.15	0.16	0.11
Telkom Kenya				
Current ratio	0.32	0.35	0.39	0.28
Quick ratio	0.43	0.22	0.27	0.32
Equitel				
Current ratio	Not in operation	0.29	0.32	0.11
Quick ratio	Not in operation	0.32	0.36	0.12

Source: (Annual reports of the respective companies)

Table 4.10 shows liquidity trend of the firm's ability to convent an asset to cash to pay a current liability with a current ratio of 1 or 2 being preferred to cover the current liabilities. The firms' quick ratio also indicated that the company may not be able to cover its current liabilities as they become due. The presentation of cash-flow data is necessary to evaluate the firms' liquidity, solvency, and financial flexibility. Liquidity information is important to users in evaluating the timing of future cash flows, it is also necessary to evaluate solvency and financial flexibility.

Table 4.11 Efficiency Ratios Financial Trends

Mobile phone company	Efficiency Ratios			
	2014-15	**2015-16**	**2016-17**	**Averages**
Safaricom PLC				
Inventory turnover	10.11	15.78	61.11	30.38
Receivable turnover	18.10	12.66	11.21	11.07
Asset turnover	1.12	1.23	1.32	1.15
Airtel Kenya				
Inventory turnover	9.14	10.3	7.00	5.29
Receivable turnover	5.76	4.54	4.77	3.45
Asset turnover	0.39	0.22	0.21	0.43
Telkom Kenya				
Inventory turnover	11.43	12.32	10.11	6.44
Receivable turnover	14.24	14.66	18.10	10.12
Asset turnover	0.99	1.10	1.12	0.88
Equitel				
Inventory turnover	Not in operation	10.11	7.32	5.06
Receivable turnover	Not in operation	18.10	4.54	11.32
Asset turnover	Not in operation	1.12	0.73	0.56

Source: (Annual reports of the respective companies)

Table 4.11 shows the Inventory turnover ratio for Safaricom PLC for the last three years indicated that inventory was sold and replaced an average 30.38 times. Receivable turnover ratio indicated that the accounts receivable of the company were converted to cash an average 11.07 times in on the asset turnover ratio, the company generated 1.15 for every Kshs.1 in assets.

The most consistent overall financial performance is nonetheless exhibited by Safaricom PLC, with the highest average ROI, ROE and the highest and most consistent cumulated annual growth rate for its return on sales for the total time frame of this study, 2014-2017. In the same period, Airtel's current liabilities far exceeded its current assets indicating the mobile firm is technically insolvent. Its precarious financial position meant its financial obligations could not be realized even if it sold all assets that could be readily liquidated. Airtel tend to have limitation on revenue growth, and under-performance on controlling cost and expense and generating better profit from investment.

The mobile telecommunication firms blame Safaricom PLC dominance, which it states curtails it from having a fair, competitive ground. The study implication of the financial findings is that past firm and industry performance may affect present or future performance but the past industry performance may have a bigger effect. According to Richard, Scott and Richard (2009) the dependence of performance measures on time is attributed to the reputation effects which link past performance to future performance. The linkage between past and present performance in effect provides a feedback mechanism within the dimensionality of performance (Roberts & Dowling, 2002).

Safaricom PLC displayed the highest profitability and an accordingly positive financial performance providing a strong indicator that the extent of strategic position is positively correlated with performance. Whether this conclusion can be generalized for the entire telecom industry as a whole, needs to be determined by further research with a broader sample base. The results are consistent with the findings of McAdam and Brian(2002) who posits that performance measures linked to strategy are more effective since each measure was found to be unique and results in different performance.

4.5 Inferential Statistics

In order to test the hypothesis, this study used inferential statistics to make inferences from the data to more general conditions. Factor analysis was used to examine convergent validity and was employed to detect appropriate loading on the predicted construct that illustrated relationships among sets of related items. Factor analysis was primarily used for data reduction purposes as it facilitated a smaller set of variables (preferably uncorrelated) from a large set of variables (most of which are correlated to each other) and created indexes with variables that measured similar items (conceptually).

Kaiser (1974) recommends accepting values greater than 0.5 and consequently, the study dropped items that fell below 0.5 levels thus strengthening the content validity of items in the factors as it met the threshold for carrying out correlation and regression analysis. Normality was undertaken to check on the extent to which the sample data distributed according to normal distribution and thus support the reliability of the interpretations and inferences of the results.

Correlation analysis, multiple linear regression, and ANOVA results are presented in this section to evaluate the inherent relationship between the dependent and independent variable.

4.5.1 Factor Analysis

Factor analysis was used determine what items or scales should be included on and excluded from the measure. It also defined indicators of constructs, dimensions underlying existing measurement instruments within a group of variables. Those values that are sufficiently large, i.e. the values that show a high correlation between the principal components and the (standardized) original variables, are highlighted. Kaiser (1974) criterion suggests to retain those factors with eigenvalues equal or higher than 1 and thus eigenvalue (>1) was considered to determine the number of factors to be retained. The retained factors represented the fundamental constructs which underlined the original variables. The component matrix table shows the components loadings that are the correlations between the variables and the components.

Table 4.12 Total variance explanatory components

Variable	Eigenvalue
Best Products Strategy	4.1677
Total Customer Solution Strategy	7.7769
Systems Lock-In Strategy	7.1502
Competition Regulation	1.0473
Performance	12.4863

Source: Research Data, 2017

Table 4.12 shows the outcome analysis of distinct constructs of best product strategy, total customer solution strategy, systems lock-in strategy, competition regulation and performance.

4.5.1.1 Factor Analysis for Best Product Strategy

Table 4.13 presents the results of the best product strategy factor loading which ranged from 0.5444 to 0.5563.

Table 4.13 Factor Analysis for Best Product Strategy

Component Matrix

Variable Indicators	**Factor Loadings**
We competitively target a specific market niche or segment	0.5558
We consistently provide specialty product/services	0.5563
We educate our customers on the company's products/services	0.5555
We have acquired better experience and learning curve	0.5444

Source: Research Data, 2017

The factor loadings indicate that the higher the load, the more relevant it is to define the factor's dimensionality. The researchers highlighted all the loading factors whose absolute value was greater than .5 as are highly correlated with Factor 1 items and was mostly defined by "We consistently provide specialty product/services" with 0.5563 which had the highest factor loading while "We have acquired better experience and learning curve" with 0.5444 had lowest factor loading. All the four items were therefore retained for further analysis.

4.5.1.2 Factor Analysis for Total Customer Solution Strategy

Table 4.14 presents the results of the independent variable total customer solution strategy, factor loading which ranged from 0.5599 to 0.8390.

Table 4.14 Factor Analysis for Total Customer Solution Strategy

Component Matrix

Variable Indicators	Factor Loadings
We provide genuine guarantees and warranties	0.5599
We always meet delivery targets to our customers	0.5618
We define customer relationship experience through the total life cycle of ownership	0.7454
We track customer feedback to improve on differentiated service	0.7253
The operator follows up in a timely manner to customer requests	0.7936
We outsource for business from our customers	0.7547
We work jointly in developing customers new products	0.7877
We foster a mutual learning environment that leads to bonding	0.8390
We endeavor to know our customers' requirements	0.7321
We have the capabilities and experience to satisfy our customers	0.6166
We offer personalized services to meet customers' need	0.7368
We regularly take steps to find out the needs of our customers	0.6975
We provide timely information when there are new services.	0.6821

Source: Research Data, 2017

The item with the highest factor loading was "We foster a mutual learning environment that leads to bonding" with 0.8390 while the item with lowest factor loading was "We provide genuine guarantees and warranties" with 0.5599. All the thirteen items were therefore retained for further analysis.

4.5.1.3 Factor Analysis for Systems Lock-In Strategy

Table 4.15 presents the results of the Systems Lock-In Strategy factor loading which ranged from 0.5013 to 0.7275.

Table 4.15 Factor Analysis for Systems Lock-In Strategy

Component Matrix

Variable Indicators	Factor Loadings
We represent the best value for total cost of lifetime ownership	0.6481
We have massive distribution and supply channels	0.6796
We possess first mover advantage	0.7244
We are forward/backward compatible	0.7019
We design proprietary standards within open architecture	0.7275
We enhance durable purchases	0.6185
We undertake product specific training	0.5013
We have secure customer information and database systems	0.6815
We have a strong domestic agent retailer relation	0.7018
We foster strong supply relationships	0.6733
We constantly value end-user reliability	0.5291
We undertake contractual commitment	0.5388
We have Patents for our products/services	0.6242
Our firms undertakes customer value proposition	0.5417
We create ownership of direct distribution channels	0.5350

Source: Research Data, 2017

The item with the highest factor loading was “We design proprietary standards within open architecture” with 0.7275 while the item with lowest factor loading was “We undertake product specific training with 0.5013.” All the fifteen items were therefore retained for further analysis.

