

**THE EXTENT TO WHICH SERVICE MIX ELEMENTS HAVE BEEN APPLIED
BY INDUSTRIAL SERVICE FIRMS IN NAIROBI KENYA**

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DECLARATION

This project is my original work and has not been submitted for Masters of Business Administration research for a degree in any other university.

Signed

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Date 22nd October, 2009

This project has been submitted for examination of Masters of Business Administration research with my approval as the supervisor.

Signed

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22nd October, 2009

DEDICATION

This project is dedicated to my beloved wife Lynnne Ndinda for her enthusiasm and moral support during the project undertaking.

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ABSTRACT

This study was conducted to investigate the extent to which service mix elements are used by industrial services providers in their quality service delivery and also to determine the importance rating of the service mix elements by the managers of industrial services. The researcher was motivated to carry this research owing to competition within the industry that forced the original equipment manufacturers to establish agencies within the industry and due to increased use of multi agency establishment aimed at expanding of the market positioning by the service agents .The objectives of the study were to determine the extent to which service mix elements have been applied by industrial service firms in Nairobi and to find out the importance rating of the service mix elements as tools of competition.

To achieve the above objectives, the researcher adopted a survey study of selected firms The study involved seven firms in this sector which are the major providers of the industrial services with special emphasize to boilers, incinerators, processing machineries, spares for this items and offer service like installations, repairs and maintenance of the products supplied. The names of the firms selected were obtained from telephone directory In order to investigate the extent of usage of service mix elements. Data was collected by using questionnaire which was filled two managers: one from technical and the other from either marketing, human resources or accounts. This being a census study a convenience sampling was used as it provided the most convenient avenue for data collection. This convenient sampling was adopted due to the fact that the management staff had insight information on tactical and strategic approach adopted by their companies and also due to understanding that service business is everybody's job makes all the managers to be highly involved in service delivery processes. All, the aspects of service mix and their effects to service quality were further verified using statement questions which gave a clear picture of industry service delivery attributes. In addition an importance weight scale was used to determine the importance rating.

The data collected was analyzed using frequencies, percentages mode and mean score. The study found that industrial service providers used service mix elements to a large extent and that the usage of service mix elements improves service quality delivery and the service mix elements are competitive tools in creating service positioning. This shows clear adoption of marketing philosophy. The study further found that physical evidence of service topped on importance rating, followed closely by people, Product - service and the place of service in that order. The last in the importance rating was promotions followed by pricing and then process of service delivery.

The results are reflective of a substantive application of service mix element by industrial services providers in Nairobi. This results agree with the theoretical assertion that industrial service are rarely advertised and promoted and also the believe that the product specification was the major selling point for the industrial services. However, it can be argued that the average mean score were very close indicating that they were all important to service quality delivery. Similar results were reported on the importance service attributes sought by customers. The service providers use all the service mix elements to position their firms so as win the competition.

CHAPTER ONE: INTRODUCTION

1.1 Background

With changing business environment and with adoption of technology by all competing firm, one of the few remaining strategies that can set one company apart from others is efficient and quality service delivery. Companies overlook their most competitive advantage i.e. their own quality service delivery systems and processes. A company that offers quality service and whose customers are truly satisfied with its products and services have significant advantage over its competitors. It can command a higher price, its customers are loyal and it has more time to adapt to changes in the market conditions; price, place, product, promotions, technology and competition (Kotler, 1999)

The service sector environment has evolved due to following factors: technological innovation, government regulation, the service quality improvements, pressure to improve productivity, relaxation of professional association restrictions on marketing, internalization and globalization (Lovelock, 1996). This has caused a lot of dynamism in the service sector, competition has increased and customers are exposed to more information. To survive, service companies must differentiate themselves mainly by offering quality service and being as close to the customers as possible. This has lead to an emphasis in the area of service marketing to enable marketers in developing strategies to respond to the market needs and offer excellent service. (Kimonye, 1998). Having a competent management through integrated managerial structures helps the firm in execution of marketing programs.

Service marketing is a key vehicle for understanding customer expectations and perceptions of service (Scheuing et al., 1998; Kotler, 1999; McNealy, 1994). In services, as with any offering, a firm that does no marketing research at all is unlikely to understand its customers. Marketing of services must focus on service issues such as what features are important to customer, What levels of these feature customers expect and what customer think the company can and should do when problems occurs in

service delivery. Service research must continuously monitor and track service performance because this is subject to human variability and heterogeneity.

1.1.2 Service Mix Elements

A major focus of service research involves capturing human performance at the level of Individual employees. Because services are usually produced and consumed simultaneously, customers are often present in firm's factory, interact directly with the firms personnel, and are actually part of production process and also because services are intangible, customers will always be looking for any tangible cues to help them understand the nature of service experience. These facts have led service marketers to conclude that they can use additional service mix elements apart from the traditional marketing mix (4 P's) to communicate and satisfy their customers. Marketing mix is defined as the elements on organizational controls that can be used to satisfy or communicate with customers.

The traditional marketing mix comprises of 4P's; Product (service), Price, Place and Promotions. The marketing philosophy implies that there is an optimal mix of the four factors for a given market segment at a given point in time. Careful management of product, place, price and promotion are essential for successful marketing of services. However, the strategies for four P's require some modification when applied to services. For example, traditionally promotion is thought of involving decision related to sales, advertising, sales promotions and publicity. In services this factors are important but because service are produced and consumed simultaneously, service delivery people (such as clerks, ticket takers, nurses and phone personnel) are involved in real time promotion of services even if their jobs are typically defined of operational functions they perform. Pricing also become very complex in services where unit costs need to used to calculate prices, it may be difficult to determine especially where the customer frequently use price as a key to quality. The elements of traditional 4P's of marketing are listed in Table 1.1

Table 1.1 Traditional Marketing mix Elements

Product	Place	Promotions	Price
Physical good features	Channel type	Promotion blend	Flexibility
Quality level	Exposure	Sales people	Price level
Accessories	Intermediaries	Sales promotion	Terms
Packaging	Outlet location	Selection	Discounts
Warranties	Transport location	Training	Allowances
Product lines	Storage	Incentives	
Branding	Managing channels	Advertising	
		Targets	
		Media types	
		Type of adverts	

Services are usually produced and consumed simultaneously, customers are often present in firms, factory, interact directly with firms personnel and are actually part of service production process and also due to intangibility, customers will be looking for tangible cues to help them understand the nature of the service experience. These facts have led to services marketers to use or conclude that they can use additional variables to communicate with and satisfy their customers, hence the concept of expanded marketing mix for service. In additions to 4p's, the services expanded marketing mix includes: People, Process and Physical evidence. (Zeithaml and Bitner 2003).

- i). **People:** All human actors who play a part in service delivery and thus influence the buyer's perceptions: namely, firms personnel, the customers and other customers in service. Elements include employees- recruitment, motivation, training, rewards, teamwork, customer-education and training.
- ii). **Physical evidence:** The environment in which the service is delivered and where the firm and customers interacts, and any tangible components that facilitate performance or communication of service. The elements include facility design, equipment, signage, employee dress; other tangibles- reports, business cards, statements, guarantees brochures and invoices.

- iii). Process: The actual procedures, mechanism and flow of activities by which the service is delivered, the service delivery operating systems. Flow of activities either standardization or customization. The number of steps –simple or complex and the level of customer involvement.

Services research needs to monitor service excellence. The gaps model of service quality brings customer focus and service excellence together in a structured, practical way. The model focus on the strategies and process that firm can employ to drive service excellence while maintaining a focus on customers.

1.1.3 Industrial Service Sector

Industrial service sector encompasses the company's that offer supply, installation and services or repair and maintenance of industrial machinery. The industrial service sector is also represented by organizational buyers who buys goods and services and then sell them with or without reprocessing to other organization or to the ultimate consumer. These organizational buyers are divided into three different markets (1) industrial (2) resellers and (3) Government markets.(Berkowitz,1989).This research focused on the industrial buyer who sells both the product and services to the final consumers who are organizational buyers.

In Kenya, Industrial service sector comprises of firms that are involved in supply of branded capital products by which other services accompany them. Most of these services include; installations, supply of spares parts for specified time and scheduled and unscheduled maintenance. In area of boilers, the products and services are technical in nature and are purchased based on customer requirements thus the **product concept of marketing**. However because of this, industrial players use competed personnel in selling of product category. Due to competitive pressures the industry has witnessed numerous changes aimed at maintaining a competitive edge. We have had exit of main manufacturing companies and establishing of agents within the region. A good example of this is Thermax of India who gave out their agency to Sphenomatics (K) Ltd. The manufacturer from Europe led the way with Loose International (UK) giving their agency to Marshall Fowler limited. Other companies followed the same trend. Marshall Forbes

of India partnered with Kenya's Industrial boiler products. Metlex International lost their agency from South Africa's John Thompson to Energy-Pak and acquired agency from H&S (UK).

In order to increase the market shares the firms have also embraced multi agency establishment within the product categories and other product categories. This is the latest trend in the industry. The argument is that with the inquiry of any particular product the buyer can get a low cost product for other purposes. EnergyPak limited has agency for Germany boilers, spares, compressors and spares from the European Union and South Africa. Sphenomatics (k) Limited has agency for from India and Cochran from UK. Marshall Fowler has agency for boilers from Loose international (UK) and ICI of Italy. Metlex partnered with Timwood Kenya who are agents for the Spirax Sarco the manufacturers of boilers spares from in UK. The market forces are dictating that industrial players must be competitive in their offering and this can only be achieved through provision of many products from different manufacturers such that the buyer will get the quality required to meet her expectation. This dynamic change of market positioning means that the industrial service marketers have evolved in embracing of marketing philosophy. In all firms, there processes of service delivery, people are involved at all levels of service delivery and service technicians use uniforms in their execution of the services. In view of the marketing dynamics the researcher was strongly motivated to establish the nature and extent to which the industry has embraced the marketing philosophy.

In Kenya the industrial service sector is showing a remarkable growth with majority of industrial service providers doing repairs and maintenance work. This is further enhanced by selling of physical products accompanied by installation and commissioning. Key characteristics of industrial buyers include: market characteristics where the demand for industrial goods is derived. That's the demand for industrial products is driven by or derived from demand for consumer products .e.g. the demand for pulp and paper is based on expected future demand for newspaper. Few customers typically exist and their purchase orders are large.

Products or services are technical in nature and are purchased on basis of specifications.

Both raw and finished goods are purchased. Heavy emphasis is placed on delivery time, technical assistance, post sales services and financing assistance. Buying processes involves technically qualified and professional buyers exist and follow established purchasing policies and procedures. Buying objective and criteria are typically spelled out as are procedures for evaluating sellers and products (services). Multiple buying influence exists and multiple parties participate in purchase decision. Reciprocal arrangements exist and negotiations between buyers and sellers are common place. The operating characteristics Involves performing functions of selling, warehousing, financing and service. They offer technical assistance e.g. in provision of engineering and other forms consultancy, technical assistance is an important element for equipment makers and distributors (Hill, 1998). Majority of industrial service providers are small firms but the big firms captures the most of business. Other marketing characteristics involving direct selling to organizational buyers is the rule and physical distribution is very important-timely delivery. Advertising and other forms of promotions are technical in nature; Prices are often negotiated, and evaluated as part of broader seller and product (service) qualities typically inelastic owing to derived demand and frequently affected by trade and quantity discounts.

