

# **MARKET POSITIONING STRATEGIES ADOPTED BY COURIER COMPANIES IN KENYA**

**By**

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**A Management Research Project submitted in partial  
fulfillment of the requirements of the Degree of  
Master of Business Administration, School Of  
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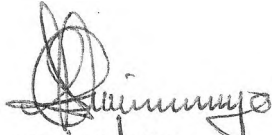
**September 2008**

# DECLARATION

I Sarah C A Awinyo declare that this Management Research Project is my own work and that all the sources have been accurately reported and acknowledged, and that this document has not previously in its entirety or in part been submitted at any University in order to obtain an academic qualification.

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## **DEDICATION**

To my parents Philip Osok Awinyo, and Nellie Osok whose wise wisdom and counsel have guided me throughout in my pursuit to achieve to the highest level in my Marketing career.

And

To my son Philip Jnr. who endured my long absence, in my endeavor to complete this project when he needed me most.

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## LIST OF ABBREVIATIONS

CCK	-	Communications Commission Of Kenya
PCK	-	Postal Corporation Of Kenya
CIAK	-	Courier Industry Association Of Kenya
CBS	-	Central Bureau Of Statistics
G4S	-	Group 4 Securicor
EMS	-	Express Mail Service

## ABSTRACT

This study was conducted with the objective of establishing the Market positioning strategies adopted by Courier companies in Kenya, and the challenges faced by Courier companies in their attempt to position their services in the market. The study considered the whole population of Courier companies that are licensed by the Communications Commission of Kenya to operate in the country of which there were 75 firms as at the time of this study. Primary data was collected using questionnaires that had both closed and open-ended questions. Closed questions mainly adopted a five point Likert scale. The questionnaires were distributed to those in managerial and supervisory positions who were deemed instrumental in making marketing decisions in the firm and the same were later collected for analysis having been duly completed by the various respondents. The response rate was 100% of the targeted population. The highest percentage (84%) of the organizations that responded were locally registered, while a small percentage (12%) are foreign registered, and the rest (4%) are multinational. The data was analyzed using the Statistical Package for Social Sciences (SPSS).

The study revealed that all Courier companies appreciate various positioning strategies. The findings also revealed that majority of the Courier companies use similar attributes such as physical evidence and processes, Personnel, distribution, price, and products to position their services in the market place. From the findings of the study it can also be deduced that Courier companies have used various positioning strategies to position their services in different market segments, but largely to different extents.

The findings also revealed that the extent to which Courier companies use different media was varied and that all courier companies largely use word of mouth communication. This may serve to explain the low advertising expenditure in the industry but a high use of sales people for purposes of gathering market intelligence, a situation that perhaps lends credence to customer ignorance as cited by majority of the courier companies as a major challenge in positioning. The findings also revealed that almost all courier companies largely strive to use easily located points and within close proximity to their customers as positioning strategies to serve their customers. However, despite most courier companies positioning themselves in less congested areas and providing mobile services, there seemed to be a wide disparity

among respondents as revealed by the findings. The study also revealed that market activity and target market positioning are moderately utilized by Courier companies.

The findings of the study also revealed that the Courier industry faces the challenge of slow growth. This is an aspect that poses a challenge more especially to courier companies that have chosen to serve niche markets whose growth is deemed to be slow, in addition to a high number of courier companies that are currently operating without licenses that pose a major threat in the competitive arena. Given that the current study was limited to courier companies that are registered by the Communications Commission of Kenya, it was recommended that a similar study be carried out on Non-registered companies in the courier industry to establish the market positioning strategies that are used by these companies to position their service offering in the market place. It was also suggested that a similar study be carried out to establish the perception of customers on the various market positioning strategies that are used by Courier companies.

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background

Johnson and Scholes (2002) states that the environment encapsulates many different influences and the difficulty is making sense of this diversity. He further states that the pace of technological change and the speed of global communication mean more and faster change now than ever before. A firm as an open system must interact with the environment to survive. It both consumes resources, which it transforms into outputs, and then exports the outputs to the environment. Daft (1986) notes that open systems can be enormously complex in that internal efficiency is just one issue and is sometimes a minor issue. The organization has to find and obtain needed resources, interpret and act on the environment changes, dispose of outputs, control and co-ordinate internal activities in the face of environmental disturbances and uncertainty if it is to be effective.

Global competition is intense and likely to become more so. As firms become large in size, they seek to sell to all major markets in order to spread their growing fixed costs over a larger sales volume. But global competition is not limited to competing for sales and market share. It is also a competition for knowledge and scarce resources (Terpestra, 1990).

Any firm can reach the consumers easily as a result of reduced boundaries and the reduced distance between sellers and buyers. These developments have introduced complex macro environment for all of the marketers. The dynamics in the global market place have created a conscious awakening to the firms towards adopting various strategies to obtain and or maintain their competitive edge (Johansson, 2002, Keegan et al 1996; Barkowitz et al, 2003)

Given that the environment is rapidly changing, it is imperative for organizations to continually adapt their activities in order to succeed. To survive in a dynamic environment their strategies need to focus on their customers and deal with emerging environmental challenges. This is necessary because they are environment serving (Ansoff, 1987). According to Pearce and Robinson (1997) strategic response is the set of decisions and actions that results in the formulation and implementation of plans designed to achieve a

firm's objectives. It is thus a reaction to what is happening in the environment of the organization.

When firms are faced with unfamiliar changes they should revise their strategies to match the turbulence level (Ansoff and Mc Donnel, 1990). Failure to effectively adapt the organization to its environment leads to a strategic problem. The organization's external environment consists of all the conditions and forces that affect its strategic options and defines its competitive situation (Pearce and Robinson, 1997). Companies need to give creative thought to finding partners who might complement their strengths and offset their weaknesses. When well managed, alliances allow companies to obtain a greater sales impact at less cost. (Kotler, 1997)

### **1.1.1 Positioning Strategies**

Strategy may be defined as the broad program of goals and activities to help a company achieve success. Strategy is the match between organization's resources and skills and environmental opportunities and risks it faces and the purposes it wishes to accomplish (Schendel & Hofer, 1979). This statement emphasizes that the environment is constantly changing and it is imperative that organizations have to constantly realign their activities to match with the new environmental requirements. Having a strategy ensures that day to day decisions are in line with the long-term pursuits of the organization. Without a strategy, decisions made today could have a negative impact on future results (Bruce & Langdon, 2002).

A company's competitive strategy consists of the business approaches and initiatives it undertakes to attract customers and fulfill their expectations, to withstand competitive pressures and to strengthen its market position. As such one of the approaches of achieving a distinct competitive strategy is through a differentiation strategy (Porter, 1980). The concept of positioning involves developing a marketing strategy aimed at a particular market segment and designed to achieve a desired position in the prospective buyer's mind. Marketers use a positioning strategy to distinguish their good or service from the competition and create advertisements to communicate the desired position (Boone and Kurtz, 1992)

Service positioning is a process of formulating a marketing mix that locates a service in the mind of the customer more favorably in relation to alternative services offered by competition with the aim of achieving competitive advantage (Stanton, 1984). It is the process whereby a firm attempts to cope with a larger, more established competitor's position in the mind of the consumer. Positioning locates the service in the mind of the buyer and gives it possible survival and success in the competitive market place (Kurtz 1984; Craven 1990). Positioning gives a company a clear picture of the consumer needs that it intends to satisfy. It helps the company to come up with a product or service designed and priced in line with promotion claims and suitable for the points of delivery. The elements of the marketing mix have to be combined in such a way that the service position is made clear to the buyer (Wells, 1996).

Although all products or services can be differentiated not all brand differences are worthwhile or meaningful to customers (Kotler 2000, Porter 1980, Aaker 1984). The challenge is to establish a difference that is relevant to customers. An organization is also faced with a challenge of how many differences to promote (Aaker, 1984). This will help an organization to avoid the risks of over-positioning, under positioning, confused positioning and doubtful positioning. In addition, success of a differentiation strategy lies in adopting a differentiator that is important to customers, distinctive, superior, pre-emptive, affordable and profitable.

According to Kotler (2000), differentiation is more effective if firm differentiates along the five dimensions: product, services, personnel, channels, image and price. Aaker (1987) goes further to include quality option, brand awareness, brand associations, customer orientation, brand loyalty, product line breadth, and technical superiority.

### **1.1.2 Courier Service Industry in Kenya**



According to Communications Commission of Kenya (CCK) of 2005, Courier services refer to any specialized service for the collection, dispatch, conveyance, handling and delivery of postal services. Couriers are distinguished from ordinary mail services by features such as speed, security, tracking, signature, specialization and individualization of services, and committed delivery times, which are optional for most everyday mail services. Different courier companies operate on all scales, from within specific towns or cities, to regional, national and global services. A courier is a messenger who transports parcels or important papers (Hornby, 1998).

There are over 225 postal and courier operators in Kenya, which include transporters and freighters, that handle documents and parcels appropriately falling under the definitions of the Kenya Communications Act 1998. Most of them have been licensed and a few have already been identified with a view to bringing them into the regulatory framework. According to the Central Bureau of Statistics (CBS) of 2007, the number of private courier operators continued to post positive- growth in outlets, mainly due to an increase in the number of players licensed during the year and expansion of the networks. Licensed Courier operators expanded by 15 in number to 105 in the year 2006. This resulted in the number of courier private courier operators increasing by 19.2% from 437 in the year 2005 to 1,225 by the end of the 2006. In regard to market share, the year to year increase on the market has been placed at between 5% and 20% among various players (*Courier industry Associations*). However, this growth is under intense pressure due to improved technological advancements.

