POSITIONING STRATEGIES ADOPTED BY LARGE AUDIT FIRMS IN KENYA

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Declaration

This research project is my original work and has not been submitted for examination in any other University.

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This research project has been submitted for examination with my approval as a university supervisor.

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Dedication

This project is dedicated to my parents Mrs. Ruth Kalekye Mutemi and Mr. David Ng’oo Mutemi for their invaluable moral support and prayers throughout my studies. May God bless you abundantly.
Abstract

In the global market and developing economies like Kenya, competition among firms grows quickly while market share gets narrower by the day. In order to gain new markets and retain existing ones, firms strategize to gain superiority over their rivals by positioning their products, services and their brands aimed at consumer behavior and perceptions. Positioning is therefore regarded as the development of the image of a product or service in the minds of clients directly against that offered by competitors. The objective of this study was to establish positioning strategies adopted by 16 large audit firms in Kenya. The study used descriptive design. Data was collected from 5 senior managers from each firm. The managers played the role of key informants on various aspects of positioning strategies employed by their firms. Each manager represented a distinct area of focus in their respective firms. A total of 32 managers responded. A semi-structured questionnaire was used to collect the data which was analyzed using MS Excel Spreadsheet. The study found that 100% of the audit firms used product positioning strategies, price positioning strategies, cultural symbols and competitor positioning strategies to gain and retain the market share where they control more than 70% of the market. The study further established that these firms concentrated on product responsiveness attribute in their positioning strategies while adopting time and location pricing strategies to stand out from their competitors. Further still, brand name and competitor positioning were very much in use by the surveyed audit firms as preferred positioning strategies. The study therefore concluded that the firms used different positioning strategies including product leadership, operational superiority and customer intimacy all at the same time. The choice of different positioning strategies has worked effectively for some in terms of growth of customer base and profitability while others are still struggling.
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1.1 Background of the Study

One of the main premises of strategic management is the need to carve one's own unique space in the marketplace. Industries comprise suppliers, buyers, potential new entrants, incumbent competitors, and possible substitutes. These five sets of players constitute what came to be known as the five forces model, as each player has different means by which it can gain or retain competitive advantage in the industry (Porter 1980). Although each industry may have its own set of unique circumstances and peculiarities, a number of fundamental business strategies have been generalized to assist managers with strategic positioning. The underlying premise of competitive strategy is that there are good industries and bad industries in which to play, and that one should seek to become a dominant player in a good industry. According to Beckman and Rosenfield (2008) in the competitive strategy the key is to identify a desired position in the industry and then structure the activities and develop the capabilities of the firm to match or fit the requirements of that position.

According to Deloitte (2012) audit firms have an important role in every economy. An independent audit of financial statements is one of the foundations for the effective operation of the capital markets. The financial statements are also essential for tax revenue collection by the Kenya Revenue Authority (KRA) and other statutory compliance practices. The audit firms generate revenues through provision of the three core services namely Assurance, Tax, Transactions and Advisory. Audit quality is vital for maintaining trust in the financial reporting process and the integrity of financial
information. The influx of many audit firms coupled with advances in the industry has heightened the competition of the audit firms. For this reason, strategic practices in audit firms have been studied and researched upon by various authors and scholars.

1.1.1 Positioning Strategy

Edinburgh Business School (2011) explains that positioning refers to both the place a product or brand occupies in customers' minds relative to their needs and competing products or brands and the marketer's decision making intended to create such a position. Thus the positioning notion comprises both competitive and customer considerations. Positioning is basically concerned with differentiation and is viewed as a creative undertaking whereby an existing brand in an overcrowded marketplace of similar brands can be given a distinctive position in the minds of the targeted prospects.

Ries and Trout, (1989) argued that while typically positioning was thought of in relation to the marketing of consumer goods, it has equal value in industrial goods and for services. Because services are characterized by their intangibility, consumer protection in their delivery, and simultaneous nature of their production and consumption, when compared with products they are more difficult to consumers to understand, to compare with competing products, to predict in terms of their performance, and, therefore more difficult for marketers to position successfully. Positioning strategy refers to the choice of a target market segment which describes the customers a business will seek to serve and the choice of differential advantage which defines how it will compete with rivals in the
segment (Levy and Weitz, 2001). It also presents the mental image the company attempts to create in its customer’s vis-à-vis the competitors.

1.1.2 Large Audit Firms in Kenya

In a bid to remain competitive and compete in the local and international arena, various audit firms in Kenya have adopted various competitive and positioning strategies. Nyakang’o (2007) noted that there are three categories of audit firms in Kenya; the multinational firms with a foreign background and doing business in many countries, locally owned firms with all partners resident in Kenya and original local firms with foreign entity strategic alliances. According to ICPAK (2012), there are sixteen large audit firms in Kenya (See Appendix 1).

Among these, Deloitte & Touche, Klynveld Peat Marwick Goerdeler (KPMG), PricewaterCoopers (PWC) and Ernst and Young, are the four exceptionally large firms within the group commonly known as “The Big Four”. According to Wikipedia, these are the four largest international professional services networks in accountancy and professional services, which handle the vast majority of audits for publicly traded companies as well as many private companies, creating an oligopoly in auditing large companies. This group was once known as the "Big Eight", and was reduced to the "Big Five" by a series of mergers and alliances formed between British and US accountancy firms in the 19th or early 20th centuries. One of the largest of these mergers was in 1987, when Peat Marwick merged with the Klynveld Main Goerdeler (KMG) group to become KPMG Peat Marwick, later known simply as KPMG. In July 1998 when Price Waterhouse merged with Coopers & Lybrard to form PricewaterhouseCoopers.
None of the Big Four accounting firms is a single firm rather, they are accounting networks. Each is a network of firms, owned and managed independently, which have entered into agreements with other member firms in the network to share a common name, brand and quality standards. Each network has established an entity to co-ordinate the activities of the network. In one case (KPMG), the coordinating entity is Swiss, and in three cases (Deloitte Touche Tohmatsu, PricewaterhouseCoopers and Ernst & Young) the co-ordinating entity is a UK limited company. Those entities do not themselves practice accountancy, and do not own or control the member firms. They are similar to law firm networks found in the legal profession.