1.2 Statement of the Problem

Service mix elements have been found to be critical in enabling service companies to identify or execute the market strategies geared towards customer satisfaction through meeting their expectation by bridging the gaps between the services provides, organization and customers. The attraction, retention and building of strong customer relationships through quality service are at the heart of excellent marketing program. Just like manufacturing business, good service firms use marketing to position themselves strongly in the target market. However, because services differ from tangible products they require additional marketing approach in addition to traditional marketing mix of 4ps. (Kotler, 2001). According to (Zeithaml and Bitner, 1996) services are intangible, perishable and difficult to describe and communicate and these characteristics are the heart of challenge involved in designing and positioning services. Industrial service firms in Kenya have been faced with numerous changes in business environment. The

technological changes have forced the industrial players to redirect their energies towards service and product improvements. This resulted to main equipment manufacturers who had their satellite offices in Kenya to look for agents who would act on their behalf in cost reduction strategies. An example of this is the Thermax of India who gave out their agency to Sphenomatic (K) Ltd, while Loose of (UK) gave their agency to Marshall fowler. Other companies within the industry have established multi agency relationships so as to remain relevant in the market. This has resulted to dynamic shift from product concept to embracement of marketing concept in their product offering and service delivery. The current business environment requires the industrial service provider to identify both market and customer gaps so as to remain competitive. There's very little work done in marketing of industrial services with particular emphasis/reference to Kenyan situation. However, a number of studies have been conducted targeting other service industries. Odhiambo (1990) observed that adoption of marketing has been relatively slow in most areas of shipping services and found that the recent interest are largely a reaction to force of competition. Mohamed (1995) on the other hand only dwelt with the impact of liberalization on the 4p's of marketing with regard to reconditioned and used motor vehicles. Chege (2001) limited his study to extent of usage of service marketing mix elements in freight industry.

This study sought to determine how and to what extent service mix elements have been applied by industrial service providers. This study was being conducted to investigate the service mix elements used by industrial service providers, their extent of use and examine their importance rating in delivering service quality. The researcher was motivated to carry this research so as to find the levels of application of service mix elements in industrial services in Nairobi Kenya owing to increased competition and establishment of multi agency relationships which resulted to change from product concept to marketing philosophy within the industry.

1.3 Objectives of the Study

The objectives of this study were:

1. To assess the extent to which the service mix elements are applied by industrial service firms.
2. To determine the importance rating of service mix elements as tools of competition in industrial services.

1.4 Significance of the Study

The study contributes to knowledge of scholars of service marketing in localizing service mix elements into customer focus in Kenya's industrial sector. It is important to the industrial services providers in developing and evaluation of its service mix in pursuit of service excellence. For small timers within the industry, the study opens them to better understanding of the entire industry and on possible avenues of expanding their business through establishment of international agencies to boost their scope of operations.

This study forms a foundation for scholars and academician who would wish to understand or discover other phenomenon in the entire industry within Kenya. e.g. competitive strength, market share ,industry drivers and key success factors among others. To the new entrants in the market this study provides an avenue through which they can establish market entry strategies, while for professional researchers, this study forms a basis for establishing other market peculiarities such as product replacement cycles and service management plans.

This study provides global marketers resourceful information on Kenya's industrial business environment and acts as smoke screen for improved products and better positioning. It also ushers in new dawn for product developers who might wish to develop cheap products for the industry at right quality. The study can further be used to project the dominant brand of equipment available from various countries within the globe and thus prompt the international marketers /manufacturers to develop interest in expanding their market to Kenya.

1.5 Organization of the Study

This study is organized into five chapters. Chapter one deals with introduction on background information about service business environment and how service firms positions themselves in the market by use of service mix elements namely pricing, product-services, promotions, place, processes, people and physical evidence. The chapter further captures the industrial service sector in Nairobi Kenya and the recent trends in the industry that necessitated the study to be carried out. The chapter discusses the statement of the problem, objectives of the study and the significance

Chapter two of the study deals with the literature review and addresses the theoretical framework behind the study. It discusses the definitions of service characteristics by various scholars and their marketing implication. It further provides the service quality gaps that need to be filled in order to deliver service quality. Chapter three addresses the research methodology adopted by the researcher. This involves the research setting and design, population of the study, methods of data collection and analysis.

Chapter four discusses the data analysis and the findings for the study. It involves use of tables, frequencies, percentages, determination of means and standard deviations and brief explanation of the findings. Chapter five entails summary and discussion of the study findings. Conclusion, recommendations for further study and limitations of the study are also captured in this chapter.

1.6 Chapter Summary

The industrial service providers had embraced the product concept due to monopoly operation in their territories and owing to rise of competing firms they were forced to adopt marketing philosophy in service delivery. Service mix elements are the core to effective application of marketing philosophy. The adoption of marketing means change of strategies and new positioning for the products and services. The Kenyan industrial service sector brings forth the statement of the problem, objectives and the significance of this study.

CHAPTER TWO: LITERATURE REVIEW

2.1 Services Marketing

Traditionally, many services industries both business and non business have not been market oriented. There are several reasons why they lagged behind sellers of goods in accepting marketing concept and adopting marketing techniques. (Etzel et al.,2007).Some service providers enjoyed monopoly status until recently most public utilities (telephone, electricity and water and natural gas) were operated as geographical monopolies under supervisions of government parastatals. Quite naturally, when an organization is the only supplier of a necessity in a market, the focus of attention is on production and efficient operation not marketing. Until recently, some services were restricted in marketing practices such as pricing, distribution, and market expansion and product/service introduction.

There's very little work done in marketing of industrial services with particular emphasis/reference to Kenyan situation. However, a number of studies have been conducted targeting other service industries. Odhiambo (1990) observed that adoption of marketing has been relatively slow in most areas of shipping services and found that the recent interest are largely a reaction to force of competition. Mohamed (1995) on the other hand only dwelt with the impact of liberalization on the 4p's of marketing with regard to reconditioned and used motor vehicles. Chege (2001) limited his study to extent of usage of service marketing mix elements in freight industry. Warutere (2003) focused on one attribute of promotion in products and not in services. He focused on the extent to which promotion builds brand awareness and found that it did so in large extent.

Marketing business and non business services includes the same basic elements as marketing goods. Whether there is good or services, every firm should first define and analyze its markets, identify segments and selects targets. Then the organization should turn its attention to designing a coordinated service marketing mix – the goods or the

service offerings, the price structure, the distribution system and promotional activities – around a differential advantage that will create the position it desires. This literature review highlights the industrial service and establishes basic information for the reader to understand the uniqueness of service marketing.

2.1.1 Services Definition

Kotler (1999) defines services as any act or performance that one party can offer another that is essentially tangible and does not result in ownership of anything. Its production may or may not be tied to any physical product. On the other hand Zeithaml et al., (1996) defines service simply as deeds, process and performances while Etzel et al., (2007) defines services as identifiable, intangible activities that are the main objects of transaction designed to provide want satisfaction to customer. It is therefore not easy to isolate a service from a good because invariably services are marketed in conjunction with goods. Virtually all services require supporting goods, For example, you need an aero plane to provide air transport and goods require supporting services, (To sell a shirt you need at least a cashier's service). Furthermore, a company may sell a combination of goods and services, thus along with repair, you might buy a battery or all oil filter. For our study the industrial service providers entails provision of capital items (products) and services.

2.2 Characteristics of Services

There is general agreement by service marketers (Kotler, 1999; Tomke, 2003; Gronroos, 1990; Zeithaml et al., 1996; Lovelock et al., 1996; McNeally, 1994) that inherent differences between goods and services exist. This different characteristic between goods and services influences marketing decisions. The special nature of service stems from four distinctive characteristics which lead to unique problems and challenges in marketing implication. The four characteristics differences between goods and services are shown in table 2.1

Table 2.1 Differences between Goods and Services

ASPECT	GOOD	SERVICES
Tangibility	Tangible	Intangible
Standardization	Standardized	Heterogeneous
Production	Separate production and consumption	Simultaneous production/consumption
Perishability	Non perishable	Perishable

2.2.1 Marketing implications for services characteristics

Services characteristics create various implications for their effective marketing. These are explained as follows:

Intangibility: Services cannot be inventoried, patented, readily displayed or communicated and Pricing is difficult. The challenge here is since they cannot be inventoried their fluctuation in demand is often difficult to manage. Since no patent, services can be copied by competitors. Since services are not readily displayed or communicated, quality control may be difficult for consumers to access decision about what to include in advertising and other promotional materials are challenging as pricing. The actual cost of a unit service is hard to determine and price-quality relationship is complex. (Zeithaml et al., 2003). A lot is also at stake on physical representation of the service such as the well groomed and uniformed cashiers, technicians and call centre operators (Shostack, 1997 and George, 1974). This may include management of environment setting within which the service is performed.

Heterogeneity: Due to people orientation, the quality and essence of service can vary from provider to provider (due to peculiarities in human nature) and from time to time (due to extraneous factors, there is no knowledge that the service delivered matches what was planned and promoted or promised (Zeithaml et al., 2003). Marketing implications are because services are heterogeneous across; time, organization, and people; ensuring consistent service quality is challenging. Quality actually depends on many factors that cannot be fully understood by the service supplier, such as the ability of the consumer to articulate his or her needs, the ability and willingness of personnel to satisfy those needs or the level of demand for service. This is because the service is performed “out there in the field by a distant and loosely supervised people working under highly variable and often volatile conditions which may lead to varied feature and quality of service (Levitt, 1972). Because of these complicated factors, the service manager cannot know for sure that the service is being delivered in a manner consistent with what was originally planned and promoted.

Inseparability: Services typically cannot be separated from creator, seller of the service. Moreover many services are created, dispensed and consumed simultaneously. This

means that service providers are involved concurrently in the production and marketing efforts. This characteristic limits the scale of operations in service firms. Sometimes customers receive and consume the service at the production or workshop site. Consequently, customer opinions regarding a service frequently are formed through contacts with production sales personnel and impression of physical surrounding. From marketing, inseparability limits distribution and implies direct sale is only applicable channel of distribution and individual sellers, services can be sold only where direct contact is possible. The agents, technicians, and brokers influences customers opinions of service by his or her behaviours (Etzer et al., 2007). Nevertheless, quality can be standardized by having standard operating procedures (Shostack, 1997) and uniform training of employees (Hostage, 1974; George 1977).

Perishability: Services are high perishable because they cannot be stored, inventoried or returned. Idle machines in workshop, idle staff due to lack of work implies lost business. Perishability and resulting difficult of balancing supply with fluctuating demand poses promotion, product planning, scheduling and pricing challenges to services executives (Eltzer et al., 2007). The resulting marketing strategy is to have a strong recovery strategies when things go wrong (Zeithaml et al ., 2007).

2.2.2 Challenges for Service Marketer

Challenges for services marketers are centered around the basic differences between goods and services. The challenges revolves around understanding customer needs and expectations of service; making the service tangible , dealing with myriad people and delivery issues, and keeping promises made to customers. Answers to question such as the ones listed below still elude managers of services. (Zeithaml and Bitner, 2007)

How can service quality be defined and improved when the product is intangible and non standardized? How can new services be designed and tested effectively when the service is essentially intangible? How can the company be certain it's communicating a consistent and relevant image- when so many elements of marketing mix communicates to customer and some of this elements are service providers themselves. How can the firm best motivate and select service employees, who because the service is delivered real

time – become critical part of product themselves. How should the prices be set when it's difficult to determine actual costs of production and price may be inextricably intertwined with perception of quality. How should the firm be organized so that good strategic and tactical decisions are made when a decision in any of the functional areas of marketing, operations and human resources may have significant impacts on other two areas? How can the balance between standardization and personalization be determined to maximize both the efficiency of the organization and satisfaction of its customers. How can the organization protect new service concepts from competitors when service processes cannot be patented? How does the firm communicate quality and value to consumers when the offering is intangible and cannot be readily tried or displayed. How can the organization ensure that delivery of consistent quality service when both the organization employees and customers themselves can affect the service outcomes? (Zeithaml and Bitner, 2007).