The main postal courier companies that are used by individual consumers and business/corporate consumers in Kenya are summarized in appendix 1. G4S and Akamba are the dominant players in both business and business postal courier business. DHL, EMS, and Nation follow in popularity with higher usage among the business users. Easy Coach and coast bus also have a notable share of the business segment. Other courier services that at least have a higher than 5% of the market share include Akamba, G4S Courier, Coast Bus, Mololine, Nation Courier, Fiveway, PCK and Eldoret Express. In terms of sector dominance, PCK is dominant in the mails/letters. In the Express/courier, G4S courier and Akamba are dominant locally while DHL and EMS area dominant international players. Various sectors

use courier services in different proportions. Educational institutions are the leading with 19.7%, followed by individual consumers - 18.2%, medical services sector -16.7%, Small Medium Enterprises (SMEs) – 10.3%, banks 7.0%, hotels and tourism – 6.6%, insurance- 4.3%. Others sectors constitute -17.0%. (*Desk Research- SBO, 2008*)

The services offered by Courier companies in Kenya range from same-day service of which delivery is done within 24 hours and Next day service which entails delivery on an overnight basis, with the cut-off time being 12.00 noon of the next day. With the increase in fuel prices and productivity goals closely monitored by companies, a new type of trend is creeping into the Courier industry, whereby some of the players are beginning to embrace the outsourced option. Examples include outsourced mail room service, messenger services, logistics management, archive warehousing and special delivery services, in a bid to create a one stop shop for courier services and hence form niche markets.

While most companies today subscribe to courier services certain organizations rely on courier services on a daily basis for their deliveries on both overnight and same day service. Banks require cheques and voucher movements, handling of their mailrooms, distribution of statements, manufacturing plants require the distribution of their finished goods, and Pharmaceutical distributors require having their medicines distributed to various outlets countrywide.

The emergence of competition among the courier companies has injected very high levels of professionalism among the players in the courier industry, while at the same time regulating the prices offered in the market. Given that majority of the players in the industry are indigenous firms, this has played a positive role in ensuring the creation of employment opportunities for Kenyans and the retention of profits made within the Kenyan economy. The quality gap can provide a good marketing opportunity for Courier service providers. Courier companies can distinguish their services design, price, place promotion, distribution, process, personnel and physical evidence. Courier companies can differentiate themselves or their services in order to occupy a better position than the competitors in the wider market. Each

individual firm can make use of the marketing variables to fix its offering above the existing Courier companies in order to obtain a competitive advantage.

## **1.2 Statement of the Problem**

A company has to identify the segment within a product market. In the identified market segment it can choose to target and implement marketing programs that position the product or service to the targeted market segment. When companies choose to appeal to only one position of the product /service market they are said to have adopted selective targeting. Kotler (2003) explains that in the case where the company targets the whole market the targeting is referred to as extensive.

Firms have adopted various strategies to counter the strong forces of competition. These strategies include mergers, acquisitions, specialization, diversification, product development, pricing policy, promotion and distribution for competitive advantage. The competitive market has also pushed firms to product/service innovation strategies aimed at coming up with the product that meets the customer need. This calls for marketing strategy that is customer oriented. Kotler (2003) asserts that all marketing strategies are built on segmenting, targeting and positioning.

Like most markets, a huge number of courier services presently dominate the Kenyan market. This therefore has heralded intense competition among the courier companies. In order to remain competitive courier firms have opted to seek ways and means of adding value to their service offering. Most Postal/courier companies are optimistic about the industry's rate of growth. The industry is seen as a vibrant one that offers a lot of opportunities for further growth, particularly considering that it is relatively new and a lot of people, organizations and companies are waking up to the realization that delivery services are becoming even more and more a part of the daily office administration process.

Majority of the companies attribute the high awareness of courier services, to the failure of the PCK to operate efficiently, delays in delivery, tampering and loss of parcels and letters *which has created dissatisfaction in customers forcing them to look for alternative courier*

service operators. There is a lot of competition with the entry of new entrants which most companies see as necessary in making sure that services are offered efficiently and effectively. However, some companies feel that the government is not offering much help to the players in this field. They are also facing stiff competition from electronic mail or email. The operators describe the high licensing fee as a deterrent to investors in the industry.

Similar positioning and differentiation studies have been done by Kisyoka (2005), Muchira (2005) and Bett (2006). However, it is important to note that their studies focused in different industries/sectors i.e. health, security and financial respectively and hence the focus on the courier industry on this study.

The proposed study intended to bridge the gaps by seeking responses to the following research questions:

- a) What positioning strategies do Courier companies use when marketing their services?
- b) To what extent do Courier companies in Kenya use positioning strategies?
- c) What challenges do Courier companies in Kenya face in their attempt to position their services?

### **1.3 Objectives of the study**

The objectives of this study were to determine:

- a) The extent to which courier companies in Kenya use the various market positioning strategies when marketing their services
- b) The challenges faced by courier companies in Kenya in implementing positioning strategies

### **1.4 Importance of the study**

The results of the study may be beneficial to the following:-

- a) Potential investors in the courier industry in forming a better understanding of the courier industry and enable them to make well informed investment decisions.
- b) Government agencies and policy makers may use the results to formulate positive national policies based on the framework that is relevant and sensitive to the forces influencing the courier industry in Kenya.
- c) Courier companies in Kenya may learn the importance of effective positioning for their services and thus adopt the right positioning practice for their services.
- d) Future researchers and scholars may utilize the study as a useful source of secondary information.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 Introduction

This chapter focuses on the review of literature related to this research. This was done with a view to collecting views, perspectives and opinions on international marketing selection and entry. The review depended on theoretical literature that was, books, research papers, magazines and information from the internet.

#### 2.2 Meaning and Importance of Positioning

After the organization has selected its target market, the next stage is to decide how it wants to position itself within that chosen segment. Positioning refers to *'how organizations want their consumers to see their product'*. What message about the product or service is the company trying to put across? Car manufacturer Daewoo in the UK, has successfully positioned themselves as the family value model. The UK car Skoda brand which has been taken over by Volkswagen has been re-positioned as a vehicle which had negative brand associations, to one which regularly wins car of the year awards. The positive comments from the industry and attributes of this vehicle have changed the perception of consumers about the Skoda brand.

Further, they explain that differentiation strategy could be regarded as concentrating on a narrow buyer segment and out competing rivals by offering niche members customized attributes that meet their tastes and requirements better than their rival products. Kotler (2000), defines differentiation as the act of designing a set of meaningful differences to distinguish the company's offering from competitors offering. Differentiation strategy is one in which a product is different from that of one or more competitors in a way that is valued by the customers or in some way affects customer choice (Aaker,1984). Porter (1985) looks at differentiation as creating a product or service offering that is perceived industry wide as being unique.

According to Kotler (2000), positioning is more effective if a firm differentiates along the five dimensions: product, services, personnel, channels, image and price. Aaker (1987) goes further to include quality option, brand awareness, brand associations, customer orientation, brand loyalty, product line breadth, and technical superiority. The idea of positioning was first discussed by Al Ries and Trout in 1969. The two saw positioning as the marketing programs used by a firm in attempt to cope with the larger and more established competitors' position in the mind of the consumer (Kotler, 2003). Developing a positioning strategy depends much on how competitors position themselves. Do organizations want to develop 'a me too' strategy and position themselves close to their competitors so consumers can make a direct comparison when they purchase? Or does the organization want to develop a strategy which positions themselves away from their competitors? Offering a benefit which is superior depends much on the marketing mix strategy the organization adopts. The pricing strategy must reflect the benefit offered and the promotion strategy must communicate this benefit.

The ultimate end result is that positioning is about how you want consumers to perceive your products and services and what strategies you would adopt to reach this perceptual goal. Traditionally positioning has been done taking into account to aspects that relate to Quality and Price. However, this has changed and now incorporates other variables in the marketing mix that are used in formulating a marketing program that locates a product or service in the mind of a customer distinctly in relation to competitors offering as advanced by Kotler (2003); Keegan et al (1996) and Craven (1990).

Effective positioning will therefore require a good understanding of the potential needs and attitudes of the customers. Kotler (1996), Solomon (1996) and Kurtz (1979), caution that the position established must be guarding the value the customer sees in the brand.

Positioning locates the service in the mind of the buyer and gives it possible survival and success in a competitive market place (Kurtz 1984; Craven 1991). Positioning gives a company a clear picture of the consumer needs that it intends to satisfy. It helps the company to come up with a product or service designed and priced in line with promotion claims and

suitable for the points of delivery. The elements of the marketing mix have to be combined in such a way that the service position is made clear to the buyer (Willy, 1996).

The markets may fix the weakness that give opportunities for competitors. The best service defense is continuously increasing its competitiveness and value to customers. For a marketer to distinguish his or her services from competitors they must use positioning. Services that are not leaders in their industry can therefore succeed if their advertising concentrates on specific positions in the consumers' minds.

### **2.3 Services Positioning**

Kotler (2000) defines a service as any act of performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may be or may not be tied to a physical product. This is exemplified by the Courier service industry in Kenya.

On the other hand, Wells (1996) and Paliwoda et al (1996) define services as the time and expertise provided or activities performed on the behalf of the customer, by an individual or a firm. There are two types of services, the product services and facilitating service. The product service is a task or action whose performance by a seller, offers some satisfaction or benefit to a buyer (Palmer 1998; Keegan et al, 1996). Facilitating services is an ancillary task or an action that enhances the value of the service product. It may be performed before or after the delivery of the basic service (Keegan et al, 1996).

Services offered in the market have certain features that distinguish them from tangible goods. These include perishability i.e. services that require the consumer to be present are said to be perishable. They cannot be provided ahead of time or stored for later consumption. What is crucial in dealing with this type of service is speed and interaction quality. The client's satisfaction is not only determined by the service provider but also the presence and the mood of other customers. The time and point of contact and other interacting variables like telephone calls can quickly alter the satisfaction level (Palmer, 1998).