The Big Four are sometimes referred to as the "Final Four" due to the widely held perception that competition regulators are unlikely to allow further concentration of the accounting industry and that other firms will never be able to compete with the Big Four for top-end work, as there is a market perception that they are not credible as auditors or advisors to the largest corporations. The firms' initial international expansion was driven by the needs of British and US based multinationals for worldwide service.

The auditing industry in Kenya particularly accumulates certain characteristics that make it very interesting from a strategic management point of view. The industry is extremely wide, diverse, dynamic and very competitive. Since the late 1990s the number of firms has grown extensively. Nyakang’o (2007) noted that there were 583 audit firms registered with ICPAK of which 320 were located in Nairobi. According to ICPAK (2012) within the past five years the number of audit firms registered with ICPAK has increased to 713 with 515 firms located in Nairobi and 198 in other locations.
According to Omondi (2006), one of the challenges faced by a dynamic environment is increased competition. Firms are in competition with each other when they try to sell identical products and services to the same group of customers or to employ factors from the same group of suppliers. Audit needs for people all over the world are changing globally, this pushes the companies to innovate and respond fast. Moreover, there is a diversity of companies’ needs in Kenya due to geographic location, history and traditions. For example, hundreds of accounting firms nationwide are employing various strategies’ to enhance their practices by riding the social media wave in order to remain competitive (Nyakang’o, 2007). Audit services such as accounting are exported, making the firms large. Kenya is in a unique position to export accounting services throughout East Africa and to the rest of the world.

1.2 Research Problem

Ansoff and MC Donnel. (1990) noted that when firms are faced with unfamiliar changes they should revise their strategies to match the turbulence level. The audit firm industry is facing a stiff competitive environment and it would be necessary to study strategies they have adopted to position themselves. Positioning strategies are crucial for firms aiming to retain their competitiveness or seeking their market leadership, survival in the industry and growth while they all try to sell identical service products to the same group of customers.

No research so far has been carried out to examine extensively why the large firms have been the market leaders right from the outset at least to the researcher’s knowledge. While capital availability is a key success factor of the large professional firms, other key
factors exist given that the industry is facing one of the toughest environments in recent memory. These include professionalism related issues both locally and internationally for example the previous collapse of Uchumi, recent saga on undisclosed CMC Motors offshore revenues and the fall of Enron. According to Deloitte (2012) the extended global economic crisis has also impacted on financial performance of the Big Four firms with difficult external conditions, slow economic growth, cost-conscious clients and sluggish merger and acquisition activity.

Previous studies done in Kenya did not cover the topic of interest of this study. For example Gitau (2002) did a study on the compensation of professional employees: a survey of auditors in multinational audit firms in Nairobi. Kimani (2008) examined the response strategies of small and medium audit firms. Karanja (2008) studied the strategic planning practices in audit firms in Nairobi. Nyakang’o (2007) researched on competitive strategies adopted by small and middle sized firms in Nairobi and concluded that a research gap is eminent on the strategies adopted by the large audit firms and firms outside Nairobi. There is also no known study to the best of this researcher’s knowledge which has ever been done in Kenya on the positioning strategies adopted by the large audit firms in Kenya. Awinyo (2008) studied market positioning strategies adopted by courier companies in Kenya while Wambugu (2008) studied the strategic market positioning practices by commercial banks in Kenya.

Audit services are generally provided on a private sector basis and require a high level of skills that are usually certified. Kimami (2008) observed that many audit firms in Kenya are quick to affirm that doing business is more difficult than was in the past eras. Thus
the audit firms have positioned themselves into the market so that they remain competitive in the market. This study will therefore focus on top distinct successful large audit companies to gather the data on the positioning strategies they have adopted.

This study is thus motivated by the need to bridge the above gaps in knowledge. From the identified knowledge gaps and challenges facing audit firms in Kenya, this researcher is inclined to ask the following question: What are the unique positioning strategies adopted by the large audit firms in Kenya in order to ensure they retain their competitive advantage?

1.3 Research Objective
To establish positioning strategies adopted by large audit firms in Kenya.

1.4 The Value of the Study
The study might be of great use to the scholars and the academicians as they carry out their research as it may add to the already existing literature on strategic management concepts. It might help other researchers to understand the necessary tools and frameworks in positioning strategy decision making and enable them to be effective contributors to the body of knowledge. It might also bring an academic perspective to the academicians by providing further insight on more common types of bases used in distinguishing one service firms positioning strategies from another and the limitations of the various positioning strategies.
The government policy makers and accounting regulatory institutions may also use the information in this research to develop new policies or make reforms on the existing ones. For example, Institute of Certified Public Accountants (ICPAK) may better understand the strategies firms use with regards to the competitiveness of the firms in the industry and amend their watchdog policies where professionalism is compromised in the formulation and implementation of strategies by the industry player. The Kenya Revenue Authority (KRA) may also benefit from the study through deeper understanding on how firms position themselves locally and internationally and in the process gauge how they can control tax revenue losses during the exportation of audit and accounting services.

It may also enable audit firm management and potential industry entrants to better evaluate the compatibility of given positioning strategies with their own needs. It may also bring to light factors to consider when formulating and implementing strategic and marketing decisions desirable to customers over current and potential competitors. It may also help management to understand the common strategic related challenges faced by other competitors in the market, how these competitors strategize to reduce the challenges and remain competitive in the market.
CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter covers the reviewed literature relevant to the study. The chapter looks at past theories on the concept of strategy, the significance of positioning strategies, processes and approaches to positioning strategies.

2.2 The Concept of Strategy

Johnson and Scholes (2004) explain that strategy is the direction and scope of an organization over the long term, which achieves advantage for the organization through its configuration of resources within a changing environment and to fulfill stakeholder expectations. According to Chandler (1962) strategy is the determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources for carrying out these goals. The top management of an organization is concerned with the selection of a course of action from among different alternatives to meet the organizational objectives. The process by which objectives are formulated and achieved is known as strategic management and strategy acts as the means to achieve the objective.