2.3. Service Marketing Mix Elements

A major focus of service research involves capturing human performance at the level of individual employees. Because services are usually produced and consumed simultaneously, customers are often present in firm's factory, interact directly with the firm's personnel, and are actually part of production process and also because services are intangible, customers will always be looking for any tangible cues to help them understand the nature of service experience. These facts have led service marketers to conclude that they can use additional service mix elements apart from the traditional marketing mix (4 P's) to communicate and satisfy their customers. Marketing mix is defined as the elements on organizational controls that can be used to satisfy or communicate with customers.

Furthing (1997) and Branch (1998) isolated components of service marketing mix elements in shipping to freight rates (price) and added benefits, product, Reliability (process) degree of technology and quality service (physical evidence, process and people). Lovelock (1996) had found out that besides 4p's of product marketing, services marketing is expanded to include three other P's of process, people and physical evidence.

One area in service industry in Kenya that has attracted attention has been financial services marketing. Commercial banking in particular has been the target of several scholarly endeavors with regard to application of service mix elements. Thuo (2000) while examining relationship marketing in commercial banking asserts that merely providing customers with quality products/services does not suffice any more to retain the market share. Bii (1992) investigated the use of promotion mix elements among commercial banks in marketing their services in the face of increasingly competitive environment and demonstrated how banks would benefit by employing sound promotional mix. Odhiambo (1990) observed that as with other services there's little room to differentiate shipping services. Similarly it's hard to differentiate industrial services, just like in banking and shipping services. Industrial service provision largely depends on interaction between service providers (employees) and customers hence customer care and service excellence. To address all this, one needs to examine both the traditional marketing mix and the expanded service mix elements.

2.3.1 Traditional Marketing Mix

The traditional marketing mix comprises of 4P's; Product (service), Price, Place and Promotions. The marketing philosophy implies that there is an optimal mix of the four elements for a given market segment at a given point in time. Careful management of product, place, price and promotion are essential for successful marketing of services. However, the strategies for four P's require some modification when applied to services. For example, traditionally promotion is thought of involving decision related to sales, advertising, sales promotions and publicity. In services this factors are important but because service are produced and consumed simultaneously, service delivery people (such as clerks, ticket takers, nurses and phone personnel) are involved in real time promotion of services even if their jobs are typically defined of operational functions they perform. Pricing also become very complex in services where unit costs need to calculate prices may be difficult to determine, and where the customer frequently use price as a key to quality. The elements of traditional 4P's of marketing are include product, price, promotion and place.

Product is anything that can be offered to a market to satisfy a want or need (Cole, 1996; Kotler, 1998). The ultimate goal should be to offer an augmented product that meets customer needs beyond their expectation. It includes product quality, design, features, branding, and packaging (Kotler, 1998). It gives the ability to meet needs, positioning and labeling. People want to acquire the benefits of the products rather than the features. In industrial services both products and services are offered. Products include physical products designed for specific function. The service elements include consultancy and advice, installations, repairs and general maintenance. This service provision offers a marketing challenge as it's produced and consumed the same time.

Price is the consideration given in exchange of a product. It's the value placed on a product by customers at some point in time (Kibera & Waruingi, 1998). Price is the only element of the marketing mix which produces revenue. The activities of other firms have an influence on price decision. Pricing is a very flexible element of marketing mix and enables the firms to react swiftly to competitive behavior though much depends on sensitivity of market to price change (Cole, 1994). The demand for industrial services is derived demand depending on demand of traded goods. Factors such as the structure of international trade, exchange rates, distance involved dictate the prices. The price of an industrial service is the labor charge plus transport, technical assistance, price of equipment and site survey and consultancy.

Place refers to location which must be convenient to services users and seekers. Distribution of services can be a very competitive tool (Odhiambo, 1990). For industrial service providers they have offices, warehouses, and engineering workshop which are located in strategic places where they facilitate their logistics. Distribution of industrial services involves site visits to get equipments/products specification and acquaintances with the space for installations. All transactions are done in head offices mainly in Nairobi and equipments are taken to the specific site for installations. For services such as repairs and maintenance the technical staff are transported to the place of doing the service as the equipments are immobilized. Fabrication of accessories such as tanks and other tea machineries such as dryers are done in the engineering workshop. The firms have a drawing and design offices where all item for fabrication are designed.

Every product needs to be drawn to the attention of the market place and its benefits identified (Cole, 1996). The principle methods of promotions are; advertising, personal selling, sales promotions, public relations and publicity. The aim of promotional strategy is to bring existing and prospective customers from a state of relative awareness of an organization to a state of adopting them (Cole, 1996). Out of the promotional mix elements, the word of mouth and direct mail/emails is employed to keep customer up to date. Ennew et al., (1998) argues that direct mail is the most popular promotion activity among providers of financial services. In industrial service providers sales promotions are hardly used. According to Haksver et al., (2000) Personal selling is the most common used form of promotion for services. In industrial services, sales/service visits by marketing and technical staff are the dominant features. The success in the industrial services largely depends on maintaining relationship to ensure repeated business. Customers are familiar with organization staff and this builds confidence.

2.3.2 Expanded Service Mix Elements

Since services are usually produced and consumed simultaneously, customers are often present in firms, factory, interact directly with firms personnel and are actually part of service production process. Also due to intangibility, customers will be looking for tangible cues to help them understand the nature of the service experience. These facts have led to services marketers to use or conclude that they can use additional variables to communicate with and satisfy their customers. Hence the concept of expanded marketing mixes for service. In additions to 4p's, the services expanded marketing mix includes: People, Process and Physical evidence. (Zeithaml , Bitner 2003).

People refer to all human actors who play a part in service delivery and thus influence the buyer's perceptions: namely, firm's personnel, the customers and other customers in service. Elements include employees- recruitment, motivation, training, rewards, teamwork, customer-education and training .Service marketing is thus everybody's job and it's necessary to have staff with relevant qualifications who can use discretion in dealing with customers (Haksver et al., 2000). Ideally employees should exhibit competence, caring attitude, responsiveness, initiative and willingness to help.

Physical evidence entails the environment in which the service is delivered and where the firm and customers interact, and any tangible components that facilitate performance or communication of service. The elements include facility design, equipment, signage, employee dress; other tangibles- reports, business cards, statements, guarantees, brochures and invoices. Processes mean the actual procedures, mechanism and flow of activities by which the service is delivered, the service delivery and operating systems. Flow of activities either standardization or customization.

The number of steps –simple or complex and the level of customer involvement. The service and process that create it need reflect how all marketing mix elements are coordinated to create value for customer (Lovelock, 1996). Due to diverse nature of industrial service offering, the process involves various processes. Some entail service visits to establish the scope of work for material requirements and costing. Other processes involve enquiries of specific component or specified equipment and technical assistance is offered to provide the best equipment. Purchase of capital goods takes long process as most of them are manufactured on order and to the provided specification. Moment of truth entails encounter with service employees, customers and the physical evidence of service and during service recoveries. Services research needs to monitor service excellence. The gaps model of service quality brings customer focus and service excellence together in a structured, practical way. The model focuses on the strategies and process that firm can employ to drive service excellence while maintaining a focus on customers.

2.4 Dimensions of Service Quality

Regardless of the type of service, customers use basically similar criteria to determine service equality. (Parasuraman et al., 1985 and Swartz et al., 1993). These criteria are:

Reliability: This refers to consistency in performing and dependance and accuracy on invoicing and quotations aimed at delivering the service at the promised time.

Responsiveness: The employees respond quickly and creatively to customer request and problems. Service recoveries are done efficiently. **Credibility:** The company and

employees are trustworthy and have customer's best interest at heart. Communication: The service is described accurately in customer's language .Access: The service is easy to access in convenient location at convenient time with little waiting. Competence: The employees possess the required skills and knowledge .Courtesy: The employees are friendly, respectful and considerate. Security: The service is free from danger, risk or doubt. Tangible: The service tangibles correctly project the service quality. Physical evidence of the service includes physical facilities, appearance of personnel and tool or equipments used. Empathy: Understanding or knowing the customer. The employee makes an effort to understand customer needs and provide individual attention.

2.5 Managing Service Quality

One of the major ways to differentiate a service firms is to deliver consistently higher quality service than competitors. The key is to meet or exceed the target customer service quality expectation. Their expectations are formed by their past experience, word of mouth and service firm advertising or communications (Kotler, 1999). Parasuraman, Zeithmal and Berry formulated a service quality model that highlights the main requirements for a service provider delivering the expected service quality. This model shown in figure 2.1 identifies five gaps.

Figure 2.1 Gaps Model of Service Quality

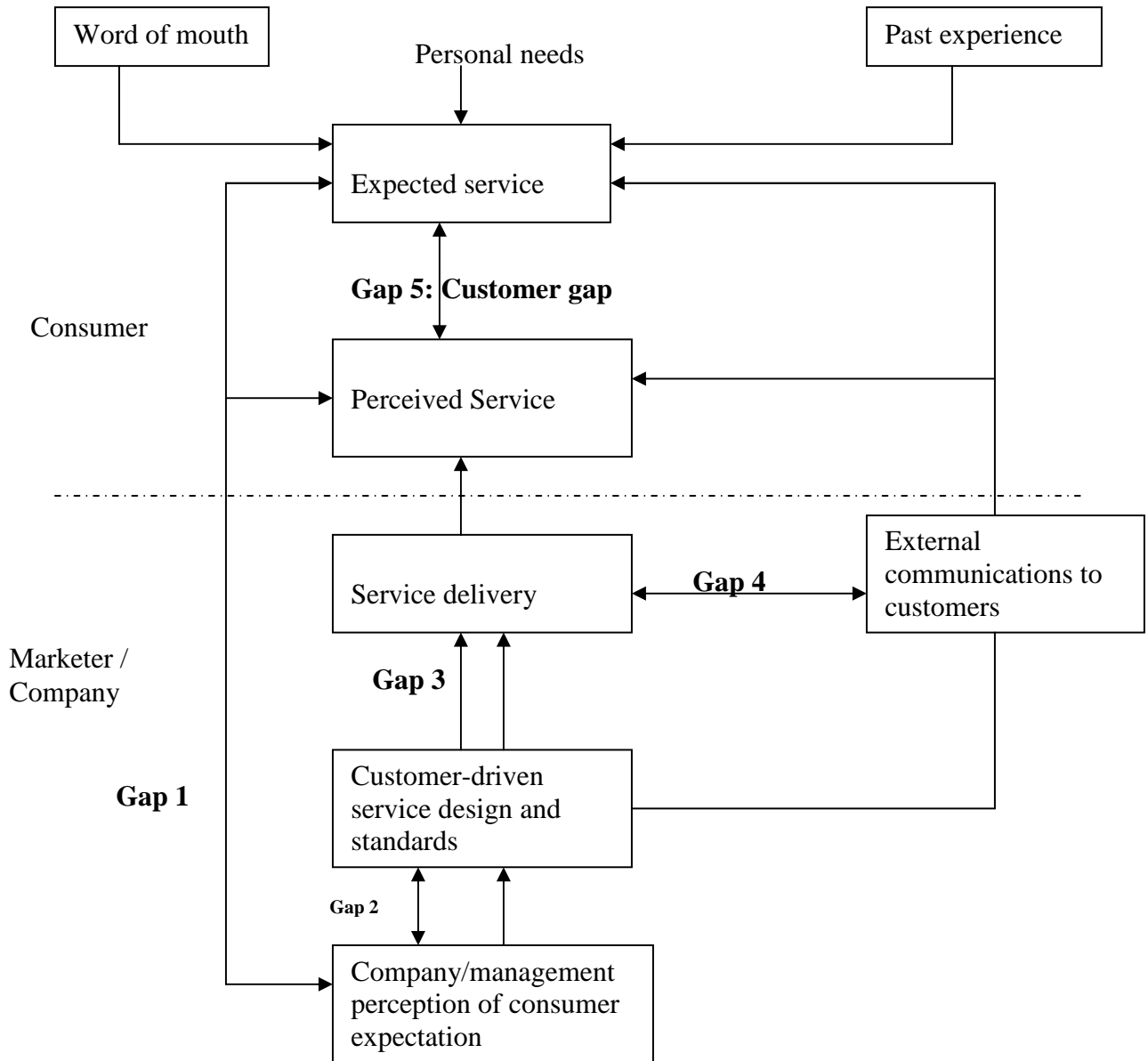


Figure 2.1. Gaps model of service quality

Source; A. Parasuraman, Valarie A. Zeithaml and Leonard L. Berry, "A conceptual model of service quality and its implication for research" *Journal of Marketing*, Fall 1985,P44. modified