For most services, the inseparable part of the marketing mix is the performance of a task by a person. The result of this characteristic of service is often high labor intensity. This makes labor costs for service firms higher than they are in goods/industries (Barkowitz et al, 2003; Keegan et al, 1996; Wells and Prenskey). From these data, Barkowitz et al (2003) observes that it is possible to develop a perceptual map, a means of displaying or graphing in two dimensions, the location of products or brands in the mind of the consumers. This enables a marketer to see how consumers perceive competing brands and then take appropriate marketing actions.

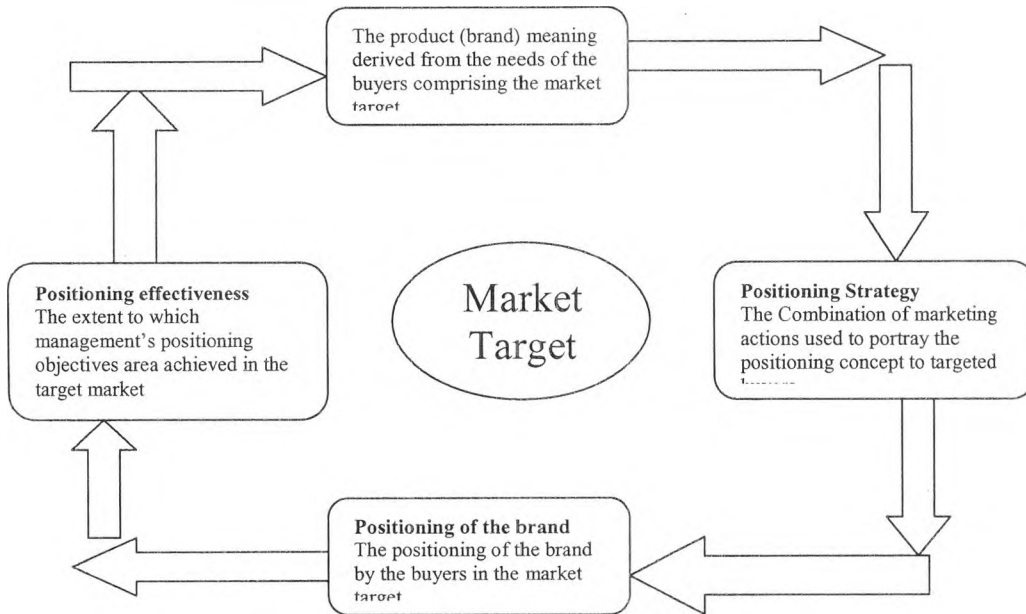
Services can be positioned using a combination of several attributes. However, this has the danger of confusing the consumers. In the Kenyan market for example, the providers of courier services claim several attributes such as affordable, reliable, accessible and quality service (Thakker, 2003; Beckman, 1997). Kotler, (2003) advises that it is better to pick on one or two distinguishing attributes and build on them over time. According to Zeithmal (2004) attributes such as reliability, responsiveness, empathy and tangibles are important in positioning Courier services. However, if any of the firms can dominate an important functional benefit, it can claim a superior position of that benefit in the consumer's mind (Aaker, 1996; Parry, 2002).

A company's competitive strategy consists of the business approaches and initiatives it undertakes to attract customers and fulfil their expectations, to withstand competitive pressures and to strengthen its market position. As such one of the approaches of achieving a distinct competitive strategy is through a differentiation strategy (Porter, 1980). Aaker (1996) and Battra (1996) assert that a company can pull itself from the crowd by positioning its products lower than the claims of the leader and above the rest in the market position. Competitive positioning strategy can be implemented in terms of price cuts, styling the product above the competitor, or creating superior position through promotional campaigns. However, a firm has to remain focused and resist the temptation of copying what its competitors are doing as it may not do it in any better way (Kotler, 1996; Aaker, 1996).

## 2.4 Positioning Strategies

Positioning requires that firms adopt a process that would impact on the customers and the prospects as desired by Management.

Figure 1 –Positioning concept



SOURCE: Craven, (1990), *Strategic Marketing*, Irwin, McGraw – Hill Boston Canada pp 226

Aaker (1991) came up with five key product features that influence positioning of a product/service. These are conformance quality, durability, reliability and reparability.

- i. Buyers expect products to have a high conformance quality, which is the degree to which all the produced units are identical and meet the promised specifications. Suppose a Porsche 944 is designed to accelerate to 60 miles per hour within 10 seconds. If every Porsche 944 coming off the assembly line does this, the model is said to have high conformance quality. The problem with low conformance quality is that the products will disappoint some buyers (Schmitt & Simonson, 1997).

- ii. Durability is regarded as a measure of the product's expected operating life under natural or stressful conditions, is a valued attribute for certain products. Buyers will generally pay more for vehicle and kitchen appliance that have a reputation for being long lasting. However, this rule is subject to some qualifications. The extra price must not be excessive. Further more, the product must not be subjected to rapid technological obsolescence, as is the case with personal computers and video cameras.
- iii. Reliability is a measure of the probability that a product will not malfunction or fail within a specified time period. Buyers normally will pay a premium for more reliable products. Maytag, which manufactures major home appliances, has an outstanding reputation for creating reliable appliances.
- iv. Reparability is a measure of the ease of fixing a product when it malfunctions or fails. An automobile made with standard parts that are easily replaced by high reparability. Buyers prefer products that are easy to repair. Ideal reparability would exist if users could fix the product themselves with little cost in money or time. Some products include a diagnostic feature that allows service people to correct a problem over the telephone or advise the user how to correct it. Many computer hardware and software companies offer technical support over the phone, or by fax or e – mail. Consider the steps taken by Cisco.
- v. Design: The Integrating Force - As competition intensifies, design offers a potent way to differentiate and position a company's products and services. In increasingly fast – paced markets, price and technology are not enough. *Design* is the factor that will often give a company its competitive edge. It is the totality of features that affect how a product looks and functions in terms of customer requirements.

Different dimensions emerge in service business due to the fundamental differences between tangible goods and services. Researches on service quality have identified five service dimensions as tangibles, reliability, responsiveness, competence and empathy (Parasuraman 1988). Tangibility is the appearance of physical facilities, communication materials,

equipment and personnel. Reliability refers to the ability to perform the promised service dependably and accurately. Responsiveness is the willingness to help customers and provide prompt service. Competence is the knowledge and skill of employees and their ability to convey trust and confidence.

Empathy is the caring, individualized attention that a firm provides its customers. These service quality dimensions are based on customers' evaluation of the outcome, interaction with the personnel and physical environment. The offering or the product available to Courier customers will not subscribe to some form of differentiation variables indicated above. Differentiation in Courier is likely to take the five dimensions to a great extent compared to tangible products.

In regard to pricing, most service organizations use naive and unsophisticated approach to pricing without regard to movement of market forces. This may be as a result of difficulties in estimating the cost of price of the service especially courier services. According to Zeithmal and Bitner (2004), credence services such as medical treatment, the customers look at the price as a surrogate for quality. Too high a price can set consumer expectations that may be difficult for the firm to meet. On the other hand, too low a price can interfere with the perceived quality of the service. The pricing strategy must therefore be guided by the firm's positioning strategy (Payne, 2001; Craven, 1990). It is vital that when setting a price, value proposition and competitive position should be aligned, so that the best situation is arrived at to maximize revenue and profits. For example, here are three scenarios of highest, average and lowest prices can be set.

According to Kotler (2000), companies also position themselves to achieve competitive advantage through the way they design their distribution channel's coverage, expertise, and performance. Caterpillar's success in the construction – equipment industry is based partly on superior channel development. Its dealers are found in more reliably. Dell in computers and Avon in cosmetics distinguish themselves by developing and managing high – quality directly – marketing channels.

The kind of personnel that companies have has also been used as a positioning tool. Companies can gain a strong competitive advantage through having better – trained people. Singapore Airlines enjoys an excellent reputation in large part because of its flight attendants. The McDonald's people are courteous, the IBM people are professional and the Disney people are upbeat. The sales forces of such companies as General Electric and Pfizer enjoy an excellent reputation. Better – trained personnel exhibit a number of characteristics that include competence. They possess the required skill and knowledge; courtesy: They are friendly, respectful, and considerate; credibility: They are trustworthy; reliability: they perform the service consistently and accurately; responsiveness: they respond quickly to customers' request and problems: and communication: they make an effort to understand the customer and communicate clearly. Berry (1980), must have foreseen this when he stated there was need to apply philosophy and practices of marketing to people who serve external customer so that the best people are employed and retained so that they do the best work

Competitive positioning is about defining how to differentiate product/service offering in order to create value for the market. It's about carving out a spot in the competitive landscape and focusing a company to deliver on that strategy. A good competitive strategy includes market profile: size, competitors, stage of growth; Customer segments: groups of prospects with similar wants & needs; Competitive analysis: strengths, weaknesses, opportunities and threats in the landscape; Positioning strategy the product will be positioned to focus on opportunities in the market and Value proposition: the type of value the product will deliver to the market

When the market clearly sees how a product/service offering is different than that of competition, it's easier to generate new prospects and guide them to buy. Without differentiation, it takes more time and money to show prospects why they should choose the product/service; as a result, it ends up competing on price – a tough position to sustain over the long term. One of the key elements of your positioning strategy is your value proposition. There are three essential types of value: operational excellence, product leadership and customer intimacy.

A brand is the entire experience your prospects and customers have with a product/service offering. It's what it stands for, a promise you make, and the personality it conveys. Branding is crucial for products and services sold in huge consumer markets. It's also important in Business to Business because it helps a product stand out from competition. It brings a competitive position and value proposition to life like the Successful consumer brands like Disney, Tiffany or Starbucks. Successful branding also creates "brand equity" – the amount of money that customers are willing to pay just because of what it stands for. In addition to generating revenue, brand equity makes a product more valuable over the long term. By defining a clear brand strategy and using it in every interaction with the market, it strengthens relationships.