2.3 Porter’s Generic Competitive Strategies

Porter (1985) observes that there are limited options about how a firm might position itself to gain that dominant position. There are three generic positions firms might choose to distinguish themselves, these include the cost leadership, differentiation or focus orientations. Cost Leadership is a strategy, by which a business offers an average product at a low cost to the broadest possible market. Economics of scale result in cost savings,
partially passed to consumers. Cost Focus is a strategy, by which a business offers an average product at a low cost to a specific customer group. Customer relationship largely depends on the cost of the product and a unique connection with a customer.

Product Differentiation is a strategy that focuses on offering a unique product to the broadest possible market. The product offering necessitates continuous innovation in light of the highly competitive market forces. Differentiation Focus is a strategy that focuses on offering a unique product to a specific customer group. The customer relationship largely depends on the uniqueness of the product and the way the customer is being served. Cost Differentiation is the most difficult strategy to attain. It requires offering a unique product at a low cost to a relatively broad market. This strategy creates the highest benefits and is consistent with the Blue ocean strategy, a strategy that Reinvents its market place and competes in entirely new dimension. Porter (1985) purports that this framework argues for non-existence of a strategy that can be both a cost leader or focus on differentiation and as a result of eventual tradeoffs between cost and differentiation.

2.4 Positioning and Competitive Advantage

According to Porter (1985) sustained profitability is the only measure of economic value. He further defined two fundamental factors that determine profitability as industry structure and sustainable competitive advantage. Hoffmann (2000, pg. 1) defined sustainable competitive advantage as “...the prolonged benefit of implementing some
unique value-creating strategy not simultaneously being implemented by any current or potential competitor, along with the inability to duplicate the benefits of this strategy”.

The main sources of competitive advantage include superior skills and superior resources which are also commonly referred to as assets and capabilities respectively. “Assets are the resources endowments the business has accumulated, while capabilities are the glue that keeps these assets together and enables them to be deployed advantageously”, (Jarillo (1988), pg.6). Capabilities are intangible but are deeply embedded in the organizational routines and practices that they cannot be traded or imitated.

Jarillo (1988) sees competition more as a matter of positioning one’s firm in the marketplace than attacking the environment. Strategy development is about positioning the company in the overall business network through development of relationships. It’s all about maneuvering for a favourable position for the company in the network or industry. The position of a company with respect to others reflects its capacity for productiveness, innovativeness, and competence relative to others. Essentially, Porter (1980) observes that firms compete either on price (cost), on perceived value (differentiation), or by focusing on a specific customer (market segmentation). This means a firm can pursue segmentation strategy, differentiation strategy, or cost leadership strategy to better position itself in the industry.

Positioning as defined by Kotler and Keller (2006, pg. 310) is “the act of designing the company’s offering and image to occupy a distinctive place in the mind of the target market. The goal is to locate the brand in the minds of consumers to maximize the
potential benefit of the firm". Positioning is also viewed by Kotler and Keller (2008, pg. 38) as "......creating brand superiority in the minds of customers. Fundamentally, positioning convinces consumers of the advantages or point of difference a brand has over competitors, while at the same time alleviating concerns about any possible disadvantages (establishing points of parity)". Strategic positioning therefore starts with the building of associations of the product based on the already existing strengths of the product and its competitive advantage.

2.5 The Process of Positioning Strategy

Beckman and Rosenfield (2008) firms might choose to further distinguish themselves by choosing one of the main three orientations which are variety-based, need-based and access-based. Variety-based: These firms tailor their activities to deliver particular products, features or services across a range of customer groups, thus meeting a subset of customer needs. Needs-based: These firms tailor their activities to meet the particular needs of a distinct customer group or purchasing occasion. Access-based: These firms tailor their activities to reach differently accessible customers with similar needs.

Edinburgh Business School (2011) steps in the positioning process include identifying a relevant set of competitive products, identifying determinant attributes, collecting data about customer’s perceptions for products in the competitive set, analyzing the current positions of products in the competitive set and then building a positioning grid. After selecting the target, firms then implement their positioning strategy.
2.6 Approaches to Positioning Strategy

Positioning strategies can be conceived and developed in a variety of ways. According to Kald et al. (2000) there are seven approaches to positioning strategies: Using Product characteristics or customer benefits; Pricing; Positioning strategy based on Use or Application; Positioning strategy based on Product Process; Positioning strategy based on Product Class; Positioning strategy based on Cultural Symbols and Positioning strategy based on competitors.

2.6.1 Positioning based on Product Characteristics or Customer Benefits

Positioning

Kald et al., (2000) say that product characteristics or customer benefits as a positioning strategy basically focuses upon the characteristics of the product or customer benefits. For example the phrase “imported items”, basically tells or illustrates a variety of product characteristics such as durability, economy or reliability, “motorbikes” are emphasize on fuel economy, some on power, looks and others stress on their durability. In the case of toothpaste market, most toothpaste insists on ‘freshness’ and ‘cavity fighter’ as the product characteristics. It is always tempting to try to position along several product characteristics, as it is frustrating to have some good characteristics that are not communicated.

2.6.2 Pricing as a Positioning Strategy

The Price-Quality approach is important and largely used in product positioning. Basically because of perception, as most of us perceive that if a product is expensive will be a quality product whereas product that is cheap is lower in quality, (Hooley et al.,
In many product categories, there are brands that deliberately attempt to offer more in terms of service, features or performance. They charge more, partly to cover higher costs and partly to let the consumers believe that the product is, certainly of higher quality (Kald et al., 2000).

### 2.6.3 Positioning Strategy Based On Use or Application

Positioning strategy based on use or application is useful when introducing new uses of the product that will automatically expand the brand’s market. For example Nescafe Coffee for many years positioned itself as a winter product and advertised mainly in winter but the introduction of cold coffee has developed a positioning strategy for the summer months also. (Kald et al., 2000).

