

**CARGO TRACKING SYSTEM AS A COMPETITIVE
STRATEGY IN SERVICE DELIVERY**

BY:

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DECLARATION

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

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

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To my family and friends, your support and kindness was overwhelming. Thank you for having faith in me. Special thanks also go to my immediate boss and DHL Express limited Gateway Manager for their support and understanding. Finally, I thank the Almighty God for the life and strength he gave me. His protection has seen me through trying moments.

DEDICATION

To my family especially my Wife, friends and colleagues. It is through your support, prayers and selfless assistance that this was possible. I will forever remain indebted to you all.

ABSTRACT

The purpose of this study is to investigate on how does DHL Express use cargo tracking system as a competitive strategy in service delivery. The study was guided by the following research objectives: To establish the nature of cargo tracking system employed as a competitive strategy in service delivery; To determine the benefits of using cargo tracking system employed as a competitive strategy in service delivery and to find out challenged faced in using cargo tracking system employed as a competitive strategy in service delivery by DHL, Kenya. The study was guided Resource Based View (RBV) theory. There is strong evidence that supports the RBV which indicates that firms compete in an ever changing business environment. Organizations can attain and achieve a sustained competitive advantage through their employees. This can be realized when a firm has a human resource pool that cannot be imitated or substituted by its rivals or competitors. The way a firm competes in a particular business and gains competitive advantage by deliberately choosing a distinctive set of activities. A firm can attain two basic types of competitive advantage low cost or differentiation. Porters' model of Competitive strategy proposed that firm's position within an industry was an important factor in attaining competitive advantage. The research design was qualitative because the method of study in depth rather than breadth and places more emphasis on the full analysis of a limited number of events or conditions and other interrelations. The study will use primary data and secondary data. An interview guide will be used in collecting the primary data. Before processing the responses, the completed interview guides will be edited for completeness and consistency. Qualitative data analysis seeks to make general statements on how categories or themes of data are related. The data will qualitative in nature, due to this fact; content analysis was used to analyze the data. The qualitative data shall be done using content analysis. From the research findings, tracking system helps to identify the position of the shipment and informed the customer in well advance. Without tracking system it is almost impossible to find out delivered items and often considered as lost or stolen item that causes business loss. This system might fulfill the needs of project manager to map the production process from transportation to material management. Conclusion: this study contributes to the companies which plan to develop their competition from inside to outside in the market, especially in Third-party logistics (3PL) industry. The study recommends that manager should also care about employees' physical and mental health more actively. Regarding price issue, DHL must deal with a cheaper brand identity as soon as possible. In such dynamic marketing environment, DHL should keep making surprise to its customer and even to its competitor. DHL should invest more on R&D, and consummate service in order to defend its leading position. The study also recommends that In order to complete this research, the question about customer satisfaction is essential, and it is necessary to look for relevant theories as guide. By linking theories and the result of interview schedule, the unmet needs of DHL can be found eventually. The study limitations were that the interviewee in DHL were unwilling to give answers of some questions as they thought the questions were sensitive that they didn't get approval of the superior.

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LIST OF ABBREVIATION

HPWS:	High Performance Work Systems
RBV:	Resource Based View
SCM:	Supply Chain Management
VRIN:	Valuable, Rare, In-imitable and Non-substitutable

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

A company has competitive advantage whenever it has an edge over its rivals in securing customers and defending against competitive forces (Thompson & Strickland, 2002). Sustainable competitive advantage is born out of core competencies that yield long-term benefit to the company. Prahalad and Hamel (1990) define a core competence as an area of specialized expertise that is the result of harmonizing complex streams of technology and work activity. They further explain that a core competence has three characteristics first it provides access to a wide variety of markets, secondly it increases perceived customer benefits and lastly it is hard for competitors to imitate. Sources of competitive advantage include high quality products, superior customer service and achieving lower costs than its rivals.

Porter (1980) viewed competitive strategies as a five forces model dimensional phenomenon with a supply side – strategic scope; and a demand side – strategic strength. He later simplified the scheme into three generic strategies, namely ‘overall cost leadership’, ‘differentiation’ and ‘focus’. Johnson, Scholes & Wittington (2006) on the other hand, perceive competitive strategies from a business level perspective and believe that it is the achievement of competitive advantage by a business unit in its particular market. They advocate for a hybrid strategy which provides a market-facing element to Porter’s model in the form of price as a new dimension and its combination with differentiation.. For Porter (2004), competitive strategies primarily evolve explicitly

through a planning process or implicitly through approaches dictated by a firm's professional orientation and the incentives of its directors.