Distribution channels are the pathways that companies use to sell their products to end-users. Distribution is one of the classic "4 Ps" of marketing (product, promotion, price, placement a.k.a. distribution). It's a key element in the entire marketing strategy -- it helps expand a product's reach and grow revenue. An evaluation of distribution channel or channel marketing / management at any time is essential. It is especially important to think about distribution when you're going after a new customer segment, releasing a new product, or looking for ways to aggressively grow your business.

Sales processes are also used to position products and services. A sales process is a defined series of steps you follow as you guide prospects from initial contact to purchase. It begins when you first identify a new prospect: When you have a defined process, it's easier to test ideas for improving results. For example, one can identify spots where customers/prospects get "stuck" in the process and try new materials or messages to help them move forward

Image is the way the public perceives of the company or its services and products. Image is affected by many factors beyond the company's control. An effective image establishes the character of the product or service and also its value proposition. Kotler (2001) continues to

assert that for the image to be conveyed through every conceivable means and brand contact it has to deliver an emotional power beyond a mental image.

The chosen image is worked into advertisements and media that convey a story, mood, a charm or something that is distinctive. It should appear in annual reports, brochures, catalogues, stationery and business cards.

Despite the fact that services can be positioned using a combination of attributes, it is important that the attribute/ benefit strategy becomes the basis of any positioning. This exploits a particular service benefit, attributes or features. According to Stanton (1984), a company can associate its product or service with its attitudes or customer benefits. For instance Toyota claims durability and affordability while Volvo emphasizes on safety. Service is usually experiential. Competitive positioning strategy can be implemented in form of price cuts, styling the product above the competitor or creating superior position through promotion campaigns. However a firm has to remain focused and resist the temptation of copying what its competitors are doing as it may not do it in any better way (Kotler, 2003; Aaker, 2003)

## **2.5 Implementation of market positioning strategies**

Kotler (2003) warns that as companies increase the number of claimed benefits of their brands, they risk disbelief and loss of clear positioning. Kotler (2003), Barkowitz et al (2002) identify four positioning errors. Such include under positioning, over positioning, confused positioning and doubtful positioning.

Under positioning results when buyers have only a vague idea of the brand. The brand could only be seen as just another entry in the crowded market place. Over positioning occurs when buyers have too narrow an image of the brand. Confused positioning occurs when buyers have a confused image of the brand when a company makes too many claims or changes the positioning frequently e.g. positioning for different customer groups. Doubtful positioning results when buyers may find it hard to believe the brand claims in view of the product features.

Other challenges include communicating the brand's positioning, getting the target market, the stage of the service in the Product Life Cycle and Management Capability.

The company should concentrate on the attribute that makes sense to the customer (Best et al, 2002).

i. Communicating the Brand's positioning

To communicate the companies or brand positioning, a marketing plan should include a positioning statement (Aaker, 1996). The statement should include; target-market that need the brand, the positioning concept and the point of difference. Once the company has developed a clear positioning statement, it should the positioning effectively through all the elements of the marketing mix.

ii. Target market

The selected positioning concept should be focused on the characteristics and needs of the target market (Kotler, 2003). If for example the target market wants high –quality services meeting their expectation requires a marketing mix that is perceived as providing high quality (Monash, 2004).The target market can be influenced by factors beyond the control of the service provider; it is difficult to keep up with all the changes considering the variability of services.

iii. Stage of the service in the product life cycle

Craven (1990) observes that the roles of each of the elements of marketing mix change at the different stages of the service in the process of moving through introduction, growth and maturity and decline stage. Kotler (2003) asserts that pricing, advertising change to suit the service to its market conditions dictated by its stage in it's life cycle. The marketer may go for repositioning of the service to reclaim its market or even to occupy untapped gap in the market.



#### iv. Management capability

Firms cannot promise to offer what they have no competitive advantage over their competitors (Craven, 1990). The management may emphasize on holding the existing position and generating profits but avoid ventures into new grounds due to its priorities and resource constraints. The management has to be careful when balancing what people want and what it costs to provide it (Barkowitz et al, 2003).

Service positioning based on firms market research information can provide a company with opportunities to distinguish itself from competition (Zeithmal and Bitner 2004). Segmentation and targeting provide a good basis for positioning. However, where segmentation is not considered necessary, a company can choose to position its offering by marketing certain appeals that would attract the potential market. A service marketer may position the service offering using the following strategies as highlighted by Kotler (2003); Barkowitz (2003); Stanton (1984).

## 2.6 Summary of literature review

Kotler (2000) defines a service as any act of performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may be or may not be tied to a physical product. This is exemplified by the Courier service industry in Kenya

Service positioning is a process of formulating a marketing mix that locates a service in the mind of the customer more favorably in relation to alternative services offered by competition with the aim of achieving competitive advantage (Stanton, 1984). It is the process whereby a firm attempts to cope with a larger, more established competitor's position in the mind of the consumer. It refers to '*how organizations want their consumers to see their product*'. Effective positioning therefore requires a good understanding of the potential needs and attitudes of the customers. Kotler (1996), Solomon (1996) and Kurtz (1979), caution that the position established must be guarding the value the customer sees in the brand. The markets may fix the weakness that give opportunities for competitors. The best service defense is continuously increasing its competitiveness and value to customers.

Aaker (1991) came up with five key product features that influence positioning of a product/service. These are conformance quality, durability, reliability and reparability.

According to Kotler (2000), companies also position themselves to achieve competitive advantage through the way they design their distribution channel's coverage, expertise, and performance. Caterpillar's success in the construction – equipment industry is based partly on superior channel development. Its dealers are found to be more reliable. Dell in computers and Avon in cosmetics distinguish themselves by developing and managing high – quality directly – marketing channels.

Combinations of aspects are used in developing value positioning. Despite the fact that services can be positioned using a combination of attributes, it is important that the attribute/benefit strategy becomes the basis of any positioning. This exploits a particular service benefit, attributes or features. According to Stanton (1984), a company can associate its product or service with its attitudes or customer benefits. For instance the Toyota claims durability and affordability while Volvo emphasizes on safety. Service is usually experiential.

The market battles demand that each firm brings out clearly the big idea, about its product, that makes the offering different from what is being offered by competition (Stanton 1984). It is that difference that determines the extent of competitive advantage for the firm (Craven, 1990). A firm can distinguish its offering from the competition by offering something different, away from what is currently known (Kotler, 2003). Furthermore a firm can become unique in one aspect in a particular product class, category of users, use of the product, attributes, price and quality (Kotler, 2003).

Most services involve procedures. The mode of delivery can set a service provider above, or among the others. A careful marketer can distinguish the service offering through simple, fast and customer involving processes that give delight to the consumer (Gilmore, 2004). The manipulation of these elements of marketing mix serves as effective criteria of positioning.

The process of positioning takes quite a lot of resources but it is the best thing that a service marketer and especially a Courier firm can do for itself (Monash, 2004; Meccer, 1992).

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.1 Introduction

This chapter describes research design, targeted population, sampling procedure and data collection instruments, and analysis which were used in the study.

#### 3.2 Research Design

This was a descriptive survey that aimed at establishing the extent to which Courier companies in Kenya use the various market positioning strategies and the challenges faced by courier companies in Kenya in implementing market positioning strategies. Given that only a sample of the population (a third of the licensed courier companies-26 companies) were studied the survey method provided the researcher with an opportunity to apply the use of both questionnaires and interviews (personal and via telephone). Bett (2005) and Makori (2006) have used descriptive design in related studies.

#### 3.3 The population

The population of interest comprised of all courier companies that were licensed by the Communications Commission of Kenya (CCK). According to the CCK, there were 75 registered in Kenya involved in different levels of courier business. These were broken down as indicated in the table 1 below. A detailed list of licensed courier operators is provided in appendix 4.

**Table 1: Number of licensed courier services**

	Category	Number
a)	Public Postal Licensee	1
b)	International In-bound operators	4
c)	International Operators	11
d)	Regional Operators	4
e)	Intra Country Operators	32
f)	Intra city Operators	22
g)	Document Exchange operator	1
	<b>Total</b>	<b>75</b>

Source: Communications Commission of Kenya, 2005

### **3.4 Sampling Procedure**

The sample was drawn from the population of the licensed courier operators by the CCK. A third of the population was targeted. This translated to about 26 courier companies. The sample had representation from all the categories. The reasons why sampling was done was to ensure lower costs, greater accuracy of results, greater speed of data collection and availability of population elements (Donald and Pamela, 2003).

Stratified random sampling was used. This ensured that there was representation of the courier companies in all the categories identified in the population. However, the targeted organizations from each strata were conveniently identified. The main advantage of using this method is that subjects are easily and conveniently available and at the same time accessible (Mugenda and Mugenda, 1999). The sensitivity of the study to some organizations in divulging information and the fact that some organizations are far- flung (accessibility) made convenient type of sampling applicable for this study.

### **3.5 Data collection**

#### **3.5.1 Instruments**

Primary data was collected by use of a structured questionnaire (see appendix 2). Target respondents were staff involved in marketing, planning and business management departments. The questionnaire used both open and closed questions.

The questionnaire was divided into two parts. Part A is aimed at gathering the demographic profiles of the respondents. Part B is aimed at getting the responses on the activities organizations pursue in order to position differently.

#### **3.5.2. Data Collection Procedure**

Piloting of the questionnaire was done on some colleagues doing the MBA programme. These were chosen given that they will not be involved in the final testing. After piloting the questionnaires were given to the target respondents with an introductory letter, (see appendix 1). The questionnaires were administered on the basis of “drop and pick later” or picked immediately depending on the availability of the respondents to ensure high return. To

enhance high response rate, the researcher made telephone follow ups with the targeted respondents. Secondary data was used to supplement primary data.