### 2.6.4 Positioning Strategy Based on Product Process

Positioning Strategy Based on Product Process entails associating the product with its users or a class of users. Makes of casual clothing like jeans have introduced ‘designer labels’ to develop a fashion image. In this case the expectation is that the model or personality will influence the product’s image by reflecting the characteristics and image of the model or personality communicated as a product user. Johnson and Johnson repositioned its shampoo from one used for babies to one used by people who wash their hair frequently and therefore need a mild shampoo. This repositioning resulted in a market share (Kald et al., 2000).
2.6.5 Positioning Strategy Based on Product Class

In some product classes, we have to make sure critical positioning decisions, (Levy and Weitz, 2001). Positioning Strategy Based on Product Class observes this, for example, freeze-dried coffee needed to position itself with respect to regular and instant coffee and similarly in case of dried milk makers came out with instant breakfast positioned as a breakfast substitute and virtually identical product positioned as a dietary meal substitute (Kald et al., 2000).

2.6.6 Positioning Strategy Based on Cultural Symbols

In today's world, many advertisers are using deeply entrenched cultural symbols to differentiate their brands from that of competitors (Roger, 1994). Positioning Strategy Based on Cultural Symbols' essential task is to identify something that is very meaningful to people that other competitors are not using and associate this brand with that symbol. Air India uses maharaja as its logo, by this they are trying to show that we welcome guest and give them royal treatment with lot of respect and it also highlights Indian tradition. Using and popularizing trademarks generally follow this type of positioning. Symbols are an awareness of brand positioning, (Kald et al., 2000). Brand positioning is when a company reaches a level in which their brand has become universally acknowledged in a region, country, or even the world.

2.6.7 Positioning Strategy Based on Competitors

In Positioning Strategy Based on Competitors, an implicit or explicit frame of reference is one or more competitors. In some cases, reference in competitors can be the dominant aspect of the positioning strategies of the firm, the firm either uses the same of similar
positioning strategies as used by the competitors or the advertiser uses a new strategy taking the competitors' strategy as the base (Roger, 1994). A good example of this would be Colgate and Pepsodent. Colgate entered into the market focused on family protection but when Pepsodent entered into the market with focus on 24 hour protection and basically for kids, Colgate changed its focus from family protection to kid’s teeth protection which was a positioning strategy adopted because of competition.
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction
This chapter gave the actual processes and methods that were used to gather data/information for the research study. In this study, the methodology was divided into the following categories: Research design, study population, sampling design, data collection methods & procedure and data. It’s meant to facilitate a clear understanding of the various steps involved during the research process.

3.2 Research Design
Research design refers to the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in the procedure. A descriptive study design was employed in this study and the researcher used a survey method. Descriptive design attempts to provide further insight into the research problem by describing the variables of interest. It focuses on relatively few dimensions of a well-defined entity (Mugenda 2008). Mugenda further explains that survey research method attempts to collect data from members of a population and describes phenomena by asking respondents about their perception, attitudes or values. This method involved asking key informants questions on positioning strategies used by their firms.

3.3 Population of the Study
Mugenda and Mugenda (2003) consider population as any group of people, events or things that are of interest to the researcher and the researcher wishes to investigate and generalize the findings of the study. The population of interest in this study consisted of
five top managers of the large audit firms in Kenya as per the records from Institute of Certified Public Accountants. Top managers were selected for this study because they dealt with strategic decisions of the firm and therefore possessed good knowledge about positioning strategies of their firms. This gave a total population of 80 managers ($5 \times 16 = 80$).

3.4 Data Collection

This study used primary data. Primary data is first-hand information collected from original sources; data collected in this case has not been previously collected. Primary data for this study was collected using a structured questionnaire, consisting of both open and closed forms of questions. The questionnaires were dropped and picked later owing to the busy schedule of the respondents. The key informants in this study included senior managers involved in the strategic decisions of the audit firms. Follow up was done through personal visits, telephone calls, and emails to facilitate response and also enhance the response rate.

3.5 Data Analysis

The collated data collected was coded and tabulated. Both quantitative and qualitative data was extracted for appropriate analysis, respectively. Quantitative data was analyzed using descriptive statistics and was represented by measures of central tendency, that is mean and standard deviation. Measures of central tendency were used to establish the positioning strategies adopted by large firms in Kenya. The information was presented by use of tables, bar charts, graphs and pie charts. This was therefore done effectively using a specific program designed for descriptive statistics known as Microsoft Excel spreadsheet.
CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the research findings on positioning strategies adopted by 16 large audit firms in Kenya. Through convenient non-random sampling method, 32 respondents were selected to participate in the study all of whom were served with questionnaires. Seventeen (17) filled questionnaires were returned for this study. This response rate of 53% was fair and adequately representative and conforms to Mugenda and Mugenda (2003) stipulation that a response rate of 30% is adequate for analysis and reporting.

This commendable response rate was possible because the researcher personally administered the questionnaires to the respondents over a period of two weeks. This study made use of frequencies on single response questions. However, on multiple response questions, the study used Likert-scale in collecting and analyzing data where a scale of 5 points was used in computing the means and standard deviations. These were then presented in tables, graphs and charts as appropriate with explanations being given in prose. Findings from open-ended questions were also presented in prose.

4.2 General information

The respondents were required to provide information on their personal and their firms' profiles. The responses are presented below.

4.2.1 Position Held in the Firm

The study required the respondents to state their job titles. According to the findings, majority of the respondents (10) representing 59% were of the rank of managers while 29% were senior managers with 2 representing 12% being directors. There were no
respondents in the level of a partner. The findings suggest that managers were more willing to fill the questionnaires and that people with job title of managers are dominant.

Fig 4.2.1: Respondents’ Job Ranks

![Pie chart showing job ranks](image)

**Job Ranks**

### 4.2.2 Number of Years in Operation

Fig 4.2.2: Distribution of Firms by Number of Years Operations

![Bar chart showing number of firms](image)

**Number of Firms**

The respondents also indicated how their audit firms have been in operation in Kenya. The results are presented in figure 4.2.2. Forty seven percent (47%) of the firms have operated auditing firms between 31-40 years followed by those that have been in operations for over 50 years (24%) while those that have been in operation for between
18-30 years returning the lowest frequency of 2 (12%). This showed that majority of the top 16 audit firms have been in existence for more than 30 years in Kenya which is a pointer to the fact that they are experienced in service delivery to their clients.