The gaps model of service quality focus on the strategies and process that firms can employ to drive service excellence while maintaining a focus on customer. The gaps are classified into two:

a) Customer Gap (Gap 5)

The differences between customer expectations and perception. Expectations are the reference point's customers have coming into a service experience; Perception reflects the service as actually received. The idea is firms will want to close this gap between what's expected and what is received to satisfy their customers and build long term relationships with them. To close this gap, the model suggests that four other gaps; the Provider gaps need to be closed. (Zeithaml and Bitner , 2003)

b) The provider Gaps

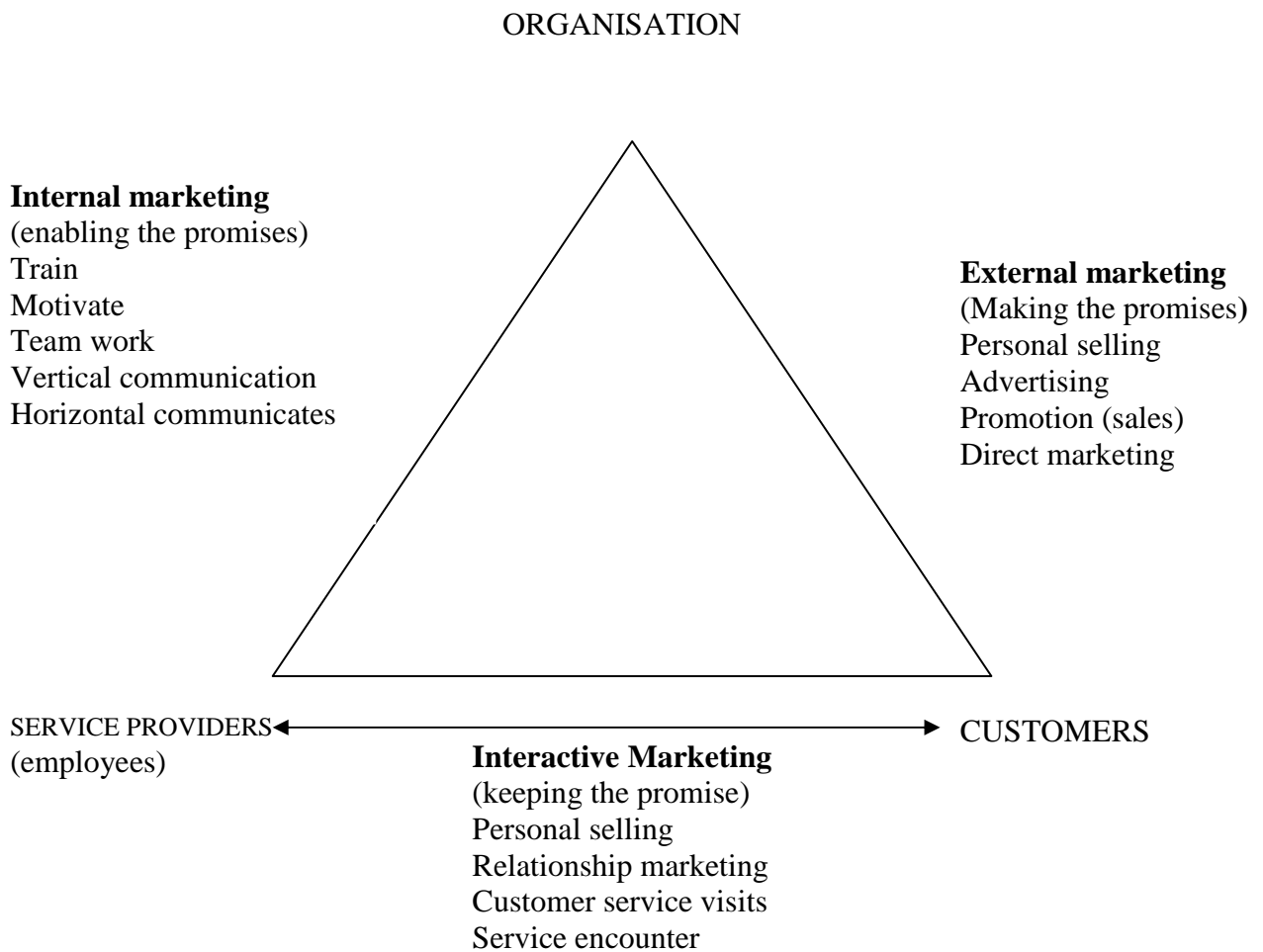
These are underlying causes behind customer gaps. They are the other four gaps that must be satisfied before the customer gap. Gap I: Gap between consumer expectation and management perception: Management not knowing what customers expects. Even if a firm does clearly understand its customer's expectations, there still may be problems if that understanding is translated into customer driven service designs and standards (gap 2). Gap 2. Not selecting the right service design and standards: Management might not set quality standard or they may be unrealistic or may not be reinforced. Gap 3: Not delivering the service standards: Many factors affect service delivery. The personnel might be poorly trained, overworked, their morale might be low. The system process and people must be in place to ensure that the service delivery actually matches (or is better) than the design and standards in place. Gap 4: Gap between service delivery and external communication. (Not matching performance to promises): Consumer expectations are affected by promises made by the service provider's communication. So what is promised to consumer must match the delivery.

2.6 Strategies for Effective Service Marketing

The social interchange between the customers, service providers and the way the organization manages this process is pivotal to achieving excellent customer services. Figure 2.2 shows the coordinated marketing communication mix in service quality

triangle. It focuses on the process of making promises, enabling the promises and maintaining the promises.

Figure 2.2 Service Quality Triangle



Source; Gronroos, "A service quality model and its marketing implication" European journal of marketing, 18, No.4, 1984.

Gronroos,(1984) has argued that service marketing requires not only 4P's of traditional marketing but two other marketing thrusts, namely internal marketing and interactive

marketing. Internal marketing means that the service firms must effectively train and motivate its customers contact employees as well as supporting service personnel, to work as a team to provide customer satisfaction. Everyone must practice customer orientation. Interactive marketing means that the perceived service quality is highly dependent on the quality of buyer/seller interactions. The customer judge's service quality not only by its technical quality but also on functional quality and this involve good interactions between customers and service providers. Other strategies include: strategies for positioning, market segmentation, relationship marketing and human resources. How the service is designed will impact the image of service in customers mind. (Zeithmal et al., 1996). A service offerings position is the way it's perceived by consumers particularly in relation to competing offering (Kitching, 1999). An organization service offering is successfully positioned if it is established and maintains a distinctive place for itself in consumers mind relative to competitors. To develop effective positioning strategies, service marketers needs an insight into how the various attributes of service are valued by current and prospective customers within that segment (Kimonye, 1998). If a service is successfully positioned, the mention of the service will conjure up in the customer mind in an image that is distinct from images of similar service offerings Zeithmal et al., (1996).

A market segment consists of a large identifiable group within a market with similar wants, purchasing power, among other attributes (Kotler, 1999) that it can serve most effectively. Customers in each segment are presumed to be broadly similar in their needs and wants. There are various categories of customers in industrial service providers: Corporate and personal; then we have local and export customers. Relationship marketing is a philosophy of doing business that focuses on keeping and improving current customers rather than acquiring new ones. Service companies must see customer as their long term partners and need to make commitment in maintaining relation through quality service and innovations (Webster,1992) .This strategic orientation assumes that consumer prefer to have an ongoing relationship with one firm than to switch to others in search of value. Human resources involve people. With people as a part of the service, no service business can afford to divorce its customer contact employees from the firm marketing

strategy (Lovelock et. al., 1996). The responsibility of an organization success often rests with relatively junior staff in such customer contact positions as receptionist, technician, service engineers etc. Therefore careful recruitment, training and ongoing mentoring of employees can contribute to improvements in both productivity and service quality (McNeally, 1994). Zeithaml et Al., (1996) identified the following human resources strategies that a service firms can undertake; Hire the right people, Retain the best people, Provide the needed support system and developing people to deliver quality.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This section sets out the research methodology that was adopted to meet the objectives of the study.

3.2 Research Setting and Design

This study adopted a descriptive study. This was preferred as the researcher was able to investigate the relationship between two or more variables. Peterson, (1982). Churchill (1991) asserts that descriptive research encompasses an array of research objectives. Malhotra (1996) asserts that descriptive design requires clear specification of who, where, what, when, where and way (Six W's of research).

3.3 Population of Study

This was census study of industrial service providers in Nairobi – Kenya. This was due to small number of established firms with same scale of industrial products and services. The study involved seven firms in this sector which are the major providers of the industrial services with special emphasis to boilers, incinerators, processing machineries, spares for this items and offer service like installations, repairs and maintenance of the products supplied. The names of the firms selected were obtained from telephone directory (Nairobi 2008, edition 16). The firm's selection was based on the fact that they were the leading industrial service providers on areas of boilers, Tea machineries, processing machineries and engineering and maintenance services. The companies were very competitive in their industrial service offerings. This compares well with Chege,(2001) who used a census survey to determine the extent of usage of marketing mix variables applicable in shipping industry. The sector comprises of seven key players. All the companies selected have their offices in Nairobi and thus didn't present too much difficulty on being reached. A list of the firms in the survey is attached in **appendix 1**.

3.4 Data Collection

The researcher used the company's management staff as the respondents. The focus on management was because they are the ones who close the customer gaps by establishing, maintaining relationships and communicating with undisputable responsibility in addressing customer needs. Two respondents were conveniently picked from each company; one from technical and the other from administration. Thus a total of fourteen respondents were selected. This convenient sampling was adopted due to the fact that the management staff had insight information on tactical and strategic approach adopted by their companies and also due to understanding that service business is everybody's job makes all the managers to be highly involved in service delivery processes.

The main data collection instrument was questionnaire.(see appendix 3). Section A of questionnaire consisted of introductory and demographic questions. Section B was designed to capture in depth application of marketing mix and expanded service mix. Section C contained questions focusing on the importance rating of various service mix elements.

The questionnaires consisted of closed ended questions which were in three parts and comprised of structured and semi structured questions. Various forms of closed questioned were formulated; likert scale, semantic differentials and importance rating scales. The questionnaires were administered to the selected Managers of relevant firms by physical presentation.