### **3.6 Data Analysis**

Data analysis involved editing, coding, tabulation and analysis of data. The editing process entailed correcting and inspecting each questionnaire to ensure completeness, comprehensiveness, consistency, reliability and those instructions were followed. This was followed by coding which was done through assigning specific numbers so that they may be analyzed. The analysis was done using Statistical Package for Social Sciences (SPSS). Tabulation was done by orderly arrangement of the data in a table counting the frequencies of responses to each question.

Data in section A was analyzed using frequencies. On the other hand, data in other parts was analyzed using Measures of Central Tendency (mean scores, standard deviation). The data has been presented using tables and charts.

## CHAPTER FOUR

### DATA ANALYSIS AND INTERPRETATIONS

#### 4.1 Introduction

In this chapter data pertaining to the extent to which courier companies in Kenya use the various Market positioning strategies when marketing their services , and data pertaining to the challenges faced by courier companies in Kenya in implementing market positioning strategies are hereby analyzed and integrated. The findings are presented in sections that cover the profile of the respondents, extent to which different Market positioning strategies are used and the challenges faced by courier companies in Kenya in their attempt to implement Market positioning strategies.

#### 4.2 Respondent's profile

Questionnaires were sent to 26 licensed courier companies at random ensuring that at least there was a representative from each stratum. A total of 26 questionnaires were received and analyzed. These questionnaires represented each stratum. This is a response rate of 100% of what was targeted. Characteristics of the respondents are described in the ensuing sections.

##### 4.2.1 Country of registration/incorporation

Table 2 below shows the ownership structure of the courier companies that responded to the survey. Most of the organizations (84%) that responded were locally registered, while 12% are foreign registered while the rest (4%) are multi - national.

**Table 2: Country of Registration/incorporation**

Country of registration/incorporation	Percent
Local (Kenya )	84
Foreign (Outside Kenya )	12
Multi-national	4

Source: Research Data

### 4.2.2 Ownership

In terms of ownership over 80% of the companies indicated that they are owned by Kenyans, 15% by foreigners (non Kenyans) and only 4% hybrid (both Kenyans and foreigners).

**Table 3: Ownership**

Ownership	Frequency	Percent
Kenyans only	21	81
Foreigners ( non - Kenya )	4	15
Hybrid (Both Kenyans and Foreigners)	1	4
<b>Total</b>	<b>26</b>	<b>100</b>

Source: Research Data

### 4.2.3 Nature of operation

The study also sought to know the nature of courier operations these courier companies are involved in findings of which are detailed in Table 4 below. Almost 4 out of 10 of the couriers companies are involved in intra country operations while 23% are involved in intra-city operations. About 15% are involved international operations, 12% as regional operators while only one was involved in public postal license operations and another involved in international in bound operations

**Table 4: Nature of operation**

Nature of operations	Frequency	Percent
Intra - country operator	11	42
Intra- city operator	6	23
International operator	4	15
Regional operator	3	12
Public postal License	1	4
International in-bound operator	1	4
<b>Total</b>	<b>26</b>	<b>100.0</b>

Source: Research Data



#### 4.2.4 Length of operations in Kenya

In determining the period of time the sampled organizations have been in operation in Kenya, the information gathered from the respondents as revealed in Table 5 below reveals that a significant percentage (54%) of the companies have operated within Kenya for more than one year, while 27% of these organizations have been in operation for between 6 and 10 years, and 15% have operated for between 3 and 5 years and only one company has been in operation for just one year.

**Table 5: Length of operations in Kenya**

<b>Length of operations</b>	<b>Frequency</b>	<b>Percent</b>
Less than 1 year	1	4
Between 3 and 5 years	4	15
Between 6 and 10 years	7	27
Over 10 years	14	54
<b>Total</b>	<b>26</b>	<b>100</b>

**Source: Research Data**

#### 4.2.5 Respondents' rank

In determining<sup>4</sup> the respondent's ranks, the information gathered from the sampling population as detailed in Table 6 below reveals that a significant number (54%) of those who completed the questionnaires indicated that they hold supervisory positions while 46% hold managerial positions.

**Table 6: Respondents' rank**

<b>Respondent position</b>	<b>Frequency</b>	<b>Percent</b>
Supervisor	14	54
Manager	12	46
<b>Total</b>	<b>26</b>	<b>100</b>

**Source: Research Data**

#### 4.2.6 Annual turnover

Respondents were asked to indicate the turnover of their companies a summary of which is detailed in Table 7 below. Out of the sampled population a significant percentage (65%) of the respondents failed to divulge their respective turnovers. This can be attributed to the fact that some of the respondents felt that this is regarded as sensitive information.

**Table 7: Approximate annual turnover**

Turnover (Kshs)	Frequency	Percent
1,000,000	1	3.8
1,300,000	2	7.7
1,500,000	1	3.8
2,000,000	1	3.8
2,500,000	1	3.8
3,000,000	1	3.8
3,500,000	1	3.8
1,200,000,000	1	3.8
No response	17	65.4
Total	26	100.0

**Source: Research Data**

Overall, out of all those who responded, all the companies indicated that they have a turnover of over Kshs 1 million with one organization indicating that they have a turnover of over Kshs 1.2 billion.

### 4.2.7 Staff numbers

As indicated in Table 8 below, most of the organizations (42%) sampled indicated that they have employed between 21-50 staff, while 12% have employed staff of between 1-10, 19% have 11-20 staff and 23% have employed above 50 staff.

**Table 8: Approximate staff employed by the courier**

No of staff	Frequency	Percent
1 -10	3	12
11-20	5	19
21-50	11	42
Above 50	6	23
No response	1	4
<b>Total</b>	<b>26</b>	<b>100.0</b>

**Source: Research Data**

### 4.3 Positioning strategies

A number of positioning strategies are used by organizations to differentiate them in the market. Courier companies like any other organization use different positioning strategies to differentiate themselves in the different markets that they operate in. The researcher broadly categorized the positioning strategies into the target markets that they serve, the media they use, location, quality indicators, product/service aspects, strategy adopted, personnel among others. The researcher was interested in determining the extent to which these issues/variables are used by the courier companies in the Kenyan market. This was measured in way of a five-point Likert scale, where respondents were required to indicate to what extent they applied the particular positioning strategies.

The range was 'Very Large Extent'(s) to 'No Extent at all' (1). The scores of 'No Extent' and 'Small Extent' have been taken to present a variable which is used to a small extent (S.E) by the courier companies (equivalent to mean score of 0 to 2.5 on the continuous Likert scale; (0= S.E <2.5). The scores to 'To Some Extent' have been taken to represent a variable that is used to a moderate extent (M.E.) by the courier companies (equivalent to a mean score of 2.5

to 3.5 on the continuous Likert scale; 2.5=M.E. <3.5). The score of both 'Large Extent' and 'Very Large Extent' have been taken to represent a variable, which is used to a large extent (L.E.) in the market (equivalent to a mean score of 3.5 to 5.0 on a continuous Likert scale; 3.5= L.E. <5.0). A standard deviation of >1 implies a significant difference in the extent to which the variable is used by the courier companies and vice versa.

#### 4.3.1 Target market

One of the ways that organizations differentiate and position themselves is through the markets that they serve. The study therefore sought to establish the extent to which the different target markets are served by the courier companies. The extent to which these market segments are served by the courier companies varies as indicated in Table 9 below.

**Table 9: Target markets served**

Target Market	Mean	Std. Deviation
Private companies	4.54	0.508
Family Households	4.42	1.139
Business individual	4.38	1.169
Non - Governmental Organization	3.65	1.018
Government institutions	2.88	0.833
Financial institutions	2.54	1.067
Health Institutions	2.42	0.945

**Source: Research Data**

The most targeted segments were private companies, family households, and business individuals with mean scores of 4.54, 4.42, and 4.38 respectively and standard deviation of 0.508, 1.139 and 1.169 respectively as summarized in Table 8 above. The least targeted segments on the other hand were Government institutions, financial institutions and health institutions with mean scores of 2.88, 2.54, and 2.42 and commensurate standard deviation of 0.833, 1.067 and 0.945 respectively. This is an indication that courier companies target private companies, family households and business individuals to a large extent, while the least targeted segment is health institutions.

### 4.3.2 Media

Media is another strategy that organizations also use in positioning themselves. The researcher sought to find out to what extent the different courier companies use different media in their marketing and also public relations activities. In regard to the extent to which positioning strategies based on media usage is concerned the responses were summarized in form of mean scores and standard deviation detailed in Table 10 below.

The most preferred means of positioning based on media usage was word of mouth and sales people and outdoor posters with high mean scores of 5 and 4.84, and 4.62 respectively and standard deviation of 0, 0.473 and 1.898. The least preferred means was radio and magazines both with mean scores of 3.54 respectively and standard deviation of 1.529 and 1.24 respectively. Overall there is close similarity in media usage among the firms with radio and magazines being used to the least extent an indication that these firms did not consider the advantage of wide reach facilitated by radio.

**Table 10: Positioning based on media usage**

Media	Respondents	Mean	Std Deviation
Word of mouth	26	5.00	0.000
Sales people	26	4.84	0.473
Outdoor posters	26	4.62	1.898
Newspaper	26	3.77	1.336
Newsletters	26	3.62	1.329
Television	26	3.58	1.579
Radio	26	3.54	1.529
Magazines	26	3.54	1.24

**Source: Research Data**

### 4.3.3 Location accessibility

From the results deduced in Table 11, it can be observed that in terms of positioning based on location, easy accessibility, ease of location by clients, and close proximity to users had the highest mean scores of 5, 4.92, and 4.8 respectively and standard deviation of 0, 0.272 and 0.408 respectively, an indication that these are popular methods used by courier companies. Less congested location and provision of mobile services had the least mean scores of 4.23 and 4.15 respectively and standard deviation of 1.243 and 1.223 respectively. Despite the fact that the respondents also indicated that they position themselves in less congested locations and provide mobile services, there was a wide disparity among respondents as indicated by the high standard deviation that were more than 1 which was significant.