4.5.1.4 Factor Analysis for competition regulation

Table 4.16 presents the results of the competition regulation factor loading which ranged from 0.5321 to 0.6940.

Table 4.16 Factor Analysis for competition regulation

Component Matrix

Variable Indicators	Factor Loadings
Total customer solution strategy	0.6940
Systems Lock-in strategy	0.5321

Source: Research Data, 2017

The item with the highest factor loading was “Total customer solution strategy” with 0.6940 while the item with lowest factor loading was “Systems Lock-in strategy with 0.5321.” the two items were therefore retained for further analysis.

4.5.1.5. Factor Analysis for performance

Almost all the variable indicators of the dependent variable (performance) had a factor loading greater than 0.5. Table 4.17 presents the results.

Table 4.17 Factor Analysis for performance

Component Matrix

Variable Indicators	Factor Loadings
Our financial returns satisfy shareholders expectations	0.7320
We are customer profitability oriented	0.7055
We undertake customer economic value additions	0.7022
We operate on low level of debt-equity level	0.7056
The company's return on investment is adequate	0.8233
The company’s after-tax net income growth rate is tolerable	0.6942
The company’s sales growth rate is endurable	0.7663
We have an established organisation reputation	0.6807
Our brands are easily recognized by customers	0.6663
We enjoy high success rates in new products	0.8310
We are positioned favorably in the market	0.7710
We have a consistent market share growth	0.8576
We adopt innovative levels that address customer concerns	0.7493
We quickly adapt to the changing conditions of the environment	0.8109
The churn rate of our customers is low	0.7098
Customer feedback is key to our sustained performance	0.7731
We are competitive because of our customer oriented activities	0.8359
Our firm has strong managerial interpersonal skills	0.8206
The company's customer delivery performance is high	0.8532
We objectively measure the social impact of our operations	0.8208

Source: Research Data, 2017

Table 4.17 show that the item with the highest factor loading was “We have a consistent market share growth” with 0.8576 while the item with lowest factor loading was “Our brands are easily recognized by customers with 0.6663.” All the twenty items were therefore retained for further analysis.

4.6. Test of Normality

Checking for normality was done to ensure that the t-statistic gave the correct message as to whether the independent variable was significant to explanatory variable or not. Normality test focused on the extent to which the sample data distributed according to normal distribution (Hair, Black, Babin & Anderson, 2010) to support the reliability of the interpretations and inferences of the results and was applied to determine if it met the assumption to use multivariate techniques to test the hypotheses. This study adopted Shapiro-Wilk and as it tends to have very good power under a broad range of useful alternatives and Skewness/Kurtosis tests.

Table 4.18: Test of Normality

	Shapiro-Wilk		**Skewness Test**	**Kurtosis Test**
Variable	P- Value	Z-Value	Pr (Skewness)	Pr (Kurtosis)
Best Product Strategy	0.95556	3.274	0.0000	0.3073
Total Customer Solution Strategy	0.96074	2.995	0.0004	0.5585
System Lock-In Strategy	0.96701	2.605	0.1233	0.0005
Competition Regulation	0.94911	5.374	0.0000	0.3773
Performance	0.89753	5.145	0.0000	0.3073

Source: Survey data (2017)

Result in table 4.18 show that the Shapiro Wilk have a p value greater than 0.5 while Skewness test and Kurtosis test indicate that the data are normally distributed therefore the assumption of the normality is not violated. The data was normally distributed.

4.6.1 Multicollinearity

Multicollinearity refers to the assumption that the independent variables are uncorrelated and its effect on the dependent variable is low and the researcher can make inferences about the causes and effects of variables reliably. In this study, Multicollinearity was measured by use of the multiple linear regressions' two commonly used measures: Tolerance and the Variance Inflation Factor (VIF). Tolerance measures the influence of one independent variable on all other independent variables while the VIF is an index of the amount that the variance of each regression coefficient is increased over that with uncorrelated independent variables (Keith, 2006). They were based on the *R*-squared value obtained by regressing a predictor on all of the other predictors in the analysis. Keith, (2006) asserts that Multicollinearity occurs when several independent variables correlate at high levels with one another, or when one independent variable is a near linear combination of other independent variables(r=.9 and above). The rule of thumb for a large VIF value is ten (Keith, 2006; Shieh, 2010). According to Meyers, Gamst and Guarino (2006), a VIF value above 10 or a tolerance value less than 0.10 are commonly used as cut-off points for determining the presence of Multicollinearity.

Table 4.19: Multicollinearity Measures

	Collinearity statistics	
Variable	**Tolerance**	**VIF**
Best Product Strategy	.829	1.207
Total Customer Solution Strategy	.524	1.909
System Lock-In Strategy	.584	1.711

a. Dependent Variable: Performance

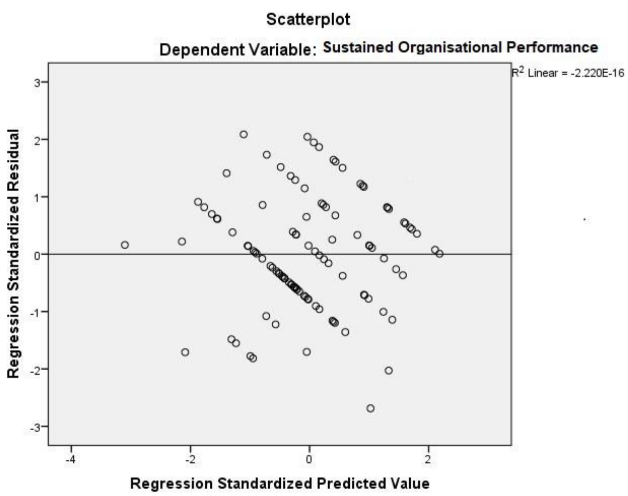
Source: Survey data (2017)

To ensure that there is no violation of the assumption of Multicollinearity, the researcher evaluated tolerance value and the variance inflation factor (VIF). There are no Multicollinearity Symptoms in the model involving the three independent variables (VIF<10). Low Collinearity is demonstrated by high tolerance and low VIF values. Tolerance values were (BPS= 0.829, TCS= .524 and SLI=.584) while VIFs were 1.207, 1.909 and 1.711 for BP, TCS and SLI respectively as shown in Table 4.19. Given the value of VIF and tolerance value, found in the regression analysis, the assumption of Multicollinearity is not violated.

4.6.2 Linearity

Linearity defines the dependent variable as a linear function of the predictor (independent) variables and relates to the bias of the results of the whole analysis (Keith, 2006). In the event the relationship between independent variables and the dependent variable is not linear, the results of the regression analysis will under-estimate the true relationship. This under- estimation carries two risks: increased chance of a Type II error for that independent variables, and in the case of multiple regression, an increased risk of Type I errors (over- estimation) for other independent variables that share variance with that independent variables (Osborne & Waters, 2002). A scatterplot of standardized residuals showed a random scatter about the horizontal line indicating no departure from linearity.

Fig. 4.1 Linearity



4.7 Correlation Analysis

Karl Pearson's Correlation analysis was used to determine the average relationship between the variable. The coefficient of correlation symbolized by "r" measured the degree of association of the variables (i.e. strength of the relationship) between the independent and dependent variables. The value of "r" ranges from -1.0 to +1.0 and the closer the 'r' is to +1 or -1, the closer the coefficients and greater are the strength of positive/negative the relationship between the variables. When the value of one variable increased, the value of the other variable also increased. If 'r' is negative it means that as one gets larger, the other gets smaller (often called an "inverse" correlation). The researcher classified this relationship as being moderately strong from (0.5 to 0.7), moderately weak (0.3 to 0.5), weak (0.1 to 0.3) and none or very weak (-0.1 to 0.1). Table 4.12 presents the correlations matrix for all the aggregated variables.