3.5 Data Analysis

Data collected was analyzed using descriptive statistics such as percentage, proportions a frequencies, mean, variances and standard deviation. Chege (2001) used descriptive statistics consisting of frequencies to determine the extent of utilization of marketing mix variables in shipping industry. He used mean, percentages and tables. The analysis was also done using statistical package for social scientist (SPSS).The method of descriptive statistics was ideal for achieving the objectives of this study.

CHAPTER FOUR: DATA ANALYSIS AND FINDINGS

4.1 Introduction

This chapter discusses the data analysis and the research finding for the study. After the questionnaires were filled in, they were edited and coded. Data was summarized by use of tables and frequencies, percentages, mean and standard deviations calculated.

4.2 Demographic Characteristics of Respondents

The response rate and other demographic characteristics were analyzed from the data filled by the respondents.

4.2.1 Response Rate

Out of the 14 managers only 11 responded giving a response rate of 78.5%.The researcher deemed this as adequate and sufficient response rate for data analysis purpose. This compared well with other previous researchers such as Nyaoga (2003), Warutere (2003) who got a response rate of 72% and 92.6% respectively.

4.2.2 Education level

The researcher was interested in finding the desired level of education for management staff within the industry and thus respondents were asked to indicate their levels of education. The result were analyzed and tabulated in Table 4.1

Table 4.1 Education level of Management Staff

Level of education	Frequency	Percentage
University/College	4	36
Diploma	7	64
Secondary	0	0
Non formal	0	0
Total	11	100

From Table 4.1, 36% of the respondents had a university degree while 64% have college diploma. This information indicates that the industry employs staff with right level of qualification of education for effective service delivery. This is very essential given that

their customers have technically qualified people. Since 100% have required education they are capable of executing proper service mix within the industry.

4.2.3 Age of Respondents

The researcher felt that age was a factor in social groupings which is essential for relationship marketing. The respondents were asked to indicate their age brackets and the results analyzed and tabulated in Table 4.2

Table 4.2 Age of Respondents

Age (years)	Frequency	Percentage
20-30	1	10
31-40	4	36
41-50	3	27
Above 50	3	27
Total	11	100

The result in Table 4.2 indicates that 27% of the management staff have age bracket above 50 years while a similar percentage have their ages between 41-50 years. Thus a total of 54% of the managers are over 41 years and this is necessary because of the experience required in the management of the technical services within the industry. 36% of the managers were in the age bracket of 31-40 years while only 10 % are below 30 years. This is due to experience requirement for one to become a manager within the industry. The result shows a good blend of experience and passing over of the specific skills to the young managers thus creating balanced service offering.

4.2.4 Gender of the Respondents

The researcher wanted to establish if there was a gender balance within the industry and as result the respondents were required to indicate their gender. It was found that all the 11 respondents were male. This indicates high level of gender imbalances as from the available respondents there were no female manager. This results are attributable to the fact that the job involves a lot of movement and also explains the

nature of customer interactions as majority of plant engineers and maintenance engineers are male and this are the people who request and approves engineering contracts.

4.2.5 Length with Employer

The researcher sought to find out the employee retention by industrial players and as such the respondent were asked to indicate the length of service with their current employers. This is due to believe that employee’s retention is a key to effective service delivery. The results were analyzed and tabulated in Table 4.3

Table 4.3 Length of Service with Employer

Length of service	Frequency	Percentage
Less than 3 years	2	18
4-8 years	5	46
9-15 years	1	9
More than 15	3	27
Total	11	100

From Table 4.3, it’s evident that 36% of the respondents have been with their companies for more than 9 years while 46% have been with their company for 4 to 8 years. This shows a high level of employee’s retention and also succession planning and training by the experienced managers.

4.2.6 Occupation

Occupation is critical in managing of service of service process and people. It is from belonging to the relevant background that an employee is capable of using the industrial jargon within the industry. In view of this, the respondents were asked to indicate their occupation and the results analyzed and tabulated in Table 4.4

Table 4.4 Occupation

Occupation	Frequency	Percentage
Technical (engineer, Technician)	8	73
Finance, Admin. & marketing	3	27
Total	11	100

As shown in Table 4.4, 73 % of the respondents are technical people while 27% are for finance, general administration and marketing. The technical people are involved in delivering and managing customer service encounters through communication with clients directly, through personal interaction or by use of other media channels. Finance and administration are in the back offices and provide or services the front line managers who are technical people with adequate support –financial, budgets, human resources procuring and the like. The industry places more emphasize managing services encounters by having highly qualified staff.

4.2.7 Customer Service Department

The researcher sought to establish if the firms had customer service department by ticking yes for and no against. The results obtained were analyzed and tabulated in Table 4.5

Table 4.5 Customer Service Department

Customer service	Frequency	percentage
Yes	8	73
No	3	27
Total	11	100

From Table 4.5, 73 % of the respondents indicated that their firms had a customer service department while the remaining 27% had no customer service department. The customer service tasks are managed by technical staff as they are the ones who give service promise and ensure timely service delivery. The service department is intertwined to operation and thus the respondents indicated they were the ones who undertake the customer services

4.2.8 Agency Representation

The firms within the industry have agencies from various counties in the world. The respondents were asked to indicate the firms which they have agency for. The results were analyzed and tabulated in Table 4.6.

Table 4.6 Agency Representation

Firm	Company represented	Country of agency
Energy pak	1.John Thompson	South Africa
	2.Alstom	Germany
	3.Saacke	United kingdom
Industrial boiler product	Marshall forbes	India
Sphenomatic (K) Ltd	1.Thermax	India
	2.Riello	Italy
	3.Nuway	United kingdom
Marshall fowler	1.Loose international	United kingdom
	2.Unigas	Italy
	3.Ici caldaie	Italy
	4.Myron	Canada
	5.Emsa	United Kingdom
Boiler techniques Ltd	1.Eroglu isi industri	Turkey
	2.prominent	Germany
	3.Karna Engineering	India
Metlex international	1.Metlex	South Africa
	2.Spirax Sarco	United Kingdom
	3.H& S	United Kingdom
Richfield Engineering Ltd	1.BIB Cochran	United Kingdom
	2.Hamworthy	United Kingdom
	3.Clever Brooks	United States of America

From Table 4.6, it's evident that six out of the seven firms have agency for the firms in the European Union while only one firm has one agency from India. 85% of the firms have embraced multi agency networks and these are essential in order to achieve the desired competitiveness I their products offering. The firms represented supplies their branded products to the market and thus the company with the most popular brand have the most market share. All the companies represented have the necessary spares for their equipments and provide warranties and guarantees for their equipments. The Industry is

dominated by products from European Union .This is due to high level of technology and capital involved in their manufacture.

4.3 Service Mix Attributes

This section addresses the nature of services mix in regard to pricing methods and strategies, price description on various conditions of service, importance of place to operations, importance of product service attributes sought by customers, promotional elements of services, communication channels and contribution of attributes to industrial service delivery, and factors that influence companies success within the industrial service providers.

4.3.1 Pricing Methods and Strategies

The results of respondents agreement to pricing methods and strategies statements were analyzed and tabulated in Table 4.7

Table 4.7 Pricing Methods and Strategies

Service Attribute	Score Frequency						Percentage						AV. Score	
	5	4	3	2	1	T	5	4	3	2	1	T	Mean	S.d
Cost plus mark up	8	3	0	0	0	11	73	27	0	0	0	100	4.73	0.45
Prices of competitors	1	2	1	1	6	11	9	9	18	9	55	100	2.18	1.20
Price leadership	3	7	1	0	0	11	27	64	9	0	0	100	4.18	0.60
Price depend on service	4	5	2	0	0	11	36	46	18	0	0	100	4.18	0.51
Price determined by customers	0	0	2	7	2	11	0	0	18	64	18	100	2.0	0.60
Buy cheap services	0	0	0	4	7	11	0	0	0	64	36	100	1.36	0.48
Buy quality services	5	6	0	0	0	11	45	55	0	0	0	100	4.45	0.42
Warranties and guarantees	3	7	1	0	0	11	27	64	9	0	0	100	4.18	0.57
Customer know specification	3	6	2	0	0	11	27	55	18	0	0	100	4.10	0.67
Services depend on agency	3	7	0	1	0	11	27	64	0	9	0	100	4.10	0.80

Key: 5.Strongly agree 4.Agree 3.Somewhat 2.Disagree 1.Strongly disagree

From Table 4.7, the firms within the industry practiced cost plus method of pricing as evidenced by 73 % of respondent strongly agreed while the other 27% agreed. The mean

score for this attribute was 4.73 implying that it is used by the majority of industrial players to a very large extent. On dimension of basing their prices to those of competitors, 55% of respondents disagreed with this statement while 9% just agreed and some further 18% somewhat agreed. The mean score was 2.8 implying that the price of competitors was not widely regarded. 27% of the respondents suggested that their firms were price leader with 64 % just agreeing to being price leaders with a mean score 4.18 implies that the industrial service providers are focused on price leadership as a tool of competition. The service to be carried out determines the price as 36% of respondents strongly agreed to this with other 46% just agreeing. This also attained a mean score of 4.18 implying that the nature and size of service receiver was strongly used when determining the prices. This could be explained by the fact that the larger the manufacturing capacity the larger the capacity of the equipment supplied and more the number of services required.

On customers determining price terms 18% of the respondents strongly disagreed to this while other 64% just disagreed implying that the firms sets their pricing terms and customers just comply to their terms. This attribute scored a mean of 2.0 implying that the respondents disagreed with this idea. 36% of the respondents strongly disagreed with the idea of customers looking for services from cheap service provider with other 64% of the respondents disagreeing on customers looking for cheap services. The mean score was 1.36 indicating a strong disagreement to customer looking for cheap product and services and this means that customer looked for quality service and as a result 45% strongly agreed with customers looking for quality services while other 55% of the respondents just agreed implying that the customer was quality minded. The mean score on quality services was 4.45 meaning it is highly valued by the customers.

On the dimension of service providers offering warranties and guarantees for their products, 27% of the respondents strongly agreed with this idea while further 73 % just agreed implying warranties and guarantees are selling tools. This recorded a mean score of 4.18 meaning it is valued by industrial players. On customer knowledge of equipment specifications 27% of respondents strongly agreed to this statement while further 55%

just agreed to this statement and scored a mean score of 4.1 implying that the customer knows what specification they require. Services such as repairs and maintenance depended on the recognized agent for a particular manufacturer as 27% of the respondents strongly agreed to this statement while further 64% just agreed and the calculated mean score was 4.1 indicating that customers preferred procuring services from a recognized agent of their specific equipments. Thus the more agencies the firm has the better their positioning as the customer would opt for them. The order of pricing strategy should be based on cost plus mark up, service quality requirements by the customers, and the nature of service and price leadership so as to remain competitive. The product and services should have warranties and guarantees, the right and desired customer specifications and be from the right or reputable agent.

4.3.2 Price Discriminations on Various Conditions

Price discrimination was thought to be practiced by the industrial players and as such the researcher selected various condition of physical evidence that influenced price discrimination and asked the respondent to indicate the extent to which there was a price variation. The results were analyzed and tabulated in Table 4.8

Table 4.8 Application of Price Discrimination

Condition	Score Frequency						Percentage score						Av. score	
	5	4	3	2	1	T	5	4	3	2	1	T	mean	S.d
Advance payments	1	3	4	3	0	11	10	27	36	27	0	100	3.18	0.94
Cash payments	2	3	3	3	0	11	19	27	27	27	0	100	3.36	1.07
Locations of receiver	5	5	0	1	0	11	45	45	0	10	0	100	4.27	0.86
Size / nature of client	1	5	3	2	0	11	10	45	27	18	0	100	3.45	0.89
After sales service	2	6	2	1	0	11	18	55	18	9	0	100	3.82	0.83
Guarantee /warranties	3	7	1	0	0	11	27	64	9	0	0	100	4.18	0.58
No. of service visits	1	9	0	1	0	11	9	82	0	9	0	100	3.91	0.67
Credit payments	2	6	3	0	0	11	18	55	27	0	0	100	3.91	0.67

Key 5.To a very large extent 4.Large extent 3.moderate extent 2.Limited extent 1.No extent T .Total ,
S.d –Standard deviation.