4.2.3 Respondents’ Length of Engagement in their Firms

Majority (41%) of respondents indicated that they had been engaged with the audit firms for between 5-10 years in various capacities, while only 12% had worked with the same firm for over 10 years. Another 29% had worked for the same firm for between 1-5 years. Profiling of the length of service was important in determining work experience that audit professionals in these firms possessed. The findings show that 53% had sufficient experience of over 5 years, thus were better able to give informed and insightful responses. It also indicated some level of loyalty to the firms by the employees.

Fig 4.2.3: Respondents Length of Service in their Respective Firms

4.2.4 Average Number of Staff

59% of the respondents indicated that there were average staffing levels of between 50-100 staff in each of the firm. This was followed by 41% of the firms that had over 100
employees. None of the respondents indicated staffing level of below 50 staff. This indicates that the 16 audit firms under this study were averagely big organizations in Kenya with over 50 employees each.

4.2.5 Ownership Structure of the Firm

Figure 4.2.5: Ownership Structure

![Ownership Structure Pie Chart]

The findings presented in Figure 4.2.5 show that 76% of the firms were a hybrid with a blend of both foreign and local characteristics. Eighteen per cent (18%) were locally owned with a paltry 6% being foreign owned. The principal agent theory in finance literature argues that the form of institutional incorporation have an effect on behavior of its managers and show how they are influenced by external stakeholders. As a result, audit firms with hybrid structures are expected to be more stable financially and operationally.

4.2.6 Firm Mergers

The respondents were also asked to indicate if they knew if their firms had merged in the past with a local or foreign firm. As depicted in Figure 4.2.6 below, 65% of the respondents indicated that their firms had not merged while 35% (6 of the respondents) indicated their firms had merged in the past.
4.3 Positioning Strategies Adopted by the Firms

Using Likert-Scale of 1-5, respondents were asked to express their view on various aspects of positioning strategies adopted by their firm, including product characteristics positioning, pricing positioning, use or application positioning, product process and class positioning, cultural symbol and competitors positioning, and company objectives positioning. The results of the responses are presented below.

4.3.1 Product Positioning

Under product characteristics positioning, product responsiveness attribute had the highest frequency on those who agreed or strongly agreed that their firms have adopted it as a strategy. It had a response rate of 100% for those who agreed or strongly agreed with the attribute followed by unique features for users while quality assurance had the lowest approval. However, it must be noted that all the attributes had a 64% response rate (quality assurance) and above as shown in Table 4.3.1 below. This shows that all the
sampled audit firms concentrate on product characteristics positioning as a strategy in the competitive audit market.

**Table 4.3.1: Product Attributes**

The frequencies on product positioning attributes are further presented on Table 4.3.1 below as per the perception of the respondents.

<table>
<thead>
<tr>
<th>Attributes</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Responsiveness</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>11</td>
<td>6</td>
</tr>
<tr>
<td>Quality Assurance</td>
<td>0</td>
<td>0</td>
<td>6</td>
<td>9</td>
<td>2</td>
</tr>
<tr>
<td>Delivery Reliability</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>10</td>
<td>3</td>
</tr>
<tr>
<td>Unique features for users</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Product Superiority</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>7</td>
<td>5</td>
</tr>
</tbody>
</table>

### 4.3.2 Pricing as a Positioning Strategy

The frequencies on pricing positioning attributes are further presented on Table 4.3.2 below as per the perception of the respondents.

<table>
<thead>
<tr>
<th>Attributes</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Pricing</td>
<td>0</td>
<td>3</td>
<td>3</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>Location Pricing</td>
<td>0</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Customer Segment Pricing</td>
<td>2</td>
<td>6</td>
<td>1</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Priced lower than competing products</td>
<td>0</td>
<td>11</td>
<td>3</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Priced higher than competing products with superior service quality</td>
<td>0</td>
<td>6</td>
<td>5</td>
<td>6</td>
<td>0</td>
</tr>
</tbody>
</table>

The mean and standard deviations using Cronbach’s alpha value (α) of 0.862 are represented in Table 4.3.2.1 below.
Table 4.3.2.1: Means and Standard Deviation for Pricing Positioning Strategies

<table>
<thead>
<tr>
<th>Attributes</th>
<th>Mean</th>
<th>StdDev</th>
<th>n</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Pricing</td>
<td>3.77</td>
<td>0.609</td>
<td>17</td>
</tr>
<tr>
<td>Location Pricing</td>
<td>3.69</td>
<td>0.688</td>
<td>17</td>
</tr>
<tr>
<td>Customer Segment Pricing</td>
<td>3.12</td>
<td>0.861</td>
<td>17</td>
</tr>
<tr>
<td>Priced lower than competing products</td>
<td>3.24</td>
<td>0.756</td>
<td>17</td>
</tr>
<tr>
<td>Priced higher with superior service quality</td>
<td>3.18</td>
<td>0.817</td>
<td>17</td>
</tr>
</tbody>
</table>

The strongest factor for this variable was time pricing followed by location pricing strategy. Customer segment pricing returned the highest standard deviation of 0.861 followed by pricing higher with superior service quality. The high standard deviations show that data points are widely dispersed from the mean indicating the use of that strategy is low. This clearly show that nearly all firms concentrated on time and location pricing strategies to position their audit services.