Table 4.20: Correlation results of Strategic Positioning on Performance

Variables		Performance
Best product	Pearson Correlation	.477
	Sig. (2-tailed)	.000
	N	121
Total Customer Solution	Pearson Correlation	.407
	Sig. (2-tailed)	.000
	N	121
Systems Lock-in	Pearson Correlation	.286
	Sig. (2-tailed)	.001
	N	121
Competition Regulation	Pearson Correlation	-.036
	Sig. (2-tailed)	.694
	N	121

**. Correlation is significant at the 0.01 level (2-tailed).
Source: Research data, 2017

Table 4.20 presents correlation coefficients between Strategic Positioning on Performance. Based on the analysis the Significance of (1-tailed/ 2-tailed) the p-value was used reject the null hypotheses. Statistical significance instructs to reject H_0 if $p \leq .05$ and accept H_0 if $p \geq .05$ (Pallant, 2007). The results showed that there was a significant positive correlation between the Best Product Strategy (IV1) and Performance (DV) with coefficient correlation r = .477 at p< 0.00 level; there is a positive and significant correlation between the Total Customer Solution (IV2) and Performance (DV) with coefficient correlation r=.407 at p <0.00 level; there is a significant positive weak significant correlation between Systems Lock-in(IV3) and Performance (DV) with coefficient correlation r = .286 at p < 0.00 level. However, the moderating effect of the competition regulation on performance was negative and not significant (r=-.036, p=0.694). This finding implied that any influence of competition regulation would lead to a decrease in performance in the mobile telecommunication companies.

The strongest relationship/association examined was between Best Product Strategy and Performance followed by Total Customer Solution and lastly Systems Lock-In Strategy. This suggested that change in one variable was accompanied by a change in the other variable and was due to the complex and dynamic competitive business environment.

4.8 Regression Analysis

Multiple Linear regression analysis was used to test the predictive ability of a set of independent variables on one dependent measure by determining which variables influenced the dependent variable most and which of those factors were more significant. In addition, the influence of Competition regulation directly influence firm performance and moderate the relationship between Best Product Strategy, Total Customer Solution and Systems Lock-In. To establish the statistical significance of the respective hypotheses, multiple regression analysis was conducted at 95% confidence level. Validity of the model was checked with f- test while (R^2) was measured the model's goodness of fit. The nature and outline of their relationships was described by the results of regression analysis. The coefficient of determination measured how well the regression line represented the data.

Table 4.21: Moderated Regression Analysis Model Summaries

Model	R	R Square	Adj. R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.530[a]	.281	.263	.48889	.281	15.252	3	117	.000
2	.533[b]	.285	.260	.48981	.003	.561	1	116	.455

a. Predictors: (Constant), Best product, Total Customer Solution, Systems Lock-in

b. Predictors: (Constant), Best product, Total Customer Solution, Systems Lock-in competition regulation

c. Dependent Variable: Performance

Source: Research data, 2017

Table 4.21 shows the coefficient of determination from model 1 and 2 which represents the percent of the data that was closest to the line of best fit. Level one (model 1) was done before the moderating variable which is also called the interaction term and the second level(model 2) was tested after including the interaction term in the model. The adjusted coefficient of determination (R-squared) was used to indicate the percentage of variability of the variables that was accounted for by the factor**s** under study**.** The coefficient of determination from model 1 was indicated by R square of 0.263 showing that the predictors in the model can explain 26% of the variation in dependent variable by variation in the independent variables. This shows that 74% of the variations in changes in organization performance are explained by other factors not captured in the model. The positivity and significance of all values of R shows that model summary is significant and therefore gives a logical support to the study model. This further presents an opportunity for future studies to include additional variables that could explain mobile firm's performance.

The coefficient of determination from model 2 was used to determine the statistical significance of the interaction term and subsequently check whether regulation by Competition Authority of Kenya moderates effects of performance. The interaction in model 2 accounted for significantly more variance than just regulation and performance by themselves, R^2 change = .003, p = .455, indicating that there was potentially no significant moderation between them. In this case, the hypothesis that the moderating effects of the competition regulation on relationship between Best product, Total Customer Solution, Systems Lock-in and their performance fails to be rejected and its significance not supported.

The regression coefficient of product term (Best product, Total Customer Solution, Systems Lock-in with competition regulation) on Performance is negative, which indicates that the moderating variable (competition regulation) weakens the causal effects of Best product, Total Customer Solution, Systems Lock-in on performance. In other words, the increase in regulations from competition regulation would give negative effects on the mobile firm's performance. The study thus concludes that competition regulation does not moderate the relationship between strategic positioning and performance.

4.8.1 Overall Significance of the ANOVA

Kothari (2014), described ANOVA as a procedure for testing the difference among different groups of data for homogeneity. The essence of ANOVA is that the total amount of variation in a set of data is broken down into two types, that amount which can be attributed to chance and that amount which can be attributed to specified causes while F- test was also used in the context of the analysis of variance (ANOVA).

Table 4.22 Analysis of Variance (ANOVA)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.936	3	3.645	15.252	.000[b]
	Residual	27.964	117	.239		
	Total	38.901	120			
2	Regression	11.071	4	2.768	11.536	.000[c]
	Residual	27.830	116	.240		
	Total	38.901	120			

a. Dependent Variable: Performance

b. Predictors: (Constant), Systems Lock-in, Best product, Total Customer Solution

c. Predictors: (Constant), Systems Lock-in, Best product, Total Customer Solution, Moderating Effect Score

Table 4.22 shows the overall significance of the predictors in explaining performance. The model predictors are significant in explaining changes in positioning strategies with a 0.000 level of significance. The researcher was interested in establishing the amount of variance accounted for in model 1(without interaction) and model 2 (with interaction) and which of the two was more significant. The results indicate that best product strategy, total customer solution systems lock-in and competition regulation were significant predictor variables of performance of the of mobile telecommunication companies in Kenya. This shows that model 1 was significant without the interaction term, $F (3, 117)$ 15.252, $p<.001$. Model 2 was also significant with the interaction term $F (4, 116)$ 11.536, $p <.001$ indicating that the model used to link the independent variables and dependent variable was statistically significant. The researcher consequently rejected the null hypothesis and concluded that strategic positioning have a positive influence on performance in the mobile telecommunication industry.

4.8.2 Multiple Linear Regression Results

The moderating effects of competition regulation on the joint relationship between strategic position and performance were also tested in the overall model. Unstandardized coefficient of Beta was used to explain what changes in dependent variable when independent variable is changed.

Table 4.23 Moderated Multiple Linear Regression Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.433	.044		99.707	.000
	Best product	.652	.151	.372	4.323	.000
	Total Customer Solution	.268	.127	.229	2.119	.036
	Systems Lock-in	.043	.121	.036	.351	.726
2	(Constant)	4.797	.489		9.815	.000
	Best product	.646	.151	.369	4.268	.000
	Total Customer Solution	.278	.128	.238	2.181	.031
	Systems Lock-in	.041	.122	.034	.335	.738
	Competition regulation	-.108	.144	-.059	-.749	.455

a. Dependent Variable: Performance

Table 4.23 shows the coefficient variation of model 1(without interaction) that allowed the researcher to know the direction which the dependent variable took. Based on regression coefficients results in Table 4.23 the regression equation can be written as follows:

Performance = 4.433 + 0.652 (*Best Product strategy*) + 0.268 (*Total Customer Solution*) + 0.043 (*Systems Lock-in*)

The coefficient of Best Product strategy was at (β=0.652, p=0.000, <0.05) showing a statistically significant relationship between Best Product strategy and performance in the mobile telecommunication industry. Hence the study findings in table 4.23 concluded that Best Product strategy significantly affected performance of the mobile telecommunication industry. The regression coefficient of 0.652 obtained in this case implies that a unit increase of the best product strategy would lead to 0.652 unit increase in performance of mobile telecommunication firms

β_2 = .268, shows that one unit increase in adoption of Total Customer Solution results in .268 increase in Performance (financial & non-financial), holding other factors constant. β_3 = .043, shows that one unit increase in Systems Lock-In Strategic options result in .043 increase in Performance (financial & non-financial), holding other factor constant. The standard error (.044), being a random variable with a mean of zero captured the variables that could not be quantified. The *p* value that pertains to strategic positioning on performance score is less than 0.05 and thus achieved significance.

The coefficient variation of model 2(with interaction) allowed the researcher to know the direction which the dependent variable took when the moderating effect was introduced. With the beta coefficient being negative the unit increase in predictor, the outcome variable decreased by the beta coefficient value specially where there was a moderating effect.

Performance = 4.797 + 0.646 (*Best Product strategy*) + 0.278 (*Total Customer Solution*) + 0.041 (*Systems Lock-in*) + -.108 (*Competition regulation*)

β_1 = .646, shows that one unit increase in adoption of Best Product Strategy results in .646 increase in Performance (financial & non-financial), holding other factors constant. β_2 = .278, shows that one unit increase in adoption of Total Customer Solution results in .278 increase in Performance (financial& non-financial), holding other factors constant. β_3 = .041, shows that one unit increase in Systems Lock-In Strategic options result in .106 increase in Performance (financial & non-financial), holding other factor constant. The moderation by competition regulation β_4 = -.108 shows that as the regression coefficient was negative for every unit increase in predictor the research showed that the $-\beta$ value unit decrease in performance holding all other variables constant. This was an inverse relationship.