The results in Table 4.8 indicate that 10% of responded supported price discrimination on advance payment to a very large extent while 27% support it to a large extent.36% of the

respondent supported moderate extent and other 27% applied price discrimination to a limited extent. The results indicated that price discrimination was applied in moderate to large extent on advance payments. On aspect of cash payments the respondent indicated that price discrimination ranged from limited extent to a very large extent. The respondent suggested that location of service receiver had price discrimination of 45% to a larger extent and 55% to large extent implying that location of service receiver determined the price to be charge.

There was also price discrimination on basis of the nature and size of service receiver where 10% of respondents supported this to a very large extent and 45% to a large extent while further 27% supported this to a moderate extent. On the dimension of after sales service required the price discrimination was to a large extent as 55% of the respondent supported this position. Requirement for guarantees and warrantees and credit payments had price discrimination practiced to large extent with respondents supporting this position by 55%.One of the major contributor to price discrimination was the number of service visits to customers which saw 82% of the respondent support price discrimination to a larger extent. The order in which price discrimination was applied from high's score was number of service visits and location of service receiver, guarantees and warrantees, credit payments and after sales service requirements ,cash payments and the last was advance payments. This result implies that the customers are charged more for any of these factors so as to compensate for expenses brought by the factor. The result further indicates that for advance payment and credit payments the customers may not be charged very highly due to credit terms within the industry.

The condition that received the highest mean score and to a large extent on price discrimination was the location of service receiver with a score of 4.27 followed closely by the services that required warrantees and guarantees with a mean score of 4.18.Other condition that were discriminated on a strong moderate extent were credit payments and number of services visits each with a mean score of 3.91 followed by after sales service requirements with a mean score of 3.82 and nature and size of service receiver with an aggregate of 3.45 which is to a moderate extent. The condition that received the least

price discrimination was advance payment with and aggregate of 3.18 and cash payments with a mean score of 3.36. It can be said that price discrimination is a common phenomenon in services and it is practiced from moderate to a large extent on various conditions of service.

4.3.3 Importance of Place to Operation

Place is an element of service mix that influences service delivery and it further carries attributes of physical evidence of the service being delivered. In order to determine the role of place in industrial service providers, the respondents were asked to indicate the importance of various elements of place. The results were analyzed and tabulated in Table 4.9

Table 4.9 Importance of Place

Element	Frequency						Percentage score						Average Score	
	5	4	3	2	1	T	5	4	3	2	1	T	mean	s.d
Satellite offices	0	1	2	1	7	11	0	9	18	9	64	100	1.55	1.07
Availa. workshop	3	7	0	1	0	11	27	64	0	9	0	100	4.09	0.79
Agency	7	3	1	0	0	11	64	27	9	0	0	100	4.56	0.66
Location Nairobi	6	4	0	0	1	11	55	36	0	0	9	100	4.27	1.14
Delivery vehicles	5	5	0	1	0	11	55	55	0	10	0	100	4.27	0.86
Service vans	3	4	3	1	0	11	27	36	27	10	0	100	3.82	0.94
Storage facilities	6	4	0	1	0	11	55	36	0	9	0	100	4.36	0.88

Key: 5.Very important 4.Important 3. Somewhat important 2.Fairly important 1.Not important. ,
s.d- Standard deviation

From Table 4.9, 64% of the respondent indicated that having satellite offices across the country was not important to their operations as illustrated by the mean score of 1.55 while availability of workshop scored 27% on being very important and 64% on being important This had a mean score of 4.09 meaning it was important .Agency for firms within the industry scored the highest with 64% of respondents indicating that it was very important and further 27% indicating that it was important for their operations. The mean score for the agency was the highest at 4.56 meaning it was very important

aspect of place. Location of offices in Nairobi and delivery vehicles were also voted as very important with 55% Of respondents saying it was very important and other 36% saying it was important with a mean score of 4.27. The delivery vehicles and service vans were also voted as important with 55% of respondent saying delivery vehicles were very important and 27% for service vans while further 55% voted delivery vehicles as important and other 36% said service vans were important. The results indicates that Agency, storage facilities, office location in Nairobi ,Workshops, Delivery vehicles and service vans are elements of physical evidence of service within the place of service and they help in making the service experience tangible.

4.3.4 Importance of Product service Attributes Sought by Customers

The researcher had interest in evaluating the product service attributes sought by the customer and as a result the respondent were asked to rank the importance of selected product service attributes .The results were analyzed and tabulated in Table 4.10

Table 4.10 Importance of Product service Attributes Sought by Customers

Attributes	Frequency						Percentage score						Average score	
	5	4	3	2	1	T	5	4	3	2	1	T	Mean	S.d
Product specs.	10	0	1	0	0	11	90	0	10	0	0	100	4.82	0.58
Warrantees/guarante	6	4	1	0	0	11	55	36	9	0	0	100	4.46	0.66
Brand of the product	3	6	2	0	0	11	27	55	18	0	0	100	4.18	0.67
After sales services	8	3	0	0	0	11	73	27	0	0	0	100	4.82	0.46
Response time	8	2	1	0	0	11	73	18	9	0	0	100	4.64	0.64
Delivery schedule	5	6	0	0	0	11	45	55	0	0	0	100	4.46	0.50

Key: 5.Very important 4.Important 3. Somewhat important 2.Fairly important 1.Not important.

From Table 4.10, it's evident that product features or specification and after sales services with a mean score of 4.82 were most sought by customers as 90% of the respondents said product specification were very important while after sales services had 73% of the respondent saying it was very important and further 27% suggesting it was important. The next attribute was the response time with a mean score of 4.64 and in

which 73% of the respondents suggested it was very important with further 18% saying it was important. Warranty, guarantees and delivery schedules had each a mean score of 4.46 and were said to be important to customers as 55% of respondent suggested that warranties and guarantees were very important and other 36% indicated it was important. The brand of the product was the least sought by the customers with a mean score of 4.18 suggesting that it was important to customers. The result gives us an idea of purchasing decision criterion by buyers and thus for an industrial service provider it's of great significance for them to understand the hierarchy of attributes for equipment purchase from customers view.

4.3.5 Promotional Elements

Promotional mix elements are vital in marketing of service as they provide the interactions between the service provider and receiver. The researcher tested the most applicable forms of promotions by asking the respondents to indicate the extent to which their firms use the selected promotional elements. The results were analyzed and tabulated in Table 4.11

Table 4.11 Extent of Usage of Promotional Elements

Element	Frequency Total						Percentage Score						Average score	
	5	4	3	2	1	T	5	4	3	2	1	T	Mean	S.d
Personal selling	3	7	1	0	0	11	27	64	9	0	0	100	4.18	0.57
Sales promotions	0	1	4	2	4	11	0	9	36	18	36	100	2.18	1.03
Advertisement	0	1	3	0	7	11	0	9	27	0	64	100	1.82	1.11
Public relations	2	6	1	2	0	11	18	55	9	18	0	100	3.73	0.96
Direct marketing	4	7	0	0	0	11	36	64	0	0	0	100	4.36	0.48

Key 5.To a very large extent 4.Large extent 3.moderate extent 2.Limited extent 1. No extent T .Total ,
S.d - standard deviation

From Table 4.11, direct marketing with a mean score of 4.36 was the most used form of promotional elements had 36% on usage to a very large extent and further 64% on usage to large extent. Personal selling with a mean score of 4.18 followed direct marketing with

27% on usage to a very large extent and further 64% on usage to a large extent. Public relations with a mean of 3.73 was the third element on usage with 18% of respondent saying it was used to a very large extent and further 55% indicating it's usage to a large extent.

On dimension of the least used form of promotion was advertisement with a mean score of 1.82 where 64% of responded indicated that it was used to no extent. This could be explained by the nature of the products, services and their target Market that's technical in nature. Sales promotions with a mean score of 2.18 followed advertisement on least used for of promotion with 36% of the responded indicating that they used sales promotion to no extent and further 18% indicating they used it to a limited extent. These results tell us that in industrial services provision advertisements and sales promotions are rarely used while direct marketing and personal selling are the main form of promotions.

4.3.6 Communication Channels

The researcher wanted to establish the dominant channels of communication as they are used in managing of service promises. The researcher asked the respondents to indicate the extent of usage of selected communication channels and the results were analyzed and tabulated in Table 4.12

Table 4.12 Extent of Channel Usage

Channel	Frequency						Percentage score						Av. score	
	5	4	3	2	1	T	5	4	3	2	1	T	mean	Sd
Telephones/mobiles	7	4	0	0	0	11	64	36	0	0	0	100	4.64	0.5
Emails & websites	7	4	0	0	0	11	64	36	0	0	0	100	4.64	0.5
Physical addresses	1	3	4	3	0	11	9	27	36	27	0	100	3.18	0.9
Site /personal visit	10	1	0	0	0	11	91	9	0	0	0	100	4.90	0.3

Key 5.strongly used 4.Used 3.Some what used 2.Fairly used 1 .Never used T.Total

From the research finding in Table 4.12, site visits with a mean score of 4.9 was voted to be the most used channels of communication as it score 91% on strongly used and 9% on used. This is due to the technical information and physical observation required for one to

determine the scope of work to be undertaken. Office telephone mobiles and emails and websites had mean scores of 4.64 with 64% of the respondents indicating that they were strongly used and further 36% indicating that the channels were used. This indicates good adoption of technology in services delivery and proper employees training as they are able to use these channels. Physical addresses (through letters) recorded a mean of 3.18 and it was somewhat used thus not a common means of communication although it is popularly used by accounts and human resources in communicating to internal customers (employees) and general invoicing. Physical address (use of letters) reported some significant usage ranging from 9% of strongly used, 27% used, 36% somewhat used and 27% fairly used. The communication channels are good in promoting internal marketing and relationship marketing. The site visits/personal visits, telephony and emails and websites are strongly used tools of promotions and all firms within the industry embrace them.

4.3.7 Attributes Contribution to Delivery of Quality Service

Various dimensions of service quality are essential in meeting customer's expectations and satisfying them. These dimensions ought to be practiced by firms within the sector if they want to attain service excellence. These attributes involve day to day management of people and processes of service delivery. Due to the intangibility of services the customer is expected to recognize and recall the service experience and this is brought by effective management of these attributes. The researcher investigated the application of various service attributes to delivery of quality service within the industry by asking the respondents to indicate the level of service attributes application for selected service attributes. The results were analyzed and tabulated in Table 4.13.

Table 4.13 Attributes Contributions to Delivery of Quality Service.