**Table 11: Positioning using Location**

<b>Location description</b>	<b>Respondents</b>	<b>Mean</b>	<b>Std Deviation</b>
Easy Accessibility	26	5.00	0.000
Easily located by clients	26	4.92	0.272
Near the users	25	4.80	0.408
Less congested location	26	4.23	1.243
Provide mobile services	26	4.15	1.223

**Source: Research Data**

### 4.3.4 Quality

Quality plays a critical role in the choice of any service. It also contributes towards ensuring that there is repeat usage of similar service. Table 12 below indicates the extent to which courier companies use different quality indicators in positioning themselves.

In determining the extent of the use of quality in positioning by firms within the sampled population it was revealed that use of efficient processes, responsiveness to customers and empathy to clients had the highest mean scores of 5, 4.96 and 4.92 respectively and standard deviation of 0, 0.196 and 0.289 respectively, an indication that courier companies to a large extent use efficient processes, responsiveness to customers and empathy to clients as a positioning strategy.

**Table 12: Positioning using Quality**

Quality indicator	Respondents	Mean	Std. Deviation
Using efficient processes	26	5.00	0.000
Responsive to customers	26	4.96	0.196
Empathy to clients	12	4.92	0.289
Competent workers	26	4.81	0.402
Quality assurance to clients	26	4.81	0.402
Faster services	26	4.81	0.801
On time delivery	23	4.78	0.850
Quality packing materials	26	4.73	0.827
Customer education	26	4.31	0.471

**Source: Research Data**

On the hand on time delivery, quality packing materials and customer education had the least mean scores of 4.78, 4.73 and 4.31 respectively and standard deviation of 0.850, 0.827 and 0.471 respectively, an indication that all the firms use these positioning strategies to a large extent.

#### **4.3.5 Product service**

Product service is another positioning strategy that is used by courier companies. As detailed in Table 12 below, Accurate response to clients, effective customer service and convenient mode of payment had the highest mean scores of 4.88, 4.77 and 4.69 respectively and standard deviation of 0.431, 0.514 and 0.549 respectively. Competent error handling, offer of premium quality and affordable mode of payment had mean scores of 4.65, 4.62 and 4.5 respectively and standard deviation of. The following were the standard deviations 0.562, 0.571 and 0.632 respectively. The findings are an indication that positioning by product service is utilized to a large extent by Courier companies as a strategy.

**Table 13: Positioning product service**

Aspect	Respondents	Mean	Std. Deviation
Accurate response to clients	26	4.88	0.431
Effective customer service	26	4.77	0.514
Convenient mode of payment	26	4.69	0.549
Competent error handling service	26	4.65	0.562
Offer premium quality	26	4.62	0.571
Affordable mode of payment	16	4.5	0.632

Source: Research Data

#### 4.3.6 Price

The respondents were asked to indicate the extent to which their firms use pricing as a positioning strategy to differentiate themselves from their competitors as summarized in Table 14. The highest mean score realized was on well placed advertisements, lower cost positioning strategy and wide network with mean scores of 4.79 and 4.73 respectively and standard deviation of 0.509, 0.588 and 0.827 respectively. The least utilized positioning strategies based on price realized were on the quality of facilities and comparison to competition, with mean scores of 4.54 and 4.31 respectively and standard deviation of 0.658 and 0.549 respectively.

There seemed to be a consensus on the extent to which organizations use these positioning strategies given that the standard deviations were below 1. Despite this the industry does not have a clear proper pricing mechanism in place. Various companies apply various pricing formulae provided by the operators in the industry meaning that there is no consistency in pricing.



**Table 14: Positioning using price**

Price aspect	Respondents	Mean	Std. Deviation
We are well advertised	24	4.79	0.509
We are cost efficient	24	4.79	0.588
Have a wider network	26	4.73	0.827
Our services are superior	24	4.71	0.550
Better facilities	24	4.54	0.658
Prices compare to competitors	26	4.31	0.549

**Source: Research Data**

### 4.3.7 Positioning using marketing activities

Marketing activities carried out by companies have a link in portraying a positioning strategy that an organization adopts. The same applies to the courier companies in Kenya. The respondents were asked to indicate the extent to which their firms use various marketing activities as a positioning strategy the results of which are detailed in Table 15 below.

The highest mean scores were realized in the use of observation of good work ethics, Enhancement of teamwork through involvement of other employees, 4.88, 4.75 and 4.71 respectively and standard deviation of 0.448, 0.532 and 0.55 respectively. Donation to charity work and sponsorship to various sports events had the least mean scores of 2.42 and 1.67 respectively and standard deviation of 1.139 and 1.049 respectively.

In comparison to other broad category positioning strategies, marketing activities are not used by courier companies to a large extent to position their services. Based on the findings it can be concluded that there was a wide disparity among the respondents given that the standard deviations in majority of the Marketing aspects were more than 1.

**Table 15: Positioning using marketing activities**

Marketing aspects	Respondents	Mean	Std. Deviation
Observe good work ethics	24	4.88	0.448
Involve Other employees	24	4.75	0.532
Have committed sales force	24	4.71	0.55
Train sales force well	23	4.48	0.665
Have a large sales force	23	3.83	0.65
Provide new items to media	24	3.79	0.977
Allow media to tell about us	23	3.00	0.739
Give special offers	24	3.00	0.978
Use items with product brand names	23	2.96	1.461
Give items with corporate symbols	24	2.79	1.414
Give variety of gifts	23	2.52	1.082
Donate to charity work	24	2.42	1.139
Sponsor various sports events	24	1.67	1.049

**Source: Research Data**

#### 4.3.8 Positioning using Staff/Personnel

The quality, competence and knowledge of staff among other personnel aspects play a significant role in the growth of any organization. Organizations therefore devote all the necessary resources to ensure that they have attracted personnel with qualities that they will use in positioning their service offering in the market.

The respondents were asked to indicate the extent of their usage of quality of people, results of which are detailed in Table 16 below. Commitment, alertness and product knowledge had the highest mean scores of 5, 5 and 4.92 respectively and standard deviation of 0, 0 and 0.408 respectively. Pleasant uniforms had the mean score of 4.46 and standard deviation of 1.179. This is an indication that to a large extent quality of staff/personnel is used by courier companies in positioning their services.

**Table 16: Positioning based on quality of staff/ personnel**

Staff/personnel aspect	Respondents	Mean	Std. Deviation
Very committed	23	5.00	0.000
Always alert	23	5.00	0.000
Knowledgeable	24	4.92	0.408
Courteous to clients	24	4.92	0.408
Highly qualified	23	4.78	0.422
Positive towards clients	24	4.75	0.897
Highly competent	24	4.75	0.532
Smartly dressed	24	4.71	0.859
Highly motivated	24	4.58	0.830
Pleasant uniform colours	24	4.46	1.179

**Source: Research Data**

#### 4.3.9 Positioning using Service Delivery Systems

Service delivery systems are also a key area used in adopting a superior positioning strategy by organizations including courier companies. To enhance their competitive edge courier companies have developed new competitive mechanisms i.e. cooperation among players for delivery purposes. This is where most of the operators have affiliates with other companies in the sector which were mainly for delivery of items upcountry or overseas. The respondents indicated the extent of their usage of service delivery systems to distinguish their services in the market from that of competition, details of which are summarized in Table 17 below.

Well coordinated activities, promptness in the flow of service activities and customer satisfaction had the highest mean scores of 4.96 and 4.85 respectively and standard deviation of 0.196, 0.464 and 0.368 respectively. Accurate procedures, flexibility of services area to suit customer's needs and employee empowerment in decision making had the least mean scores of 4.54 and 4.50 respectively. The following were the Standard deviations 0.583, 0.51 and 0.562

respectively. Standard deviations for these aspects are relatively low at less than 1. The findings are an indication that quality of service delivery systems is used by courier companies to a very large extent in positioning their services.

**Table 17: Positioning based on Service delivery systems**

Service delivery aspect	Respondents	Mean	Std. Deviation
Our services are well coordinated activities	26	4.96	0.196
Flow of our services activities is fast	26	4.85	0.464
We serve to satisfy our customers	26	4.85	0.368
Our processes are simple to follow	26	4.73	0.452
We use modern equipment	26	4.58	0.578
We allow customer participation	26	4.54	0.582
Procedures are accurate	26	4.50	0.583
Services are flexible to suit client's needs	26	4.50	0.51
Our employees can make decisions	26	4.35	0.562

**Source: Research Data**

#### 4.3.10 Broad Summary Positioning Strategies

In part of the questionnaire the study sought answers on the various positioning strategies used by courier companies. The information received was edited and summarized in Table 18 below. The highest mean scores were realized from Quality of service, staff/personnel and product/service 4.79, 4.77 and 4.76 respectively and standard deviation of 0.298, 0.355 and 0.372 respectively. Selection of target market and Marketing strategy had the least mean score of 3.55 and 3.37 respectively and standard deviation of 0.502 and 0.523 respectively. This is an indication that to a large extent courier companies use positioning strategies to position themselves in the market.

**Table 18: Positioning Strategies used by Courier companies-Broad Dimension**

<b>Positioning strategy</b>	<b>Respondents</b>	<b>Mean</b>	<b>Std Deviation</b>
Quality	26	4.79	0.298
Staff/Personnel	24	4.77	0.355
Product Service	26	4.76	0.372
Price	26	4.67	0.333
Service Delivery	26	4.65	0.275
Location	26	4.52	0.503
Media	26	4.03	0.707
Target Market	26	3.55	0.502
Marketing strategy	24	3.37	0.523

**Source: Research Data**

#### **4.3.11 Summary Positioning Strategies based on nature of operations**

Further analysis was done based on the nature of operations that courier companies are engaged in. The respondents' feedback in the various categories of courier operators is summarized in Table 19 below. The highest mean score was realized from Quality service, staff/personnel and product service with average scores of 4.79, 4.73 and 4.65 respectively. This is an indication that courier companies to a large extent use positioning strategies to differentiate their services from competition in the market. Comparatively, target market media and marketing activities are the positioning strategies that are least used by all the operators with mean scores of 3.87, 3.57 and 3.38 respectively.