The standard error (.489), being a random variable with a mean of zero captured the variables that could not be quantified. The p value that pertains to moderating effects score is greater than 0.05 and thus achieved no significance. Hence, competition regulation did not moderate the effect of Performance of the mobile telecommunication companies.

The interactive association of the independent variables values were too high as compared to other independent variables and as such the negative coefficient occurred. Where the regression coefficient are such that one or more is pushed too high and the negative value was countering it and subsequently when the independent variable increased the dependents variable decreased.

4.9 Summary of the Hypotheses Results

Hypotheses were tested to determine whether influence by the independent variable would be significant or not. Null hypothesis was tested as the default position that there is no significant relationship between two variables being studied under the assumption that if $P \leq 0.05$, then it would be rejected or otherwise fail to be rejected and vice-versa (Hair *et al.*, 2006). Four hypotheses are presented, which affirm that Strategic Positioning combinations are key determinants of Performance. A summary of findings from the hypothesis test of this research study are provided in Table 4.24.

Table 4.24 Results of Hypotheses Test

Null	Hypothesis Statement	Hypothesis Testing	Remark/Conclusion
$H_0$1	There is no significant influence of Best Product Strategies on Performance in the mobile telecommunication industry.	Regression analysis *p* value (0.000)	**$H_0$1** was rejected
$H_0$2	There is no significant influence of Total Customer Solution Strategies adopted on Performance in the mobile telecommunication industry.	Regression analysis *p* value (0.031)	**$H_0$2** was rejected
$H_0$3	There is no significant influence of System Lock-In strategies on Performance in the mobile telecommunication industry.	Regression analysis *p* value (0.738)	**$H_0$3** failed to be rejected
$H_0$4	There is no significant influence of moderating effect of competition regulation on Performance in the mobile telecommunication industry.	Moderated Regression analysis *p* value (0.455)	**$H_0$4** failed to be rejected

Source: Research data, 2017

From the results in Table 4.24, there is evidence to suggest that the direct influence of regulation by competition Authority on the strategic position is consequently not moderated by the actions of Quality of Service, Universal access and service and interconnection and interoperability implying that its influence led to a decrease in performance in the mobile telecommunication companies. Such factors could trigger a review of the mobile industry distinctive competences and key strengths and initiate changes to its policies. The results presented in this study appear to validate this theoretical proposition and the hypothesized questions and moderates the increase or decrease of their relationships. This underlined the importance of a comprehensive measurement of the construct use of measures as suggested in literature (Ferreira & Otley, 2009).

4.10 Discussion

This section discusses the results in line with the study objectives and the hypotheses. The researcher developed a conceptual framework derived from the strategic positioning literature and empirically tested the relationships. The conceptual framework delineated the association between the independent variables and defined how they were linked to the different hypotheses.

4.10.1 The Relationship between Best Product Strategy and Performance

The study established a positive and significant relationship between best product strategy and performance of the mobile telecommunication firms surveyed in Kenya. This suggested that for the mobile firms need to fully define their product and service identity and create a distinction with a perception for superior brand. Thus to sustain performance, they need to focus on products inherent characteristics, intrinsic superiority of product and service with distinguishing features and functionalities which are deemed valuable.

4.10.2 The Relationship between Total Customer Solution Strategy and Performance

The study established a positive and significant relationship between Total Customer Solution Strategy and performance of the mobile telecommunication firms surveyed in Kenya. The operating principles of this value discipline included having a full range of services available to serve customers upon demand. This also suggested that by redefining the customer experience, integration and horizontal breadth, the mobile telecommunication firms increased chances of keeping customers. Value addition strategies increased customer’s perceived benefits and reduced perceived sacrifices which stimulated repeat customer in the same provider. It adds value either by increasing the number of related products and services (solutions) offered to each customer at a single point of delivery, or bundling/combining its products and services with support and follow-up (Management Sciences for Health, 2003).

4.10.3 The Relationship between Systems Lock-In Strategy and Performance

The study established a statistically non-significant relationship between Systems Lock-In Strategy and performance of the mobile telecommunication firms surveyed in Kenya. This is suggested that some service providers profited from the customers becoming dependent on them for products and services making them unable to use another provider without substantial switching cost. This is suggested by the driving force of system economics which not every firm had the capacity to attain. Only Safaricom PLC has been successful in reaching this de facto dominance in the market by lock-in customers through their differentiated offerings but also enabled a competitor lock-out.

4.10.4 The Moderating Effect of Competition regulation on Best Product Strategy, Total Customer Solution and Systems Lock-In on Performance

The competition regulation influence of Quality of Service, Universal access and service and interconnection and interoperability did not statistical influence the relationship between Best Product Strategy, Total Customer Solution and Systems Lock-In on performance. The moderating strength and direction was reduced when the interaction term of Best Product Strategy, Total Customer Solution, Systems Lock-In and competition regulation factors was introduced. The study thus concludes that increased competition regulations would give negative effects on the mobile firm’s Performance.

4.11 Summary of Chapter Four

This chapter presented basic descriptive statistics, cross tabulation and chi-square test for all demographic items to understand the relative attitude items across the sample. Also presented were the study results of the key study variables and the discussion of the results consistent with the theoretical and the empirical studies from the hypotheses tests which were computed in line with the objectives. The results revealed statistically significant results at 0.05 between Best Product Strategy and Total Customer Solution but a weak and insignificant level of Systems Lock-In and competition regulation on performance.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter concludes the presentation of study with a summary of findings as guided by the specific objectives and research hypotheses. It also provides conclusions, recommendations, contributions as well as commendations for further research based on the research findings.

5.2 Summary of Findings

This study tested a theoretical model which was underpinned by theory and research concerning the link between strategic positioning and performance through a common consumer sector in the mobile telecommunication industry. The mobile telecommunication firms in Kenya were found to employ similar strategies (or "positioning") with distinct, consistent, and recurring patterns of strategic behavior. The study established that all the telecommunication firms have established systems that puts the customer at the center and aligns objectives, targets, rewards and recognition with their needs. By understanding and practicing both the science and the art of executing strategic positions, the telecommunication managers were predisposed to an enhanced and sustainable organisational performance.

The study found that financial measures (lag indicators) summarized the results of past actions while non-financial measures (leading indicators) projected future financial performance. These indicators support the determination of the profitability and performance of company from different angles. Financial performance measures were found to be within the managerial docket of top managers while the non-financial performance measures were controlled by the middle and lower level managers. The overall profitability of mobile firms was determined by the amount of direct competition within industry. These performance measures determined that using this indicators, Safaricom revenues and profits surpassed all other service providers, effectively establishing it as the dominant provider. A key symptom of the enfeebled competition in the mobile Phone industry was that Safaricom PLC remains the dominant operator. It was therefore extrapolated from the financial analysis that Safaricom PLC strategic positioning was more effective than of Telkom Kenya, Airtel Kenya and Equitel.

Looking at the overall industry, regression results indicated that strategic positioning was a significant predictor of performance. It explained 26% (R^2=.263, F (3, 117) =15.253, p<0.05) of the variations in performance in the telecommunication industry while 74% may be attributed to other factors not explained by the variables. The statistical significance of the interaction term of the competition regulation did not statistically moderate the effects of performance by a change in R^2 of 0.003 thus confirming that competition did not moderate the relationship between performance and strategic positioning. Correlation findings indicated that there was a significant correlation between best product strategy (r=.477, p<0.05), total customer solution strategy (r=.407, p<0.05) and systems lock-in strategy (r=.286, p<0.05), with best product strategy exhibiting the strongest association to performance.

Overall, a unified strategic framework that accounted for the sustenance of the industry was the dominant positioning strategy. The results indicate that Safaricom PLC incorporated best product, total customer solution and systems lock-in strategy exceptionally well. Their Strategic positioning were thus found to be a heterogeneous group of options that transformed ‘best practices’ or theoretical know-how into steps that were integral to support organisations in dealing with complex demands of competitive markets and the quest for creating and sustaining organisational performance. Telkom Kenya and Airtel incorporated best product and total customer solution strategies while Equitel adopted a mix of total customer solution and systems lock-in strategy for their banked clientele. The results presented in this study thus appeared to validate this theoretical proposition. To attain and sustain organisational performance, strategies in one domain must be consistent with strategies developed in another; and strategies coordinated across domains will achieve better results. The findings provide support for Hax delta model, that is to say, superior performance is the result of alignment of strategic positioning with environmental conditions.

5.2.1 Influence of Best Product Strategies on Performance in the Mobile Telecommunication Industry.

The first objective of this study was to determine influence of best product strategies on performance in the mobile telecommunication industry. The study results are reflective of a dynamic industry where the products and services are driven largely by technological development rather than market acceptance thus to "to get larger economies of scale and scope".