4.3.4 Use or Application Positioning Strategy

Table 4.3.4: Benefits of Positioning Strategy

<table>
<thead>
<tr>
<th>Benefits</th>
<th>% Frequency</th>
<th>% Frequency</th>
<th>% Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improves value of customers' business or processes</td>
<td>0</td>
<td>65</td>
<td>35</td>
</tr>
<tr>
<td>Reduces customers' costs</td>
<td>57</td>
<td>43</td>
<td>0</td>
</tr>
<tr>
<td>Does unique task for the user</td>
<td>59</td>
<td>41</td>
<td>0</td>
</tr>
</tbody>
</table>

Respondents were asked to rate each of the three types of benefits associated with positioning strategies. The findings are presented in Table 4.3.4. The percentage of respondents that pointed out that the positioning strategy improves the value of their clients businesses was overwhelmingly 100% for a combined response on those who
agreed or strongly agreed with the attribute. This is consistent with Kald et al’s (2000) observation that firms that articulate the value or benefits of auditing find the job of positioning much easier and more profitable in a competitive industry. The reverse was however true for the benefit which reduces customer costs with 43% of the respondents supporting the statement. Forty one per cent (41%) indicated that their services do unique tasks to clients. This shows that customer experience with positioning strategy is only marginally positive for the international audit firms in Kenya.

4.3.5 Product Process and Class Positioning

Respondents were further asked to express their opinion on product process and class positioning. The majority seemed to place emphasis on brand and image of the company as the key positioning strategy in this category. The frequencies are presented in Table 4.3.5 below.

Table 4.3.5: Process and Class Positioning Strategies

<table>
<thead>
<tr>
<th>Strategies</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class of User</td>
<td>0</td>
<td>3</td>
<td>2</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>Product Superiority</td>
<td>2</td>
<td>4</td>
<td>2</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>Brand or Image of the Company</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>Other (Please Specify)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

The mean and standard deviations for the process and class positioning strategies are shown in Table 4.3.5.1 Save for brand and image of the company, the strategy had high standard deviations and the effect of the strategies is considered low in positioning strategies of these audit firms. For example, product superiority had the highest standard deviation of 1.074 indicating that majority of the audit firms do not seek superior services as a differentiation strategy to help position them as market leaders.
Table 4.3.5.1: Mean Scores and Standard Deviations for Class Positioning Strategies

<table>
<thead>
<tr>
<th>Attributes</th>
<th>Mean</th>
<th>StdDev</th>
<th>n</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class of user</td>
<td>3.21</td>
<td>0.688</td>
<td>17</td>
</tr>
<tr>
<td>Product superiority</td>
<td>2.87</td>
<td>1.074</td>
<td>17</td>
</tr>
<tr>
<td>Brand or image of the company</td>
<td>4.02</td>
<td>0.576</td>
<td>17</td>
</tr>
<tr>
<td><strong>Group Mean</strong></td>
<td>3.37</td>
<td>0.779</td>
<td></td>
</tr>
</tbody>
</table>

4.3.6 Cultural Symbols and Competitors Positioning

Table 4.3.6: Percentages of Cultural Symbols Positioning

<table>
<thead>
<tr>
<th>Attributes</th>
<th>% S/Disagree</th>
<th>% Disagree</th>
<th>% Neutral</th>
<th>% Agree</th>
<th>% S/Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Logo</td>
<td>10</td>
<td>25</td>
<td>23</td>
<td>30</td>
<td>12</td>
</tr>
<tr>
<td>Brand positioning</td>
<td>0</td>
<td>0</td>
<td>18</td>
<td>53</td>
<td>29</td>
</tr>
<tr>
<td>Competitor positioning</td>
<td>8</td>
<td>24</td>
<td>12</td>
<td>36</td>
<td>30</td>
</tr>
<tr>
<td>Other (Please Specify)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

According to Roger (1994) most companies use their logo and brand name globally to position themselves strategically in the market. Brand is especially used where a company reaches a level that it is satisfied that the brand is acknowledged regionally, in the country or universally. Consistent with this observation, this study also found that most audit firms use their brand name as a great positioning strategy where a total of 82% of the respondents either agreed or strongly agreed that their firms utilized brand positioning as a strategy in the Kenyan audit market. This was followed by competitor positioning at 66% combined effect of agree and strongly agreed which indicated that majority of the firms used their rivals as an implicit or explicit frame of reference in terms of services offered, pricing, value added and customer experiences. The firm’s logos seemed to be used less in positioning strategies as showed by the responses.
4.3.7 Company Objectives as a Positioning Strategy

Table 4.3.7: Mean of Positioning Based on Objectives (α = .831)

<table>
<thead>
<tr>
<th>Attributes</th>
<th>Mean</th>
<th>StdDev</th>
<th>n</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintain Service Quality</td>
<td>4.52</td>
<td>0.416</td>
<td>17</td>
</tr>
<tr>
<td>Maximize Sales Growth and Penetration</td>
<td>4.39</td>
<td>0.497</td>
<td>17</td>
</tr>
<tr>
<td>Maximize Current Profit</td>
<td>3.68</td>
<td>0.677</td>
<td>17</td>
</tr>
<tr>
<td>Mean of Company Objective positioning</td>
<td>4.2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The aspects of positioning based on company objectives had the highest mean scores and generally low standard deviations. The low standard deviations show that data points were much closer to the mean and the effect thus considered greater. It therefore showed that most audit firms place premium on service quality, profit and sales maximization as a way to make clients regard them highly as compared to their rivals. Offering quality services as a firm objective had the highest mean value of 4.52 with a corresponding lowest standard deviation of 0.416 followed by the objective to maximize on sales and profitability in that order.

4.4 Challenges to Positioning Strategies

Table 4.4.1: Frequencies on Positioning Challenges

<table>
<thead>
<tr>
<th>Attributes</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Association restrictions</td>
<td>2</td>
<td>3</td>
<td>5</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Government policy</td>
<td>0</td>
<td>3</td>
<td>2</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>Employee academic qualifications</td>
<td>3</td>
<td>4</td>
<td>3</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Cultural practices</td>
<td>2</td>
<td>4</td>
<td>1</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Availability of qualified personnel</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Economic conditions</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Client preferences</td>
<td>3</td>
<td>5</td>
<td>3</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Competitor activities</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Others Specify</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Research Data
The study found that majority of the respondents felt economic conditions posed the greatest challenge to their firms’ positioning strategies with the highest frequency (14 agreeing) followed by competitor activities, government policy and cultural practices in that order. Availability of qualified personnel was also considered a major hindrance in realizing positioning strategies. Client preference was considered the least hurdle in realizing strategic positioning of the firms.