**Table 19: Broad summary positioning strategies**

Positioning strategy	Public Postal	International in - bound	International operator	Regional Operator	Intra country	Intra city
Quality	4.63	4.89	5.00	4.66	4.72	4.84
Staff/Personnel	4.55	4.18	4.91	4.46	4.79	5.00
Product Service	4.57	5.00	4.71	4.43	4.78	4.90
Price	4.67	3.83	4.91	4.34	4.71	4.90
Service Delivery	4.78	5.00	4.61	4.41	4.70	4.59
Location	3.75	5.00	4.58	4.42	4.48	4.67
Media	4.29	2.88	3.91	3.67	4.03	4.46
Target Market	3.00	4.00	3.87	3.38	3.35	3.81
Marketing strategy	4.14	2.62	3.67	3.26	3.35	3.21

**Source: Research Data**

#### 4.4. Positioning challenges

Organizations face a number of challenges in their endeavor position themselves in particular markets. Courier companies in Kenya are no exceptional case and as revealed by the findings of this study they face the challenge of a slow market growth. This poses a challenge particularly to courier companies that are serving niche markets whose growth is apparently slow. Operating in an environment where prices are always bound to increase due to poorly developed infrastructure also poses a challenge to the courier companies that strive to position themselves using price. These infrastructural challenges have adverse effects that impact on the quality of service delivered owing to damage of some documents and also mishandling or eventual loss of items during transit.

The other challenge faced by courier industry in Kenya is the influx of companies that are not registered by Communications Commission of Kenya and therefore not regulated. The said

companies charge their customers rates that are below the CCK requirement, an aspect that creates an uneven playing ground for other players in the courier industry that are bound by CCK's regulations.

From Table 20, a high percentage of respondents were in agreement that the positioning challenges faced by the courier industry is due to slow market growth 33% , while a small percentage 3% (almost insignificant) attributed the positioning challenges to poor infrastructure and unregistered players in the market. From the findings it can be deduced that a significant percentage 33% of respondents attribute the positioning challenges in the courier industry to slow market growth.

**Table 20: Positioning challenges**

<b>Aspect</b>	<b>Respondents</b>	<b>Percent</b>
Slow market growth	12	33
Hope of rising due to price competition	5	14
Mishandling leading to property loss	5	14
High taxation by government	4	11
Fluctuating rates	3	8
Stiff competition ( both from local and international operators) leading to low prices	2	6
Integrity, Dishonesty staff	2	6
No free movement of goods	1	3
Infrastructure	1	3
Unregistered operators in play	1	3
<b>Total</b>	<b>36</b>	<b>100</b>

**Source: Research Data**

## CHAPTER FIVE

### SUMMARY OF DISCUSSIONS AND CONCLUSIONS

#### 5.1 Introduction

This chapter discusses the findings gathered from the analysis of the data, as well as the conclusions reached. The chapter incorporates the various challenges and comments given by the respondents in the questionnaires. Findings have been summarized alongside the objectives of the study, conclusions have been drawn from the study and the recommendations for action are also given.

#### 5.2 Summary, Discussions and Conclusions

The aim of the study was to establish the Market positioning strategies used by the Couriers companies in Kenya. This study largely adopted the key dimensions advocated by Kotler (2000), in which he postulated that differentiation is more effective if a firm differentiates along the five dimensions of product, services, personnel, channels, image and price. The findings indicated that the courier companies target different markets using similar positioning strategies but largely, to different extents.

The extent to which courier companies use different media was varied. All the courier companies largely use word of mouth communication (5.00). This also may explain the low advertising expenditure in the industry but a high level of sales persons who use word of mouth communication. Almost all the courier companies to a large extent tend to use easily located points and near to their customers as positioning strategies to serve their clients. This explains why there is an emergence of mobile/street collection units. As a competitive mechanism, operators have introduced new methods which include mobile vans and street collection points. However it is worthy noting that despite courier companies positioning themselves in less congested locations and provision of mobile services, there was a wide disparity among respondents as indicated by the high standard deviation that was  $>1$  which was significant.



All the courier companies have in place efficient processes that they have used as a quality positioning strategy given that it attracted a maximum score of 5.00. As Parasuraman (1988), emphasizes, quality service ensures that there is repeat usage of similar service. There seemed to be a consensus in the extent to which organizations use price positioning strategies. This was evidenced by the lack of significant differences in the standard deviations that were  $< 1$ . Despite this the industry does not have a defined pricing mechanism in place. Various companies apply various pricing formulae given by the operators as mainly a mark upon the costs. This therefore implies that there is no consistency in pricing. Despite this challenge, the pricing strategy must therefore be guided by the firm's positioning strategy (Payne, 2001; Craven, 1990). It is vital that when setting a price, value proposition and competitive position should be aligned, so that the best situation is arrived at to maximize revenue and profits.

Marketing activities engaged by the courier companies are averagely used. This is because the industry largely employs the use of word of mouth communication by the sales staff. On the other hand, positioning using staff is highly used by the courier industry. Quality, competent and knowledgeable staff are among other personnel aspects that have played a significant role in the growth of any organization. Courier companies have therefore taken a lead role in ensuring that they have staff that are committed, always alert, knowledgeable, courteous, qualified, positive to clients and are highly competent.

Courier companies in Kenya face the challenge of a slow market growth. This poses a challenge especially to courier companies that are serving niche markets whose growth is slow. This therefore is bound to create some positioning errors of under positioning, over positioning, confused positioning and doubtful positioning as pointed out by Kotler (2003), Barkowitz et al (2002). Price challenges are always bound to increase due to poorly developed infrastructure. In Kenya there are also a high number of courier companies that are not registered by the CCK and therefore not regulated. These courier companies cause challenges in the competition arena. In such an environment the courier firms cannot promise to offer what they have no competitive advantage over their competitors (Craven, 1990).

## **Conclusion**

From the foregoing discussion the following conclusion can be drawn regarding positioning strategies adopted by courier companies in Kenya. The courier companies use similar positioning strategies but to a varying extents to serve different market segments. Broadly analyzed, it can be concluded that quality positioning is largely used by most companies followed by superior staff/personnel positioning. Product/service, price, service delivery and location are also to a very large extent used by the courier companies in positioning themselves in the Kenyan market. On the other hand market activity and target market positioning are moderately used.

### **5.3 Limitations of the study**

The study relied on the list of couriers licensed by the CCK and as published in the CCK website. It can be noted that some of the contacts given had either closed shop or relocated. Secondly the bigger operators declined to offer information especially regarding annual turnover, investment and wage bill this therefore meant that a good portion of the information used relied on small operators who might not be representative of the big operators.

### **5.4 Recommendation for further research**

This study had focused on understanding the market positioning strategies that courier companies in Kenya use. This mainly relied on the duties that the respondents who are employees in these companies are engaged in. To try and provide a balanced opinion, I suggest that a similar study is done so as to understand the perception of consumers on positioning strategies used by the courier companies. This will be in line with what Aaker (1987) terms as brand awareness, brand associations, customer orientation, brand loyalty, product line breadth, and technical superiority.

This study relied on courier companies that are registered by the CCK and yet there are a number of companies that are offering courier service but are not registered with the CCK.

Based on this I suggest that further research be done on these courier companies to establish the positioning strategies that they use in the Kenyan market.

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# APPENDICES

## APPENDIX 1 - INTRODUCTORY LETTER

University of Nairobi  
School of Business  
Department of Business Administration  
P. O. BOX 30197  
NAIROBI

15 August 2008

Dear Respondent,

### **RE: COLLECTION OF SURVEY DATA**

I am a postgraduate student at the University of Nairobi, at the Faculty of Commerce. In order to fulfill the degree requirement, I am undertaking a management research project on Courier Service Industry in Kenya. The study is entitled:

*“Market Positioning Strategies Adopted by Courier Companies in Kenya”*

You have been selected to form part of this study. This is to kindly request you to assist me collect the data by filling out the accompanying questionnaire.

The information data you provide will be used exclusively for academic purposes. My supervisor and I assure you that the information you give will be treated with strict confidence. At no time will you or your organization's name appear in my report.

Your cooperation will be highly appreciated.

Thank you in advance.

Yours faithfully,

**Sarah C A Awinyo**

**Student**

**M. Ombok & Dr M Ogutu**

**Lecturer\Supervisor**



## APPENDIX 2 - QUESTIONNAIRE

### PART - A

1. Name of Courier Company \_\_\_\_\_
2. Where registered/incorporated
  - a) Local (Kenyan) ( )    b) Foreign (Outside Kenya) ( )    c) Other - specify \_\_\_\_\_
3. Who owns the courier
  - a) Kenyans only ( )    b) Foreigners (Non Kenyans) ( )
  - c) Hybrid (Both Kenyans and Foreigners) ( )
4. Nature of operation (Tick all that apply)
  - a) Public Postal License ( )    b) International in-bound operator ( )
  - c) International operator ( )    d) Regional operator ( )
  - e) Intra-country Operator ( )    f) Intra-city operator ( )
  - g) Other (specify) \_\_\_\_\_
5. How long has the company been in operation in the Kenyan (Tick that apply)
  - a) Less than 1 year ( )    b) Between 1 and 2 years ( )
  - c) Between 3 and 5 years ( )    d) Between 6 and 10 years ( )
  - d) Over 10 years ( )
6. How long has the company been in operation in the Kenyan (Tick that apply)
  - a) Less than 1 year ( )    b) Between 1 and 2 years ( )
  - c) Between 3 and 5 years ( )    d) Between 6 and 10 years ( )
  - d) Over 10 years ( )
7. Please indicate the department in which you are working in  
\_\_\_\_\_
8. Please indicate your rank in the department that you work in.
  - (i) Supervisor ( )    (ii) Manager ( )    (iii) Director ( )
9. Please indicate the approximate annual turnover in Kshs \_\_\_\_\_
10. Please indicate the approximate number of staff employed by the courier company  
\_\_\_\_\_

## PART - B

Organizations create a distinct image of their services in a number of ways so that they give them a clear picture in the mind of the consumer in relation to alternative services offered by competition. This is the essence of positioning. To help me understand how your organization does position of its service please answers the following questions.