The study established that all the firms in the mobile telecom were committed to provide 'customer wants technology and performance' and 'customers want solution and convenience'. The focus is on development, innovation, design, time to market, and high margins in a short time frame. Their ability to be first to market through streams of authentic and differentiated products or services innovation meant adapting to changing markets, technologies, and competition. Berger and Mester, (2003), corroborate these findings with the results of their study that support the hypothesis that the first mover advantage offers the enterprise better performance. Neu and Brown, (2005) also indicated that the increasing complexity of customer needs drives firms to identify the need for improvement, the complexity being those customers who increasingly differ on how they want to satisfy their needs. This further meant realizing unmet customer needs or interests or to the products or services that would bring about satisfaction.

5.2.2 Influence of Total Customer Solution Strategies on Performance in the Mobile Telecommunication Industry

The second objective examined in the study was the investigate influence of total customer solution strategies adopted on performance in the mobile telecommunication industry. The strategic option called for the understanding of customer economics by striving to understand the drivers of customers' profitability and developing ways to help them improve their productivity and achievements. This helped to redefine the customer experience, customer integration and horizontal breath.

The study found that total customer solution strategies advocated for the customers to be treated individually and should offer a unique customized proposition with novelty, quality and increased performance over competition to support the extended enterprise. By selecting and engaging customers with the highest potential of sustaining them and continuously evaluating then increased chances of keeping them. The operating principles of this value discipline included having a full range of services available to serve customers upon demand.

The firms have positioned themselves to provide dominant position in the "share of the wallet of the customer" by offering bundles of competencies that is brought to the customers to enhance customers' economics. The strategic competitive position unique to each firm translates from the services and process technologies in serving their customers base; consistent increases on demand side and secure current profitability - efficiently serving existing customer segments, alongside future viability - adapting to meet the demand of new customer segments(Andris, Prabhakant, & Sally, 2006).

5.2.3 Influence of System Lock-In Strategies on Performance in the Mobile Telecommunication Industry

The third objective examined in the study was to determine influence of system lock in strategies on performance in the mobile telecommunication industry. The focus was on system-wide perspective consisting of multiple, interdependent technologies and supporting infrastructures; based on the idea of raising barriers to entry for radical technologies that are not part of the dominant technological cluster. The study established that as a particular service provider increased in size so does its attractiveness to potential users, giving rise to positive feedback effects. This stemmed from the benefits of compatibility, either in terms of physical products, services or related skills and experience.

The research findings established that some service providers profited from the customers becoming dependent on them for products and services making them unable to use another provider without substantial switching cost. Firms enjoyed incontestable dominance position of monopolistic powers, extreme guaranteed customer bonding and spectacular financial performance. The delta model correctly proposes this may not be achievable by small firms and is thought of as the final objective (Hax 2010). Market dominance was attained from the monopoly extracted from a large market as the industry proprietary standards allowed firms to establish more efficient product process innovatively while proprietary standards helped to protect its knowhow and establish itself as a cost leader in its core operations. Based on these facts, it can therefore be concluded that the influence of system lock in strategies plays a role in explaining the relationship between strategic positioning and performance.

5.2.4 Role of Moderating Effect of the Competition Authority on Performance in the Mobile Telecommunication Industry.

The fourth objective examined role of moderating effect of the Competition Authority on performance in the mobile telecommunication industry. The Institute of Economic Affairs

(2003), argued that if Kenya is to develop into an information economy, then the Competition Authority must transcend mere exercise of regulatory authority and show sector leadership. Given both the prospects for and the benefits of competition in the mobile telecommunications industry, the study established that role of moderating effect on the Communication Authority in the mobile telecommunication industry plays a significant role in explaining the relationship between mobile firms strategic positioning and performance. Through the efficient and effectiveness influences of the Competition Authority, the mobile competitive market was found to offer low prices that met customer needs, desires and expectations which ultimately were to the advantage of the customers.

5.3 Conclusions from the Study

Based on the research findings and theoretical discovery of other researchers, it can be concluded that the all the mobile phone telecommunication firms in Kenya have adopted alternative strategic positioning strategies which increased unobserved heterogeneity, through economies of scale and scope, consequently enhancing their performance.

In the context of the strategic positioning, it was found that best product strategy is statistically significantly related to both the performance measures and hence hypothesis $H_0$1is rejected. This finding agrees with the findings of many previous studies discussed in chapter 2. While best product strategy is moderately related to performance, its relationship with relative competitive regulation is not very strong. This indicates that even though best product strategy helped the mobile phone firms to achieve their set objectives, it does not make a huge contribution towards improving performance in comparison to its main competitors.

The researcher concludes that all firms in the mobile industry competed and served their customers (essentially) in the same way. Even though their strategies and actions have been conducted in quite different ways, their strategic positioning in the mobile industry market was the same. Regulation by the competition authority determined the appropriateness of each firm's activities that contributed to their performance. Based on the findings above, the results of this study conclude that mobile firms ought to reinforce a wide –variety/low price model in a consistent and congruent manner. They should provide a consistent portfolio of products and services that profit from the customer's participation in the creation of value.

In the context of the total customer solution, a statistically significant relationship was established and hence hypothesis $H_0 2$ is rejected. The researcher concludes that through an enhanced total customer solution experience, the customer will be more closely bound to the firm, increasing its performance (profitability). The telecom firms must highlight the trends in the markets as improvement in the quality of service for customers, and increase in choice, in competition, in subscriber growth. A rich understanding of the dynamic process by which total customer solution options are applied must be exploited in combination. In as such, mobile firms must provide additional value by learning the needs of each customer and supplying them with tailored solutions. Instead of offering independent products, the mobile firm ought to put together a coordinated bundle of products and services aimed at solving a wide array of customers' needs.

However, based on the systems lock-in strategy, the study established a statistically non-significant relationship with performance and hence hypothesis $H_0 3$ is not rejected. The evidence does not support the proposition that systems lock-in strategy has to be reached by de facto dominance in the market. The study concludes that mobile firms through the systems lock-in strategy must attempt to attract a firm's complementors by providing mutual benefits that enhance system performance, ultimately locking in customers and locking out competitors. The mobile phones firms should also attempt to dilute the competitors’ actions in the value chain by restricting access which will lock out the competitor by blocking access to distribution, supply chains, or significant complementors. In conclusion, understanding the customer journey is just one of the elements that are needed to deliver great customer experiences.

Consequently, the understanding of a moderator effect was found to be a critical component to the generalizability of research findings to other populations, locations, and industry. Hypothesis $H_0 4$ tested using moderated regression analysis, indicated that regulation by Competition Authority of Kenya did not statistical influence the relationship between Best Product Strategy, Total Customer Solution and Systems Lock-In on performance and hence hypothesis $H_0 4$ is not rejected. It was found that increased competition regulations gave negative effects on the mobile firm's Performance.

Given the dynamic nature of telecommunications industry policies, the regulation by Competition Authority of Kenya should facilitate regular reviews of legal provisions and regulations to accommodate new business dimensions. Competition Authority of Kenya should also ensure that the mobile telecom operators are responsive to customers and community needs and that customers interest are protected by focusing more attention and resources on customer care services, effectiveness of the network, making the services more economical and other quality related issues. Furthermore, Competition Authority of Kenya should lay down the standards of quality of service to be provided by the mobile telecom service providers thereby creating conditions for customer satisfaction and the user right to expect the quality services. The study conclude that mobile telecommunication regulators in Kenya need to become advocates of development, and balance effectively, the private sector driven growth agenda with the national socio-economic agenda (Okonjo, 2013). Finally, Competition Authority of Kenya should adopt a pro-active regulatory model that will keep it at the frontline of policy and regulation of technology and innovations. By adopting these measures, the Kenya mobile telecommunications industry is bound to be one of the most liberal sectors in Africa.

5.4 Research Contributions and Implication

The study builds on and contributes to strategic positioning in a mobile telecommunication industry subject to constant changes which strategic managers must attempt to forecast. According to Petre & Rugg (2010), 'Making a significant contribution means adding to knowledge or contributing to the discourse – that is, providing evidence to substantiate a conclusion that's worth making.'

5.4.1 Contribution to Theory

This research study has introduced the Hax Delta Model Framework for Telecommunication firms in Kenya and for which there is little formulaic knowledge on it and as such has been sparingly adopted. The attempt to transform theory into practise and vice versa has brought in a new idea resulting in the continuous evolution of management thought. Positivist epistemological aspects were adopted by the application of the scientific method to industry characteristics thereby producing new knowledge about social phenomena comparable to the natural sciences.The main contribution to theory of this research derives from filling the gap between the theoretical construct and practical evidence of strategic positioning within the telecommunication industry context. As concluded above, this study provides evidence support of the concept that adoption of Hax Delta model is important to sustained organisation performance.