Attributes	Frequency						Percentage Score						Average score	
	5	4	3	2	1	T	5	4	3	2	1	T	mean	S.d
Service right the first time	6	5	0	0	0	11	55	45	0	0	0	100	4.56	0.50
Informs customers on service performance	2	8	0	1	0	11	18	73	0	9	0	100	4.00	0.67
Employees courteous	4	7	0	0	0	11	36	64	0	0	0	100	4.36	0.48
Employee customer individual attention	7	4	0	0	0	11	64	36	0	0	0	100	4.64	0.48
All employees interact with customers	0	3	1	3	4	11	0	27	10	27	36	100	2.27	1.21
Customer –employees relationships	0	10	1	0	0	11	0	90	10	0	0	100	3.91	0.29
Customer service given highest priority	7	4	0	0	0	11	64	36	0	0	0	100	4.64	0.48
All employees access basic information	3	2	0	2	4	11	27	18	0	18	37	100	3.55	1.85
Service employees have dress codes	2	8	0	1	0	11	18	73	0	9	0	100	4.00	0.74
Materials associated with services provided	4	6	1	0	0	11	36	55	9	0	0	100	4.27	0.62
Companies offers warrantee/ guarantees	3	7	0	1	0	11	27	64	0	9	0	100	4.09	0.79

Key 5.Very applicable 4.Applicable 3.Somewhat applicable 2.Fairly applicable 1.Not Applicable T.Total
S.d-Standard deviation

From Table 4.13, it is evident that the firms are committed to doing service right the first time as 55% suggested that this was very applicable while the other 45% indicated that it was applicable. The service providers also informs customers when the services are to be performed as 18% of respondents indicated that this was very applicable with further 73% indicating that this was applicable. The respondents indicated further that their employees are courteous with 36% indicating that courtesy was very applicable and other

64% said that it was applicable. Reverse results was obtained for employees giving individual attention to customer where 64% of respondents indicated that this was very applicable and the remaining 36% suggesting that this was applicable. On the dimension of all employees interacting with customers the respondents indicated that this was not applicable with 36% and other 27% indicating that this was fairly applicable. This is due to the fact that firms have got both front line employees who interact with customer and back line employees who give support to the front line employees. Customer employee's relationship was voted to be rampant with 90% of the respondent indicating that this was applicable.

Customer services is given the highest priority as evidenced by 64% of respondent who indicated that it was very applicable while the other 36% indicated it was just applicable. All employees do not have access to basic information as 37% of the respondent indicated that this was not applicable and further 18% suggesting it was fairly applicable. Service employees had dress codes as evidenced by 18% of the respondents who indicated that this was very applicable and further 73% indicating that it was just applicable. Provision of materials associated with service such as pamphlets, manuals was voted to be applicable by 55% of respondent while other 36% indicated that it was just applicable. Warrantees and guarantees attracted 64% on being applicable while other 27% indicated that it was very applicable. Dress codes, materials associated with services and warrantees and guarantees makes the service tangible and this indicates that the industrial service provider apply services attributes to a large extent so as to remain competitive.

The strength to which the attributes contributes to delivery of service quality are as follows: Employee gives individual attention to customers 4.64; Customer service given highest priority 4.64; Service right the first time 4.56; Employees courtesy 4.36; Provision of materials associated with services 4.27; Warrantees and guarantees 4.09; Information to customer on service performance 4.0; Dress codes for service employees 4.0; Customer relationship with employees 3.91. The idea of all employees accessing basic information was somewhat applicable as evidenced by the mean score of 3.55 while the idea of all employees interacting with customer received a score of 2.27 implying that it

was not commonly practiced. This service attributes can be said to be at the core of effective quality service delivery and thus any firm coming to industry should evaluate on how it should position itself on the strength of the said attributes.

4.3.8 Factors Influencing Companies Success

The researcher selected several factors which were thought to be critical in ensuring companies success and asked the respondent to indicate the strength to which they felt influenced their company’s success. The results were analyzed and tabulated in Table 4.14

Table 4.14 Factors contributing to company’s success

Factor	Frequency						Percentage Score						Average score	
	5	4	3	2	1	T	5	4	3	2	1	T	mean	S.d
Image / Heritage	3	7	1	0	0	11	27	64	9	0	0	100	4.18	0.58
Staff Training	4	5	2	0	0	11	36	46	18	0	0	100	4.18	0.72
Offer credits	4	5	1	1	0	11	36	46	9	9	0	100	4.09	0.90
International agency	6	3	0	2	0	11	55	27	0	18	0	100	4.18	1.11
Staff retention	2	7	2	0	0	11	18	64	18	0	0	100	4.00	0.60
Customer retention	1	9	1	0	0	11	9	82	9	0	0	100	4.00	0.43

Key: 5.Very strongly 4.Strongly 3.Relatively strong 2.Fairly strong 1.None

From table 4.14, the strength in which the listed factors contributed to company’s success were international agency, company image/heritage and training and staff development scored the highest mean score of 4.18 implying that they were the strongest contributors of the companies’ success. The second position went to companies’ ability to offer credit to the corporate customers which registered a mean score of 4.09.This can explained by the terms of trade involved where for a big order, the buyer demands the seller to deposit an equivalent amount for the equipment purchased so as to paid some down payment or if this is not applicable the seller just performs the entire supply and portion are paid on specific approvals. These was closely followed by staff retention and customers’ retention with a mean score of 4.00 All the listed factors contribute to companies’ success strongly and none fails to contribute.

4.4 Importance Rating of Service Mix Attributes to the Firm

One of main objective of the study was to find out the importance rating of the service mix attributes by the industrial service provider in Nairobi. The researcher identified various attributes of service mixes and asked the respondents to rate their importance toward the service delivery by their specific firms. Each importance rating was given a was give weight equivalent of its value .The result were analyzed and tabulated on Table 4.15

Table 4.15 Importance Rating of Service Mix Elements

Element	Indicator	Frequency						Rating score	
		5	4	3	2	1	T	Mean	Mean
Pricing	Bundle pricing	1	5	3	1	1	11	2.53	2.62
	Price cuts/discounts	2	4	3	1	1	11	2.53	
	Credit facilities	3	4	3	1	0	11	2.8	
Product and service	Product specification	8	2	1	0	0	11	3.4	3.02
	Product guarantees	7	3	1	0	0	11	2.67	
	Services encounters	3	6	2	0	0	11	3.0	
Place	Storage & workshop	5	4	2	0	0	11	3.13	3.00
	Office location	2	8	0	0	1	11	2.87	
Promotions	Personal /direct selling	2	8	1	0	0	11	3.0	2.53
	Networking	2	7	1	0	1	11	2.8	
	Advertising	0	5	0	1	5	11	1.8	
Processes	process steps, customer training and education	2	7	1	1	0	11	2.87	2.67
Physical evidence	Service vans & dress codes	4	7	0	0	0	11	3.2	3.2
People	Employees motivation, trainings and teamwork	4	6	1	0	0	11	3.13	3.13

Key 5.Very important 4.Important 3.Somewhat 2.Limited importance 1.Not important T. Total

From Table 4.15, It was found that among the attributes of service mix element the advertising was lowly rated with a mean score of 1.8 followed by bundle pricing and

price cuts/discounts with rating scores of 2.53 While the most valued attribute of service mix element was product specification which had a mean score of 3.4 on importance rating followed by service vans and dress codes with mean score of 3.2 and then by storage and workshop facilities and employees motivation and trainings with a mean score of 3.13.

On the rating of the services mix elements industrial service providers in Nairobi indicated that physical evidence of service topped with an average mean score of 3.2, followed closely by people with a score of 3.13 .Product service was the third with a score of 3.02 and the place of service scooped the fourth position with the a score of 3.0. processes was the fifth with a score of 2.67 while pricing was sixth with a score of 2.62. The last in the importance rating was promotions which scored 2.53. The results are reflective of a substantive application of service mix element by industrial services providers in Nairobi. These results agree with the theoretical assertion that industrial service are rarely advertised and promoted and also the knowledge that the product specification was the major selling point for the industrial services. Similar results were reported on the importance service attributes sought by customers.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This study was intended to determine the extent to which service mix element had been applied by industrial service firms in Nairobi. It further sought out on the importance rating of service mix elements as tools of competition in delivery of service quality in industrial services. In the literature review most service mix elements are generic and are widely used by firms in service quality delivery. The study thus attempted to explore how specific service mix elements were applied and their eventual rating towards service delivery.

5.2 Summary and Discussions

Industrial service providers in Nairobi uses traditional marketing mix and expanded services mix to a large extent and this affect the quality of service delivery significantly. The strength to which the service attributes contributes to delivery of service quality are as follows: Employee gives individual attention to customers and Customer service given highest priority, service right the first time, employees courtesy, provision of materials associated with services. Warrantees and guarantees, information to customer on service performance, dress codes for service employees, Customer relationship with employees. This service attributes can be said to be at the core of effective quality service delivery and thus any firm coming to industry should evaluate on how it should position itself on the strength of the said attributes. Most of this service mix if used adequately becomes tools of competition and thus help in positioning of the firms.

On the rating of the services mix elements, industrial service providers in Nairobi indicated that physical evidence of service topped on average mean score, followed closely by people .Product service was the third and the place of service scooped the forth position .Processes was the fifth while pricing was sixth. The last in the importance rating was promotions. The results are reflective of a substantive application of service mix element by industrial services providers in Nairobi. These results agree with the theoretical assertion that industrial service are rarely advertised and promoted and also

the knowledge that the product specification was the major selling point for the industrial services. Similar results were reported on the importance service attributes sought by customers. The service providers use all the service mix elements to position their firms so as win the competition.

5.3 Services Mix Elements

The service mix elements studied were pricing, product (service), promotions, place and expanded mix elements of people, processes and physical evidence of service. Pricing came out as a very significant mix that gives the firms a competitive advantage. The most applicable pricing strategy is skimming as most firms are price leaders and uses the cost plus method of pricing. The key attribute to this is the relationship of price and quality. Services and the products offered by the firms are believed to be excellent and thus highly priced –price leaders .The other reason were the firms ability to offer reliable service (services right the first time), service guarantees and warranties and this helped in building confidence with the buyers.

On price discrimination the location of service receiver was highly considered in pricing followed closely by the services that required warranties and guarantees .Other condition that were discriminated on a strong moderate extent were credit payments and number of services visits .The least condition that was discriminated on pricing was advance payment.It can be said that price discrimination is a common phenomenon in services and it is practiced from moderate to a very large extent on various conditions of service.

Promotional mix elements were also investigated and it was found out that personal selling and direct marketing were the strongly used methods of promotions. Company's image and heritage is an effective tool of promotion as it contributes to firms success.These were in accordance with the theoretical framework where in service marketing; personal selling and direct marketing embraces relationship and interactive marketing. Other elements of promotions that played insignificant role include public relations while the sales promotions and advertisement were used to a limited extent. The communication channel widely used by the industrial service providers were site visits, office telephony and emails and websites. Site visit topped due the fact that it gave

overall and accurate information of task to be performed from service providers view while the telephones, mobiles and emails provided the faster ways of communication.

Services and products were also investigated and the researcher found that because services are intangible the firms' management uses various aspects to make the services tangible. Where there is pure services the firm's uses well trained people who have uniforms during service performance and communication. They also have signage's, and materials associated with services are provided such pamphlets, use service van .Tools for repair and a workshops are also available and this help in making the service tangible. Incase where products are supplied; the firms supply well branded products, and provide specifications, warrantees and guarantees and promise to offer after sales services. product features or specification and after sales services were most sought by customers Other aspects of product services sought by customers on large extent include response time, Warranty, guarantees and delivery schedules and brand of product.

Place of service indicated that the industrial service providers use direct marketing and personal selling which limits the distribution of services. The service technicians are taken to the site of the service where the equipment is non movable. For movable equipments and parts they are taken to the workshop facility in Nairobi for servicing. The firms have storage facilities for storing spare parts and small equipments. The international agency was also voted as the strongest contributor to companies' success implying the availability of this agency assures the customer of equipment availability with the desired specifications.