Responses are in a scale from 5 to 1 defined as below.

**5 - Very Large extent**

**4 - Large extent**

**3 - Moderate extent**

**2 - Small extent**

**1 - Not at all**

11. To what extent do the following user categories constitute your service market?

	<b>Target Market</b>	<b>(5) Very Large extent</b>	<b>(4) Large extent</b>	<b>(3) Moderate extent</b>	<b>(2) Small extent</b>	<b>(1) Not at all</b>
a)	Private companies					
b)	Non –Governmental Organizations					
c)	Business individual					
d)	Family Households					
e)	Government institutions					
f)	Financial Institutions					
g)	Health institutions					
h)	Any Other, specify _____					

12. In making our services known in the market, indicate the extent to which the following promotion media strategies are used by your organization?

	<b>Media usage</b>	<b>(5) Very Large extent</b>	<b>(4) Large extent</b>	<b>(3) Moderate extent</b>	<b>(2) Small extent</b>	<b>(1) Not at all</b>
a)	Radio					
b)	Television					
c)	Newspapers					
d)	Newsletters					
e)	Magazines					
f)	Word of Mouth					
g)	Sales people					
h)	Outdoor posters					
i)	Other specify _____					

13. Do what extent do you take the following into consideration in choosing your location?

	<b>Location accessibility aspect</b>	<b>(5) Very Large extent</b>	<b>(4) Large extent</b>	<b>(3) Moderate extent</b>	<b>(2) Small extent</b>	<b>(1) Not at all</b>
a)	Less congested location					
b)	Easily locatable by clients					
c)	Near the users					
d)	Provide mobile services					

14. To what extent does your organization use the following quality indicators to distinguish its services?

	<b>Quality indicator</b>	<b>(5) Very Large extent</b>	<b>(4) Large extent</b>	<b>(3) Moderate extent</b>	<b>(2) Small extent</b>	<b>(1) Not at all</b>
a)	Responsive to customers					
b)	Competent workers					
c)	Using efficient processes					
d)	Quality assurance to clients					
e)	Empathy to clients					
f)	Customer education					
g)	Quality packaging materials					
h)	Faster services					
i)	On time delivery					

15. To what extent does your organization consider the following consumer benefits when making its products/services?

	<b>Product/Service aspect</b>	<b>(5) Very Large extent</b>	<b>(4) Large extent</b>	<b>(3) Moderate extent</b>	<b>(2) Small extent</b>	<b>(1) Not at all</b>
a)	Convenient mode of payment					
b)	Easy accessibility of the locations					
c)	Affordable mode of payment					
d)	Offer premium quality					
e)	Accurate responses to clients					
f)	Competent error handling service					
g)	Effective customer service					

16. In relation to competition to what extent does your firm use the following features to distinguish the services you provide?

	<b>Product/Service aspect</b>	<b>(5) Very Large Large extent</b>	<b>(4) Large extent</b>	<b>(3) Moderate extent</b>	<b>(2) Small extent</b>	<b>(1) Not at all</b>
a)	Price compares to competitor					
b)	Have a wider network					
c)	Better facilities					
d)	We are cost efficient					
e)	Our services are superior					
f)	We are well advertised					
g)	Others specify _____					

17. In the image building of your firm, indicate the extent to which the following strategies are used by your firm?

	<b>Marketing activity</b>	<b>(5) Very Large Large extent</b>	<b>(4) Large extent</b>	<b>(3) Moderate extent</b>	<b>(2) Small extent</b>	<b>(1) Not at all</b>
a)	Donate to charity work					
b)	Sponsor various sports events					
c)	Allow media to tell about us					
d)	Provide news items to media					
e)	Give items with Corporate symbols					
f)	Use items with product brand names					
g)	Give special offers					
h)	Participate in exhibitions					
i)	Give variety of gifts					
j)	Have a large sales force					
k)	Train sales force well					

	<b>Marketing activity</b>	<b>(5) Very Large extent</b>	<b>(4) Large extent</b>	<b>(3) Moderate extent</b>	<b>(2) Small extent</b>	<b>(1) Not at all</b>
l)	Have committed sales force					
m)	Involve other employees					
n)	Observe good work ethics					

18. Indicate the extent to which the following statements describe the quality of your personnel?

	<b>Staff/Personnel Aspect</b>	<b>(5) Very Large extent</b>	<b>(4) Large extent</b>	<b>(3) Moderate extent</b>	<b>(2) Small extent</b>	<b>(1) Not at all</b>
a)	Highly qualified					
b)	Very committed					
c)	Always alert					
d)	Highly competent					
e)	Knowledgeable					
f)	Smartly dressed					
g)	Pleasant uniform colours					
h)	Positive towards clients					
i)	Highly motivated					
j)	Courteous to clients					
k)	Answers client requests promptly					

19. Indicate the extent to which the following statements describe the quality of your Services of your service delivery processes?

	<b>Service Delivery mechanisms</b>	<b>(5) Very Large extent</b>	<b>(4) Large extent</b>	<b>(3) Moderate extent</b>	<b>(2) Small extent</b>	<b>(1) Not at all</b>
a)	We serve to satisfy our customers					
b)	Procedures are accurate					
c)	Our processes are simple to follow					
d)	Our services are flexible to suit clients' needs					
e)	We use modern equipment					
f)	Our services are well co-ordinated activities					
g)	We allow customer participations					
h)	Flow of our service activities is fast					
i)	Our employees can make decisions					

20. Please share any other issues that you may have in regard to the courier industry in Kenya?

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**Thank you for taking your time to complete this questionnaire**

## *Appendix 3 – List of Licensed Courier Operators*

### **Category A - Public Postal licensee**

- 1 Postal Corporation of Kenya

### **Category B – International In bound Operators**

- 1 B.K.B Couriers
- 2 Shuttle Express
- 3 Trade winds Express
- 4 Keepsake Express

### **Category C – International Operators**

- 1 DHL Worldwide Kenya Ltd
- 2 Oversea Courier service Kenya Ltd Taiyo Ltd
- 3 East African Courier Ltd (FedEx)
- 4 Skynet Worldwide Express K. Ltd
- 5 Transami K. Ltd
- 6 Air Care Charters and Brokers Ltd (TNT)
- 7 One World Courier
- 8 Rising Freight Ltd
- 9 Union Express (UNEX)
- 10 Nation Carrier Division
- 11 Mechanized Cargo Systems Ltd

### **Category D – Regional Operators**

- 1 Securicor Security Services K Ltd
- 2 Akamba Public Road Services Ltd
- 3 Regional Coaches Services Ltd
- 4 Freight In Time Ltd.

### **Category E – Intra Country Operators**

- 1 Ganatra Parcel Services Ltd
- 2 Roy Parcel Services Ltd
- 3 Nation Carrier Division
- 4 Silver Star Parcel Services Ltd
- 5 The Kenya Railways



- 6 Kenya Bus Services Ltd
- 7 Provincial Parcel Carriers Ltd
- 8 Urgent Parcel Services Ltd
- 9 Al- Micdad Parcel Services Ltd
- 10 Jihan Freighters
- 11 Garissa parcel Services
- 12 Mololine Services Ltd
- 13 Mombasa liners Ltd
- 14 Frontier Telecommunications
- 15 Lumwa Security Services Ltd
- 16 Busscar Parcel Services
- 17 Nuclear Investment Ltd
- 18 N.T.L Parcel Services
- 19 Crossland services
- 20 FOUR N.T. Savings and Credit Society
- 21 2.N.K SACCO Ltd
- 22 Express Package Services Ltd
- 23 Nilean Enterprises Ltd (Speed Delivery Services Ltd)
- 24 Crescent Courier Express Ltd
- 25 Fargo Courier Ltd
- 26 Embokoti Enterprises
- 27 FAST flight Express Ltd
- 28 Rising Star Express
- 29 Huduma Mail ltd
- 30 Easy Coach Limited
- 31 Linear Parcel Services Ltd
- 32 Flightpath Aviation Ltd

**Category F – Intracity Operators**

- 1 Data Rush Services Ltd
- 2 In-Time Couriers ltd
- 3 Jojosmail

- 4 Petty Errands
- 5 Tymer Express Courier Ltd
- 6 Intercity Delivery Services Ltd
- 7 Mudoba Express Courier Ltd
- 8 The Messenger Service Investment
- 9 Tomic Express Services Ltd
- 10 Business Express Services Ltd
- 11 Executive Errands Ltd
- 12 Point to Point delivery Ltd
- 13 Homefar Enterprises Ltd
- 14 Captain and Captain Ltd
- 15 Capital Link Couriers
- 16 Chapex Ltd
- 17 Mail Drop Services
- 18 Paracella Limited
- 19 Ashbourne & Company
- 20 Dornnell Incorporation Ltd
- 21 Deltagram Courier services
- 22 Kinstripe Limited

**Category G – Document Exchange Operator**

- 1 The Dropping Zone Ltd

**Source: Communications Commission of Kenya (CCK) 2005**