Following on the work of Hax and Delta (2001) on a unified strategic framework the delta model; an attempt is made to build and extend it to include other perspectives (Porters Generic strategies), from the strategic management literature to fit the specific requirement of the Kenya mobile telecommunication industry. The research has utilised a multi-dimensional approach to explore and explain the model in conjunction with the strategy in order to gain alternative perspectives on performance. These two frameworks richly complement each other by emphasizing different dimensions of strategy and contributed enormously to the development of business strategy.The research reveals that mobile firms as entities are always undergoing evolution and change.

5.4.2 Contribution to the field of Strategic Management

The study has contributed to strategic management literature by establishing that by empirically testing the research hypotheses based on the Hax delta model, this study consequently fills an important gap in literature. Hence, the present findings should help to reinforce the Hax Delta strategic positioning framework's recognition as a rigorous theory of strategic management.

In addition to these implications for academics, this study also demonstrates the importance of trade-offs involved with pursuing different strategic positioning from a customer's perspectives which provides a rich understanding of the strategy a firm applies so as to contribute to competitive advantage and performance. This work can be seen as providing a contribution by providing the industry with findings relating to what, why and how to use such a framework for strategic position in the context of strategic positioning. The methodological approach applied will influence future research into strategic positioning needed to accommodate a unique context of their study

5.4.3 Contribution to the Mobile Telecommunication policy

The pervasiveness of the present regulatory policies, which have arguably changed the landscape of mobile telephony, makes it necessary for the competition regulation to recognize its active role and influence. The study has provided some evidence to suggest that the nature and degree of the competition regulation influence differs depending on the perceived role it plays in the relationship with them. This study tested the moderating effect of strategic positioning on performance. In a competitive marketplace, the customer value must be improved and the players kept in check. This is the imperative for a healthy wider sectoral effect to the industry flexibility to respond changing environmental. The operating model is the key to raising and resetting customer expectation.

5.5 Recommendations from the Study Findings

Based on the foregoing summary of findings and conclusion, the researcher recommends that all three options should be considered in the development of a strategy, and the threshold must be met in all areas for long-term success and survivability, but only one of these options should be the focus of the passion of the telecommunication managers and the dominant strategic positioning option of the business. Using the best product strategic option, the study recommends that the mobile telecommunication firms' should initiate and incorporate more advanced and innovative products and services to follow the accelerating development of the telecommunications technology underlying the needs of its customers. Every effort should be concentrated on the product range extension, product improvement, and product repositioning and new product introduction. Delivering premier products and services to the market by an extension of their innovation will enable the firms to be more productive, to grow faster, to invest more and also to earn more performance. The mobile telecommunication firms should prioritize increasing value over reducing prices as this will lead to long term success than strategies aimed at reducing prices.

Adopting the total customer solution strategic option the study recommends that the mobile telecommunication firms' should provide the connectivity/coverage and features that are attractive to the customers. They should improve customers' additional value by bundling more services as well as expansion of geographical coverage through the combination of horizontal breath, redefining the customer experience and integration. This option calls for the development of partnerships and alliances, linking various firms' ability to complement a customer offering.

System Lock-In strategic option is pegged by the early adoption from consumer which generate a snowballing effect whereby the preferred technology benefits from greater improvement than its competitors, stimulating further adoption, improvement and eventual leadership. By adopting the system lock-in strategic option the study recommends that the mobile telecommunication firms' should extract monopoly profits from a large market if the system achieves market dominance.

5.6 Policy Recommendation

Underpinned by the research findings mentioned herein, this study sheds additional policy implications for both policymakers and implementers to emphasize on the key strategic positioning of the firms, which underline mobile firm sustained performance. The mobile telecommunication firms should be in conformance to regulations as set by the Competition Authority of Kenya which in turn should be independent and support legitimacy for consumers and result in more efficient industry performance. The Competition Authority of Kenya is thus duty-bound to guarantee a level playing field on which all players can compete devoid of exclusive right for any particular mobile telephone operator. In as such, the regulatory framework (Quality of Service, Interconnection and interoperability and Universal access and service) should provide sufficient incentives for the industry to focus on improving service quality and achieving transparent competition and subsequently improve sharing of best practices.

5.7 Suggestions for Further Research

The study was undertaken on role Hax delta strategic positioning model on performance of mobile telecommunication companies in Kenya. This study was confined to the strategic positioning of the main stream mobile telecommunication firms in Kenya with the competition regulation being the moderator to their performance. The study indicates that some of the key strategic positioning within the mobile phone industry have changed over time and the findings provides a framework with which mobile phone companies firms can map their strategies against the moving target of changing industry priorities.

A review of literature indicated that there has been limited amount of research on customer centric strategic positioning studies in the Kenyan context, more so in the mobile telecommunication industry. The findings of this study serve as a basis for future studies on other emerging industries where different or similar condition prevails. It is hoped that this thesis and its findings will spur further research into the development and use of management approach and techniques in all the telecommunication companies.

As strategic positioning comprises both competitive and customer considerations which embrace the devising of the desired future position of the organization on the basis of present and foreseeable developments, future researches could examine the prevailing influences of independent variables on the dependent variable. Conducting a comparative study would be useful to test the relevance and significance of the conclusions in this study and its theoretical model of influencing factors on strategic positioning in order to validate whether the findings can be generalized to the telecommunication industry in Kenya and thus offer collaborative and coordinated solutions. It would thus be practical to research more on the extent to which this study findings and the model are capable of wide application. Such a comparative study would provide a more comprehensive picture of the extent to which the telecommunication industry undertake strategic positioning and their effects in different economic contexts.

As cross sectional research, this study employed a survey strategy over a short period of time. The current research can be duplicated but should use a longitudinal approach to measure the framework in varying conditions of the internal and external environments of the telecommunication firm in plenty of time, since performance is a process that occurs over time, implying that a longitudinal approach would have been appropriate. Further quantitative research on mobile telecommunication regulation would provide the most reliable information on the subject. By reviewing the experienced advantages and hindrances, the Competition Authority of Kenya may be provided with guidelines and recommendations that may lead to an effective collaboration and regulation

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APPENDIX I: REQUEST LETTER TO RESPONDENTS

Kabarak University
School of Business and Economics
P.O Box 20157
Private Bag
Kabarak.

Dear Respondent,

I am a Ph.D. student at Kabarak University in the School of Business and Economics, Majoring in Strategic Management. In order to complete my study, I am conducting a research focusing on **"Analysis of Hax Delta Strategic Positioning Model on Performance of Mobile Telecommunication Companies in Kenya".** The results of this study will provide valuable insight to research institutions that wish to improve the education of our future students.

Your participation and opinion will be of great value to me and the mobile telecommunication industry. The information you will provide will be kept confidential. To ensure your anonymity, no name or other means of identification are requested in this survey. Your completed survey will only be accessed by the researchers of this study.

Your input is greatly appreciated.

Sincerely,

Njenga Samson Gitahi

PhD Researcher.

<u>Consent declaration</u>

This questionnaire, though you have to complete it voluntarily, is an important research instrument for the study that I am currently conducting. I also understand that by signing this consent letter, I have agreed to participate in this study with consent and willingness to provide information required voluntarily.

Participant's Signature__________________ Date____________________

Institution (Optional)………………….. ………………………

APPENDIX II: QUESTIONNAIRE

Section A: Demographics Information

Please tick [√] the appropriate box that best describes you.

1. Gender:

Male ( ) Female ( )

2. Age brackets:

Below 30 years	( )	30 - 34 years	( )	35 - 39 years	( )
40 - 44 years	( )	45 - 49 years	( )	50 - 54 years	( )
55 - 59 years	( )	60 - 64 years	( )	65 - 69 years	( )
Above 70 years	( )				

3. Level of education:

Degree [ ] Master's Degree [ ] PhD Degree [ ]

Other (Specify)____

4. Your current position (tick as appropriate)

☐ Top Level ☐ Middle Management ☐ Lower Level

3 Your length of service in the same position …………………………………………

4 Your length of service in the company ……………………………………………....

5 Name of your Organisation …………………………………………………………..

6 Ownership Structure (Tick As Appropriate)

Privately Owned (Local) [ ] Government Owned [ ] Both Government and Privately Owned [ ] Foreign Owned [ ] Both Foreign and Locally Owned [ ]

Section B: Best Product Strategy

a) Kindly indicate the extent to which you agree or disagree with the following statements as relates to the best product positioning strategy in your organization.
b) Use the following scale: Strongly Agree (SA) = 5; Agree (A) = 4; Neutral (N) = 3, Disagree (D) = 2; Strongly Disagree (SD) = 1. The highest scale is 5 and the lowest is 1.
c) Instructions (B) above also apply to all the other Likert questions in Sections C, D and E.
d) Where explanation is required, fill in the spaces provided

Kindly place a tick (√) against the suggested opinion to show your level of agreement or disagreement with the Best Product Strategy in the appropriate box in the table.