As remedy to these challenges, most respondents were of the opinion that the government should review rules and regulations that govern the audit practice to ensure the firms can better serve their clients. They also believed enhancing staff capacity and development through regular training, seminars and insisting on degree for minimum qualification for employment would ensure better trained and qualified staff. They also recommended customization of position strategies to location and culture of the country to ensure positioning is effective.

4.5 Discussion

This study found that nearly all the audit firms strategized to gain leadership position in pricing, product, brand name and competitor positioning. This seems to go against recommendation by Beckman and Rosenfield (2008) that a firm should have a leader position in one of the positioning strategies and only sufficient level on the others. Literature review argued that positioning can be formed according to certain specific product or service features, benefits or the usage of that product or service. Positioning can also be developed directly against competition or through differentiation from rivals services. According to Kald et al (2000) some customers prefer firms that offer the best
service of its class, others prefer the most productive firm in terms of efficiency, while many others prefer firms that offer the best solution for their needs.

This study established that product and pricing strategies form the basis of positioning strategies by the audit firms in Kenya. Most firms were found to articulate the benefits the clients would receive from their services as part of their pricing and product/service strategies. This is consistent with most literature (Porter, 1985; Johnson and Scholes, 2004; Palich et al, 2000; Beckman and Rosenfield, 2008) place premium on pricing strategies and product or service mix strategies in positioning firms in competitive markets. The emphasis is on assessing and reaffirming products or service offerings and gaining an agreement on how to price and propose each product or service offered better than that of rival firms.

The study also found that the main challenges to strategic positioning of a firm are the economic conditions prevalent in a country at a particular time, competitor activities, government financial policies and cultural practices. Similar results were documented by Porter (1980) including the lack of qualified personnel which was mentioned in equal measure in this current study.

This study found that the main sources of competitive advantage are in superior skills and resources through which a firm maneuvers for a favorable position in the marketplace. This competitive advantage is reflected in its capacity for productiveness, competence and innovativeness relative to firms in the same industry. Similarly, Hoffmann (2000), Porter (2001) and Jarillo (1988) observe that positioning provided a firm with sustainable
competitive advantage when it presents some unique value to the customer that cannot be duplicated by the competitor.

3.1 The Summary

Firms have evolved to strategic and value-added services that focus on the unique value it presents to the customer that cannot be duplicated by the competitor.

3.2 Market Share

The study established that the major audit firms in the country put major emphasis on service positioning, price positioning and application positioning strategy to increase their market share.

3.3 Main Challenges

The main challenges facing audit firms in implementing positioning strategy include staffing challenges, leverage and technology challenges and regulatory constraints that affect the manner in which firms deliver their audit services.

3.4 Competitive Advantage

To overcome these constraints, therefore position themselves based on their strength or the market they operate compared to their rivals. Sustainable competitive advantage can only be achieved through a company’s positioning strategy against its competitors.

4.0 Conclusion

The study concludes that 70% of the audit firms are hybrids of local and foreign owned firms. This may affect the market share. However, it has an important role in the development of positioning strategies for organizations seeking to grow.
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

Client audit services have evolved to strategic and value-add services that focus on the firm's future rather than being viewed as routine-have-to-provide services. Firms can therefore transform their client audit services through strategic positioning, marketing strategies and technology establishment to provide higher margin, value-added services to the client. This study established that the major audit firms in the country put more emphasis on product positioning, price positioning and application positioning strategies to capture and retain their market share.

The study found out that the main challenges facing audit firms in implementing positioning strategies include staffing challenges, leverage and technology challenges and too stringent regulations that affect the manner in which firms deliver their audit services to the clients. Companies therefore position themselves based on their strength or the advantages they possess compared to their rivals. Sustainable competitive advantage plays a major role in a company's positioning strategy against its competitors.

5.2 Conclusion

The study established that 76% of the audit firms are hybrids of local and foreign owned entities, while only 18% were locally owned. Ownership plays an important role in the choice of positioning strategy an organization seeks to pursue. The study noted that audit firms in Kenya have adopted a number of positioning strategies to seek a leadership position. The study established shows that audit firms concentrate on product characteristics, time and location pricing positioning as a strategy in the competitive audit
market. The firm’s logos seemed to be used less in positioning strategies as showed by the responses. This shows that only few positioning strategies are marginally positive for the large audit firms in Kenya.

5.3 Recommendations

For audit firms to position themselves adequately in the crowded and competitive market they must therefore know its clients’ business and industry inside and out as well as the client’s individual goals in order to ascertain the adequate positioning strategy to adopt.

For companies looking to venture the industry, it is recommended that audit firms should leverage on product characteristics and pricing to position themselves in the market. However, tied to this point is the fact that audit firms need to diversify their strategies and look for new strategies to penetrate the market since use of product and pricing strategies are common strategies among most large firms.

5.4 Limitations of the Study

The researcher faced limitations getting the respondents to answer questions on positioning strategies adopted by the firms. In particular, they declined because of the benefit that such information was confidential. The scope of the study was also limited to only 16 audit firms in Nairobi despite the fact there are more than 713 registered audit firms operating in Kenya according to ICPAK (2012). This in essence means that the findings of this study cannot be generalized to the entire population of the registered audit firms that in one way or another have positioned themselves to get a share of the market.
5.5 **Areas for further research**

The possible future research may focus on the positioning strategies used by small and medium audit firms in Kenya. This is due to the fact that the study only focused on the 16 large audit firms in Kenya with over fifty employees despite there being more than 700 firms in existence in this industry. Other strategies used by audit firms at large should also be examined extensively.
REFERENCES


APPENDICES

Appendix I: List of Large Audit Firms in Kenya

1. Deloitte & Touche
2. Klynveld Peat Marwick Goerdeler (KPMG)
3. PricewaterCoopers (PWC)
4. Ernst and Young
5. Pannell Kerr Foster (PKF)
6. Grant Thornton
7. RSM International
8. Mazaars
9. De Chazal Du Mee (DCDM) merged with Binder Dijker Otte & Co (BDO)
10. Erastus
11. Shah & Associates
12. Baker Tilly Meralis
13. Devani Devani
14. Manohar Lall & Rai
15. Mawji Sennik & Company
16. Wachiralrungu & Co

Source: Institute of Certified Public Accountants (ICPAK) - 2012
Appendix II: Questionnaire

Instructions: Please tick the appropriate box and complete the blank space

SECTION 1: GENERAL INFORMATION

Please provide responses to the questions below.