People are key elements in successful service delivery. The people include internal customers and external customer. The firms within Nairobi uses highly trained and experience staff who are key asset in service delivery and as such they are entrusted with liaising with both the agency and the buyer of their products. The industrial firms depict a well coordinated internal marketing in order to enable service promises to be delivered. Teamwork, employee training and motivation was ranked as on of highly valued service

attribute. Staff and customer retention scored the same on factors contributing to companies' success implying a well coordinated internal and external marketing.

The process of service delivery is a key in delivery of quality service. This needs proper and effective process management. The actual procedure mechanism and flow of activities are quite simple and are well coordinated to create value for customer. The customer is involved in the processes of service delivery, service encounters are properly managed. Critical steps involving site visits reports and communication with customers, teamwork's and customer retention were described by the managers as the attributes that contributed to company's success. To a large extent they are aspects of good understanding of customer needs and ability to provide consistent and dependable services.

It can be argued that this study reinforces the existing theories by various scholars of service marketing and thus the industrial service providers in Nairobi uses the services mix elements to a large extent and that the importance rating of service mix element was evident as they were all important.

5.4 Conclusion

Industrial services firms should apply service mix elements in large extent so as to gain competitive positioning. This ensures that the firms are capable of offering quality service due to the strong relationship between service mix elements and service quality delivery. The firms should integrate all their mix elements towards customer satisfaction so as to bridge the gap between customer expectations and perceived value. The service mix elements are strategic tools of competition and those firms using them can command service leadership. The firms within the industry should embrace the mix elements as per their importance rating as this offers a well balanced service experience resulting in excellent service.

5.5 Recommendations

After a careful analysis of the findings the researcher recommends that the firms within the industrial service providers should consider training staff on Emails usage so as to limit the time wastages and costs associated with site visits. The firms should consider building strong brands for their firms which would boost the direct marketing and personal selling being embraced by the industry. The industrial players should improve on the importance rating of product and services as they are the core of their business.

5.6 Limitations of the Study

The following were the limitations for this study

Foremost, the study relied on convenience sampling in picking the respondents .A result of some bias might have been brought up by the sample itself. A sample from a mixture of staff might have given different findings. Secondly, the sample size of the firms studied might not have been exhaustive as there could be a probability of new firms which were yet to register their firms with telephone directory and were offering similar service. Since managers were the main focus of the study, they might have viewed this as a performance appraisal and thus give some fairly unreliable results It can however be said that the execution of the study was done with great care to minimize the these limitations

5.7 Suggestions for Future Research

This research was broad as it dealt with application of service mix elements on many different service attributes of service quality. The researcher suggests that future study could be done on a limited number of service mix elements with relevancy to service delivery. Studying specific mix elements in detail could provide more insights and explore new information regarding the mix elements. Other study could be done to investigate how the manufactures of the industrial products apply the services mix elements. This could indicate if their agents follow what the manufactures prescribe or they have innovated different service positions. Since this study focused on management the researcher suggest a future study on customer perception of service to gauge the application of the service mix from customer view point.

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APPENDIX 1:

List of Major Industrial Service Firms in Nairobi.

1. Marshall fowler Ltd
2. Spenomatic (K) Ltd
3. Forbes Marshall Ltd(Industrial boiler products ltd)
4. Energy Pak Ltd
5. Boiler Techniques Ltd
6. Richfield Engineering Ltd
7. Metlex International Ltd

*Source: Kenya Telephone Directory Nairobi 2008, 16th edition ,Yellow Pages, Page 567
“Boilers”.*

APPENDIX 2:

Letter of Introduction

University of Nairobi
School of Business
Faculty of Commerce
P. O. BOX 30197
Nairobi

Dear Respondent,

REF: REQUEST FOR RESEARCH DATA

I am a post graduate student at the University of Nairobi, faculty of commerce. In partial fulfillment of the requirements for a marketing research , I am conducting a study entitled “Determination of the extent to which service mix elements have been applied by industrial service providers in Nairobi”. For the purpose of completing my research, I wish to collect data through the attached questionnaire. I shall be grateful if you would kindly assist me by completing the questionnaire.

This information is purely for the purpose of my market research and we pledge that the information provided shall be treated in or with strict confidentiality. A copy of the final research report will be availed to you upon request.

Thank you for your cooperation.

Julius M. Maingi

Dr. Munyoki

Supervisor

APPENDIX 3:

QUESTIONNAIRE FOR RESPONDENT

Please help answer the following questions.

PART A:GENERAL INFORMATION

1. Name of the firm _____
2. Job position _____
3. What 's your highest level of education
 - University/college []
 - Diploma holder []
 - Secondary []
 - Non formal education []
4. Please tick your age bracket
 - 20-30 years []
 - 31-40 years []
 - 41-50 years []
 - Above 50 years []
5. Gender Female [] Male []
6. How long have you been with the current employer?
 - Less than 3 years []
 - 4-8 years []
 - 9-15 years []
 - More than 15 years []
7. What is your occupation (tick whatever applies)
 - Technical (Engineer, Technician, Chemist []
 - Finance & administration (accounts, hr,) []
 - Marketing []
8. Do you have a customer service department? Yes [] No []

9. Kindly specify the companies represented by your firm (agents for) and the country of agency.....

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PART B:SERVICE MIX ATTRIBUTES

Please respond to the following questions

1. To what extent do you agree with the following statements?

Key 5.Strongly agree 4.Agree 3.Somewhat 2.Disagree 1.Strongly disagree

5 4 3 2 1

- a). In pricing the company adopts cost plus mark up. 5 4 3 2 1
- b). The company uses competitor prices 5 4 3 2 1
- c). The company is a price leader 5 4 3 2 1
- d). Price depends on the services 5 4 3 2 1
- e). Price terms are determined by the customers 5 4 3 2 1
- f). Customers buys your services because you are cheap 5 4 3 2 1
- g). Customers buy your services because of quality. 5 4 3 2 1
- h). Your service have warranties & guarantees 5 4 3 2 1
- i). Your customer know the specification for the kind of equipment they purchase. 5 4 3 2 1
- j). Services such as repair and maintenance depend on the recognized agent for a particular manufacturer. 5 4 3 2 1

2. On Likert scale, Please indicate the extent to which the company practices price discrimination on conditions stated.

Key 5. To a very large extent 4.Large extent 3.Moderate extent 2.Limited extent

1. No extent

	5	4	3	2	1
a). Advance payments	[]	[]	[]	[]	[]
b). Cash payments	[]	[]	[]	[]	[]
c). Location of service receiver	[]	[]	[]	[]	[]
d). Size and nature of client	[]	[]	[]	[]	[]
e). After sales service requirements	[]	[]	[]	[]	[]
f). Guarantees and warranties	[]	[]	[]	[]	[]
g). Number of service visits	[]	[]	[]	[]	[]
h). Credit payments	[]	[]	[]	[]	[]

3. Please indicate the extent at which the following are important to your operations

Key 5 Very important 4.Important 3.Somewhat important 2.Fairly important

1.Not important.

	5	4	3	2	1
a). Satellite offices across the country	[]	[]	[]	[]	[]
b). Availability of workshop	[]	[]	[]	[]	[]
c). Agency	[]	[]	[]	[]	[]
d). Location of office in Nairobi	[]	[]	[]	[]	[]
e). Delivery vehicles	[]	[]	[]	[]	[]
f). Service vans	[]	[]	[]	[]	[]
g). storage facilities	[]	[]	[]	[]	[]

4. Kindly rank the importance of each product /services attributes that your customers look for.

Key 5.Very important 4.Important 3.Somewhat important 2.Fairly important
1.Not important.

	5	4	3	2	1
a). Product features (specifications)	[]	[]	[]	[]	[]
b). Warranties & guarantees	[]	[]	[]	[]	[]
c). Brand of the product	[]	[]	[]	[]	[]
d). After sales services	[]	[]	[]	[]	[]
e). Response time	[]	[]	[]	[]	[]
f). Service delivery(schedule)	[]	[]	[]	[]	[]

5. To what extent does your company use the following promotional elements?

Key 5.Very large extent 4.Large extent 3.medium extent 2.limited extent
1.No extent

	5	4	3	2	1
a). Personal selling	[]	[]	[]	[]	[]
b). Sales promotion (calendars, T-shirts, Dairies)	[]	[]	[]	[]	[]
c). Advertisements	[]	[]	[]	[]	[]
d). Public relations	[]	[]	[]	[]	[]
e). Direct marketing	[]	[]	[]	[]	[]

6. Rank the extent of usage for the following communication channels by your company.

Key 5.Strongly used 4.Used 3.Somewhat used 2.Fairly used 1.Never used

	5	4	3	2	1
a). Office telephone /Mobiles	[]	[]	[]	[]	[]
b). Emails/Websites	[]	[]	[]	[]	[]
c). Physical address	[]	[]	[]	[]	[]
d). Interpersonal visits(site visits)	[]	[]	[]	[]	[]

7. How are the following statements applicable to your firms

Key 5.Very applicable 4.Applicable 3.Somewhat 2.Fairly applicable 1.Not applicable

	5	4	3	2	1
a). Performs the service right the first time	[]	[]	[]	[]	[]
b). Keeps the customer informed on when the service will be performed	[]	[]	[]	[]	[]
c). Employees are courteous	[]	[]	[]	[]	[]
d). Technical employee give customers individual attention	[]	[]	[]	[]	[]
c). All employees interact with customers	[]	[]	[]	[]	[]
e). Customers establishes relationships With particular employees.	[]	[]	[]	[]	[]
f). Customer service is given the highest priority.	[]	[]	[]	[]	[]
g).All employees have access to basic information.	[]	[]	[]	[]	[]
h). Service employees have dress codes	[]	[]	[]	[]	[]
i). Materials associated with services (such as pamphlets, manuals) are provided	[]	[]	[]	[]	[]
j). Company offers quarantines &warranties	[]	[]	[]	[]	[]

8. How has the following influenced your companies success

Key 5.Very strongly 4.Strongly 3.Relatively strong 2.Fairly strong 1.None

	5	4	3	2	1
i) Company image(Heritage)	[]	[]	[]	[]	[]
ii) Training and staff development	[]	[]	[]	[]	[]
iii) Able to offer credits	[]	[]	[]	[]	[]
iv) International agency	[]	[]	[]	[]	[]
v) Staff retention	[]	[]	[]	[]	[]
vi) Customer retention	[]	[]	[]	[]	[]

QUESTIONNAIRE

SECTION C:IMPORTANCE OF SERVICE MIX TO FIRM.

1. To what importance are the following service mix elements in your firm?

Key 5.Very important 4.Important 3. Somewhat 2. Limited importance 1.Not important

	5	4	3	2	1
a). Bundle pricing	[]	[]	[]	[]	[]
b). Price cuts/discount	[]	[]	[]	[]	[]
c). Credit facilities	[]	[]	[]	[]	[]
d). Product specification	[]	[]	[]	[]	[]
e). Product guarantees	[]	[]	[]	[]	[]
f). Service encounters and recoveries	[]	[]	[]	[]	[]
g). Storage facilities, workshop	[]	[]	[]	[]	[]
h). Office location	[]	[]	[]	[]	[]
i). Personal &direct selling	[]	[]	[]	[]	[]
j). Networking	[]	[]	[]	[]	[]
k). Advertising	[]	[]	[]	[]	[]
l). Process steps ,customer Involvement and education	[]	[]	[]	[]	[]
m). Service crew vans, dress codes	[]	[]	[]	[]	[]
n).Employee motivation, training and team work.	[]	[]	[]	[]	[]

THANK YOU FOR YOUR ASSISTANCE