	Product Economics					
	Statement	**SA**	**A**	**N**	**D**	**SD**
1	Our products/services are always first to market					
2	We possess an industry dominant design					
3	We actively pursue product/service leadership strategy					
4	We have systems to assure the quality of our products/ services					
5	Our company has a variety of products.					
6	We regularly introduce new products / services					
7	We regularly make improvements to our products/ services					
8	We aggressively pursue economies of scale					
9	We are actively engaged in process and product simplification					
	Product Share/Price					
	Statement	**SA**	**A**	**N**	**D**	**SD**
10	Our pricing policies are attractive					
11	Prices are a significant influence to the consumers					
12	We benchmark on pricing prior to launching a product/service					
13	Our low cost on service/product attracts price sensitive customers					
14	Our products /services are affordable					
15	Our products/services are easily available					
16	Our products/services are easily accessible					
17	Our pricing strategies reflect the organisational goals					
	Rivalry					
	Statement	**SA**	**A**	**N**	**D**	**SD**
18	We have a modern, scalable and reliable network infrastructure					
19	We competitively target a specific market niche or segment					
20	Our services and product differs significantly from competition					
21	We consistently provide specialty product/services					
22	Our products/service are of higher quality					
23	We educate our customers on the company's products/services					
24	We have a strong brand image					
25	We have acquired better experience and learning curve					

Section C: Total Customer Solution Strategy

Please indicate *the extent to which you agree or disagree* with the following statements about the Total Customer Solutions Strategies employed by your organisation.

	Customer Economics					
	Statement	**SA**	**A**	**N**	**D**	**SD**
26	We are relatively involved in customer value chain					
27	We deliver services through specialized distribution channels					
28	We are approachable					
29	Our customers rate our products/services as superior					
30	We provide broad set of related products and services					
31	We bundle additional benefits to our customer					
32	We have one stop shopping facilities for our customers					
33	We provide the best service relative to competition					
34	We provide multiple forms of payment to our customers					
	Customer Share					
	Statement	**SA**	**A**	**N**	**D**	**SD**
35	We provide genuine guarantees and warranties					
36	We always meet delivery targets to our customers					
37	We possess convenient locations of our service facilities					
38	We define customer relationship experience through the total life cycle of ownership					
39	We track customer feedback to improve on differentiated service					
40	The operator follows up in a timely manner to customer requests					
	Cooperation					
	Statement	**SA**	**A**	**N**	**D**	**SD**
41	We outsource for business from our customers					
42	We work jointly in developing customers new products					
43	We foster a mutual learning environment that leads to bonding					
44	We endeavor to know our customers' requirements					
45	We have the capabilities and experience to satisfy our customers					
46	We offer personalized services to meet customers' need					
47	We regularly take steps to find out the needs of our customers					
48	We provide timely information when there are new services.					

Section D: System Lock In Strategy

Please indicate *the extent to which you agree or disagree* with the following statements about market dominance, complementors share and system economics on system lock-in positioning strategy.

	Market Dominance					
	Statement	**SA**	**A**	**N**	**D**	**SD**
49	We represent the best value for total cost of lifetime ownership					
50	We have massive distribution and supply channels					
51	We possess first mover advantage					
52	We are forward/backward compatible					
53	We design proprietary standards within open architecture					
54	We have variety and numbers					
55	We have improved system performance					
56	We evolve rapidly along current industrial standards					
	Complementors share					
	Statement	**SA**	**A**	**N**	**D**	**SD**
57	We benchmark in order to offer matching product/service					
58	We enhance durable purchases					
59	We undertake product specific training					
60	We are actively engaged on Innovation focus					
61	We have secure customer information and database systems					
62	We have a strong domestic agent retailer relation					
63	We foster strong supply relationships					
64	We are constantly visible to our customer					
	System Economics					
	Statement	**SA**	**A**	**N**	**D**	**SD**
65	We constantly value end-user reliability					
66	Our Customers have special relations with us					
67	We have superior loyalty programs					
68	We undertake contractual commitment					
69	We have Patents for our products/services					
70	Our firms undertakes customer value proposition					
71	We create ownership of direct distribution channels					

Section E: Organizational Performance

Please indicate *the extent to which you agree or disagree* with the following statements about financial performance, non-financial performance and organisational effectiveness.

	Financial Performance					
	Statements	**SA**	**A**	**N**	**D**	**SD**
72	Our financial returns satisfy shareholders expectations					
73	We are customer profitability oriented					
74	We undertake customer economic value additions					
75	We operate on low level of debt-equity level					
76	The company's return on investment is adequate					
77	The company's after-tax net income growth rate is tolerable					
78	The company's sales growth rate is endurable					
	Non-Financial performance					
	Statements	**SA**	**A**	**N**	**D**	**SD**
79	We have an established organisation reputation					
80	Our brands are easily recognized by customers					
81	We enjoy high success rates in new products					
82	We are positioned favorably in the market					
83	We have a consistent market share growth					
84	We adopt innovative levels that address customer concerns					
85	We quickly adapt to the changing conditions of the environment					
86	The churn rate of our customers is low					
87	Customer feedback is key to our sustained performance					
88	We are competitive because of our customer oriented activities					
89	Our firm has strong managerial interpersonal skills					
90	The company's customer delivery performance is high					
91	We objectively measure the social impact of our operations					
92	We contribute substantially to the overall welfare of the society					

SECTION F: Moderating effects

93. What effect of regulatory enforcement to each of the strategic positions would inform your decision on mobile telecommunication sustained performance?

1= Not important at all   2 = Little Importance

3= Important   4 = Critically Important

	Strategic positions	1	2	3	4
1	Best product strategy				
2	Total customer solution strategy				
3	Systems Lock-in strategy				

94. What regulatory aspects to each of the strategic positions affect your firm sustained performance?

	Competition regulations	1	2	3	4
1	Quality of Service				
2	Interconnection & interoperability				
3	Universal Access & Service				

Thank you for taking your time to complete this questionnaire.

APPENDIX III: LETTER OF CONSENT FOR CEO'S

Introduction

I am a Ph.D. student at Kabarak University in the School of Business and Economics, Majoring in Strategic Management. In order to complete my study, I am conducting research focusing on "**Analysis of Hax Delta Strategic Positioning Model on Performance of Mobile Telecommunication Companies in Kenya".** The purpose of this interview is to seek information from you as the CEO and as such, your participation will help in the development and validation of a position-performance framework.

Thus, you have been purposely selected to participate in this study. Your input will enrich the knowledge base and impact the adoption and utilization of strategic positioning on performance of the telecommunication firms for years to come.

I will be delighted if you kindly sign an informed consent letter provided to enable us proceed and make this research a success. Your informed consent is sought and your willingness to participate follows your freedom in giving information for this study. Matters discussed will be used only for the research and confidentiality in all your information provided will be kept.

________________________ ________________________

Signature **Date**

Consent Declaration

I have read and understood the above information and the procedures pertaining to this interview for research purposes. I also understand that by signing this consent letter, I have agreed to participate in this study with consent and willingness to provide information required voluntarily.

________________________ ________________________

Signature **Date**

APPENDIX IV: INTERVIEW GUIDE FOR CEO

Introduction

Section A: Demographic Information

1. Gender: Male ( ) Female ( )

2. Age brackets:

Below 30 years	( )	30 - 34 years	( )	35 - 39 years	( )
40 - 44 years	( )	45 - 49 years	( )	50 - 54 years	( )
55 - 59 years	( )	60 - 64 years	( )	65 - 69 years	( )
Above 70 years	( )				

3. Level of education:
   Degree [ ] Master's Degree [] PhD Degree [ ]
   Other (Specify)____

4. Years of experience as a CEO:
   1 - 5 years ( )
   6 - 10 years ( )
   Above 10 years ( )

5. Name of your Organisation: ……………………

Section B: Best Product Strategy

6. Which of the following best product strategy do you majorly subscribe to in positioning your organisation?

   Product Economics [ ]
   Product Share/Price [ ]
   Rivalry [ ]

7. What informs management's introduction of new products?

8. Please describe what benchmarks you use on pricing your services or products and activities against those of your competitor.