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Name of Firm</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Job Title</td>
<td>Partner</td>
<td>Director</td>
<td>Senior Manager</td>
<td>Manager</td>
</tr>
<tr>
<td>3</td>
<td>How long has your firm been in existence?</td>
<td>18-30 yrs</td>
<td>31-40 yrs</td>
<td>41-50 yrs</td>
<td>Above 50 yrs</td>
</tr>
<tr>
<td>4</td>
<td>How long have you worked for this firm?</td>
<td>Less than 1 yr</td>
<td>1-5 yrs</td>
<td>5-10 yrs</td>
<td>Above 10 years</td>
</tr>
<tr>
<td>5</td>
<td>Please indicate the average number of staff in your firm</td>
<td>Less than 50</td>
<td>50-100</td>
<td>100 and above</td>
<td>Above 100</td>
</tr>
<tr>
<td>6</td>
<td>Please indicate the ownership of your firm</td>
<td>Foreign</td>
<td>Local</td>
<td>Hybrid of foreign &amp; local</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Please indicate if your firm has in the past merged with other local or foreign firms</td>
<td>Yes</td>
<td>No</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SECTION 2: POSITIONING STRATEGIES ADOPTED BY THE FIRM

To what extent do you agree with the following aspects of the positioning strategies adopted by the firm? Tick appropriately using a likert scale of 5 where 1-Strongly Disagree, 2-Disagree, 3-Neither agree nor disagree, 4-Agree and 5-Strongly Agree.

1. Product characteristics positioning

(1-Strongly Disagree, 2-Disagree, 3-Neither Agree nor Disagree, 4-Agree and 5-Strongly Agree)

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Responsiveness</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality Assurance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Delivery Reliability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unique features for users</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product Superiority</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (Please Specify)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
2. Pricing positioning

*(1-Strongly Disagree, 2-Disagree, 3-Neither Agree nor Disagree, 4-Agree and 5-Strongly Agree)*

<table>
<thead>
<tr>
<th>Time Pricing</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location Pricing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Segment Pricing</td>
<td></td>
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<tr>
<td>Priced lower than competing products</td>
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<tr>
<td>Priced higher than competing products with superior service quality</td>
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</tbody>
</table>

3. Use or application positioning

*(1-Strongly Disagree, 2-Disagree, 3-Neither Agree nor Disagree, 4-Agree and 5-Strongly Agree)*

<table>
<thead>
<tr>
<th>Improves value of customers' business or processes</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduces customers' costs</td>
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<tr>
<td>Does unique task for user</td>
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<tr>
<td>Other (Please Specify)</td>
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</tbody>
</table>

4. Product process and class positioning

*(1-Strongly Disagree, 2-Disagree, 3-Neither Agree nor Disagree, 4-Agree and 5-Strongly Agree)*

<table>
<thead>
<tr>
<th>Class of User</th>
<th>1</th>
<th>2</th>
<th>3</th>
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<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Superiority</td>
<td></td>
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<tr>
<td>Brand or Image of the Company</td>
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<tr>
<td>Other (Please Specify)</td>
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</tbody>
</table>
5. Cultural symbols and competitors positioning

(1-Strongly Disagree, 2-Disagree, 3-Neither Agree nor Disagree, 4-Agree and 5-Strongly Agree)

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
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<th>5</th>
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</thead>
<tbody>
<tr>
<td>Logo</td>
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<tr>
<td>Brand positioning</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Competitor position</td>
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<tr>
<td>Other (Please Specify)</td>
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</table>

6. Company Objectives positioning

(1-Strongly Disagree, 2-Disagree, 3-Neither Agree nor Disagree, 4-Agree and 5-Strongly Agree)

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Maintain Service Quality</td>
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<tr>
<td>Maximize Sales Growth and Penetration</td>
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<tr>
<td>Maximize Current Profit</td>
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<tr>
<td>Other (Please Specify)</td>
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7. Other

(1-Strongly Disagree, 2-Disagree, 3-Neither Agree nor Disagree, 4-Agree and 5-Strongly Agree)

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</thead>
<tbody>
<tr>
<td>Customer Focus orientation</td>
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<tr>
<td>Supply versus demand issues</td>
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<tr>
<td>Consumers preferences</td>
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<td>Other (Please Specify)</td>
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</table>
8. Which other positioning strategies are employed in your firm?

i) ...........................................................................................................................................................................................

ii) ...........................................................................................................................................................................................

iii) ...........................................................................................................................................................................................

SECTION 3: CHALLENGES TO POSITIONING STRATEGIES FORMULATION AND IMPLEMENTATION

1. Do you face any challenges in implementing the strategies in your firm?

Yes [ ] No [ ]

2. In your opinion how often have you encountered the following challenges as key in your organization’s positioning strategies formulation and implementation process? Responses are in the scale of 1-5 where; 1= Not at all; 2=Little Extent; 3=Moderate; 4=Great Extent; 5=Very Great Extent

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<tbody>
<tr>
<td>Association restrictions</td>
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<tr>
<td>Government policy</td>
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<tr>
<td>Employee academic</td>
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<tr>
<td>Cultural practices</td>
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<td>Availability of qualified personnel</td>
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<tr>
<td>Economic conditions</td>
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<tr>
<td>Client preferences</td>
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<tr>
<td>Competitor activities</td>
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<tr>
<td>Others Specify</td>
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</table>

3. What recommendations would you give given the challenges faced and strategies in place?

i) ................................................................................................................................ ...........................................................

ii) ................................................................................................................................ ...........................................................

iii) ................................................................................................................................ ...........................................................

Thank you for your co-operation.