9. How does your organisation position itself against its competitors?

   Cost Leadership: [ ] Differentiation: [ ] Cost Focus: [ ] Differentiation Focus: []

10. What is your organisations position on matters of customer service as a differentiation strategy?

Section C: Total Customer Solution Strategy

11. Which of the following Total Customer Solution strategy best define how customer needs and desires are provided by your organisation?

Customer Economics [ ]

Customer Share [ ]

Cooperation [ ]

12. How does your organisation enhance the company's products/services education to your customers?

13. What efforts does your organisation put to provide a complete set of products and services to your customers, in order to fulfill their entire set of needs?

14. What measures do you take to track customer feedback to improve on differentiated service?

15. How the relationship does with your customers' embraces their full experience and fulfill their most cherished expectations?

Section D: System-Lock-In Strategy

16. Kindly indicate the system lock in strategy you best apply in your organisation.

Market Dominance [ ]

Complementor share [ ]

System Economics [ ]

17. Are customer drawn to your product because of the extensive network of third party complementors that are designed to work with your product?

18. Which strategies has your organisation provided with an interface with your customers that is very hard to displace once it achieves critical mass.

19. Which Significant barriers has your organisation put in place that makes it difficult for competitors to even compete for the acquisition of customers?

Thank you very much.

APPENDIX V: SUMMARY OF MAJOR THEME

Theme	Operational definition	Examples of Significant Statements
Best Product Strategy	Operational effectiveness	A combination of timing design and price influences when and how we introduce new products and services.
		Understanding the pricing structure and how we are positioned amongst other providers is a crucial area.
		Customer service makes sense as a differentiator
Total Customer Solution Strategy	Customer Targeting	Creating a unique customer experience is one of the best ways to achieve sustainable growth.
		We pay special attention and emphasis on personalized customer experience.
		We tailor and design customer experiences for different customers and deliver best value propositions
Systems Lock-In strategy	Innovation	We have pinpointed the benefits that customers' value, located unoccupied or less competitive spaces, identified opportunities created by changes in the relationship between the primary benefit and prices, and allowed our firm to anticipate rivals' strategies.
		As innovation pervades the value chain, we migrate quickly from one competitive position to another, creating new ones, depreciating old ones, and matching rivals.

Source: Survey data (2017)

APPENDIX VI: LIST OF MOBILE FIRMS

Name Of Operator	Prepaid	Post Paid	Total
Safaricom PLC Limited	24,862,962	1,078,526	25,941,488
Airtel Networks Limited	6,444,633	144,192	6,588,825
Equitel (Finserve Africa)	2,015,352	---	2,015,352
Telkom Kenya(Orange)	5,229,003	9,159	5,238,162
Sema Mobile	275	---	275
Total	**38,552,225**	**1,231,877**	**39,784,102**

Source: CA (2017), Operators' Returns

APPENDIX VII:

Letter of Introduction from the From Kabarak University

INSTITUTE OF POSTGRADUATE STUDIES & RESEARCH

Private Bag-20157
Kabarak, Kenya
Email:directorpostgraduate@kabarak.ac.ke

Tel: 0773265999
www.kabarak.ac.ke

20th March 2017

Ministry of Education, Science and Technology
National Commission for Science, Technology and Innovation.
9th Floor, Utalii House,
P.O Box 30623-00100.
NAIROBI

Dear Sir/Madam

SUBJECT: RESEARCH BY GDB/M/1167/09/15 – NJENGA SAMSON GITAHI

The above named is a Doctoral student at Kabarak University in the School of Business and Economics. He is carrying out a research entitled *"Influence of Strategic Positioning on Sustained Organizational Performance of Mobile Telecommunication Companies in Kenya"*

The information obtained in the course of this research will be used for academic purposes only and will be treated with utmost confidentiality.

Please provide the necessary assistance.

Thank you.

Yours Faithfully,

KABARAK UNIVERSITY POSTGRADUATE STUDIES & RESEARCH DEPT 20 MAR 2017 PRIVATE BAG - 20157, KABARAK

DR. BETTY TIKOKO
DIRECTOR POSTGRADUATE STUDIES & RESEARCH

Kabarak University Moral Code
As members of Kabarak University family, we purpose at all times and in all places, to set apart in one's heart, Jesus as Lord. (1Peter 3:15)

APPENDIX VIII:

Letter of Research Authorization – National Commission for Science, Technology and Innovation

NATIONAL COMMISSION FORSCIENCE,
TECHNOLOGY ANDINNOVATION

Telephone: +254-20-2213471,
2241349,3310571,2219420
Fax: +254-20-318245,318249
Email: dg@nacosti.go.ke
Website: www.nacosti.go.ke
When replying please quote

9th Floor, Utalii House
Uhuru Highway
P.O. Box 30623-00100
NAIROBI-KENYA

Ref. No. **NACOSTI/P/17/32907/16427**

Date: **3rd April, 2017**

Samson Njenga Gitahi
Kabarak University
Private Bag 20157
KABARAK.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on ***"Influence of strategic positioning on sustained organisational performance of mobile telecommunication companies in Kenya,"*** I am pleased to inform you that you have been authorized to undertake research in **Nairobi County** for the period ending **3rd April, 2018.**

You are advised to report to **the County Commissioner and the County Director of Education, Nairobi County** before embarking on the research project.

On completion of the research, you are expected to submit **two hard copies and one soft copy in pdf** of the research report/thesis to our office.

BONIFACE WANYAMA
FOR: DIRECTOR-GENERAL/CEO

Copy to:

The County Commissioner
Nairobi County.

COUNTY COMMISSIONER
NAIROBI COUNTY
P. O. Box 30124-00100, NBI
TEL: 341666

The County Director of Education
Nairobi County.

National Commission for Science, Technology and Innovation is ISO9001: 2008 Certified

APPENDIX IX:

Clearance Research Permit - National Commission for Science, Technology and Innovation

THIS IS TO CERTIFY THAT:
MR. SAMSON NJENGA GITAHI
of KABARAK UNIVERSITY, 2583-20100
nAKURU,has been permitted to conduct
research in *Nairobi County*

on the topic: *INFLUENCE OF STRATEGIC POSITIONING ON SUSTAINED ORGANISATIONAL PERFORMANCE OF MOBILE TELECOMMUNICATION COMPANIES IN KENYA*

for the period ending:
3rd April,2018

Permit No : NACOSTI/P/17/32907/16427
Date Of Issue : 3rd April,2017
Fee Recieved :USD 18.92

Applicant's Signature

Director General
National Commission for Science, Technology & Innovation

CONDITIONS

1. You must report to the County Commissioner and the County Education Officer of the area before embarking on your research. Failure to do that may lead to the cancellation of your permit.
2. Government Officer will not be interviewed without prior appointment.
3. No questionnaire will be used unless it has been approved.
4. Excavation, filming and collection of biological specimens are subject to further permission from the relevant Government Ministries.
5. You are required to submit at least two(2) hard copies and one (1) soft copy of your final report.
6. The Government of Kenya reserves the right to modify the conditions of this permit including its cancellation without notice

REPUBLIC OF KENYA

NACOSTI

National Commission for Science, Technology and Innovation

RESEACH CLEARANCE PERMIT

Serial No.A 13606

CONDITIONS: see back page

APPENDIX X:

Letter of Research Authorization – Ministry Of Education

Republic of Kenya
MINISTY OF EDUCATION
STATE DEPARTMENT OF BASIC EDUCATION

Telegrams: "SCHOOLING", Nairobi
Telephone: Nairobi 020 2453699
Email: rcenairobi@gmail.com
cdenairobi@gmail.com

When replying please quote

REGIONAL COORDINATOR OF EDUCATION
NAIROBI REGION
NYAYO HOUSE
P.O. Box 74629 – 00200
NAIROBI

Ref: RCE/NRB/GEN/1/VOL. 1

DATE: 21st April, 2017

Samson Njenga Gitahi
Kabarak University
Private Bag 20157
KABARAK

RE: RESEARCH AUTHORIZATION

We are in receipt of a letter from the National Commission for Science, Technology and Innovation regarding research authorization in Nairobi County on "**Influence of strategic positioning on sustained organizational performance of mobile telecommunication companies in Kenya.**"

This office has no objection and authority is hereby granted for a period ending **3rd March, 2018** as indicated in the request letter.

Kindly inform the Sub County Director of Education of the Sub County you intend to visit.

REGIONAL COORDINATOR OF EDUCATION
NAIROBI
21 APR 2017
MINISTRY OF EDUCATION

MAINA NGURU
FOR: REGIONAL COORDINATOR OF EDUCATION
NAIROBI

C.C.

Director General/CEO
Nation Commission for Science, Technology and Innovation
NAIROBI