Tracking technologies in logistics networks nonetheless are implemented fairly little in the global technology industry. Mostly high volume of global industries are implemented this technology with limited capabilities. The basic methods for all these tracking systems are usually confined for the customer to access the tracking information are within the area of tracing the shipments through manual queries such as using a www-site or telephone call, e-mailing, fax or to engage in developing systems interfaces or integrating with the tracking system. There is even no available tracking system between invoice and transportation. Customers got their ordered goods through calling or e-mailing the vendors and there do not existing real-time tracking and tracing technologies. This lacking affect to network and relationship structures between manufacturers and potential customers. Thus industries need a concept, methods, tools and competencies to systematically develop their real-time tracking technologies for logistics network.

1.1.1 Concept of the Strategy

Jauch and Glueck (1998) define a strategy as a unified, comprehensive and integrated plan that relates the strategic advantages of the firm to the challenges of the environment.

A strategy is a commitment to undertake one set of actions rather than another (Strickland et al, 2007). This is designed to ensure that the basic objectives of an enterprise are achieved through proper execution by the organization. According to Johnson and

Scholes (2002), strategy is the process that matches resources and activities of an organization to the environment in which it operates.

Strategy is the match between an organization's resources and skills and the environmental opportunities and risks it faces and the purposes it wishes to accomplish (Schendel and Hofer, 1979). It is meant to provide guidance and direction for the activities of the organization. This idea is in line with Ansoff's (1965) view that strategy is the 'common thread' among an organization's activities and product/markets that defined the essential nature of the business that the organization was in and planned to be in the future. It is a pattern of decisions in a company that determines and reveals its objectives, purposes or goals, produces the principal policies and plans for achieving those goals (Andrews, 1987).

Various strategies could be pursued but since no organization has unlimited resources, strategy decisions will have to eliminate some possible courses of action and allocate organizational resources to others. Strategy enables organizations to cope with business challenges. Strategy will only make sense if the markets to which it relates to are known. Defining the company's markets is the starting point of the strategy making process. Bett (1995), found out that due to the economic reforms in Kenya, firms in the dairy industry made substantial adjustments in the strategic variables which included the marketing mix components (products, promotions, place and price). Kombo (1997), also noted that firms in the motor vehicle industry made adjustments by introducing new technologies in

product development, different segmentation and by targeting their customers with improved customer services.

The strategic management literature emphasizes on the important role of strategy in both large and small firms (Wheelan and Hunger, 1999). Firms use strategy to outline the fundamental steps that they plan to follow in order to accomplish their objectives. Literature indicates that organizations can have a single strategy or many strategies, and that these strategies are likely to exist as corporate level strategies (such as grand or master strategies); business level strategies (competitive strategies); and functional level strategies. Although literature suggests that strategies are developed at the three different levels, theoretical and empirical studies of the relationship between strategy and organizational performance have mainly emphasized on business strategy (Lee, 1997).

1.1.2 Concept of Competitive Strategy

Competitive strategy refers to the way a firm competes in a particular business and gains competitive advantage by deliberately choosing a distinctive set of activities. According Porter (1980), a firm can attain two basic types of competitive advantage low cost or differentiation. Porters' model of Competitive strategy proposed that firm's position within an industry was an important factor in attaining competitive advantage.

In order to achieve a competitive advantage, firms are required to make strategic choices about the type of competitive advantage they seek to attain and the scope within which it will attain it. Choosing the competitive scope or the range of the firm's activities can play a powerful role in determining competitive advantage because it aims to establish a

profitable and sustainable position against the forces that determine your industry competition. Strategic choice decisions that a firm can pursue to achieve competitive advantage for growth may broadly be categorized into intensive, defensive, joint venture and a combination of strategies David (2001). Depending on the competitive environment firms choose strategies that are able to give them sustainable competitive advantage.

The competitive strategies adopted by a firm result in a competitive advantage. According to (Shapiro, 1989) competitive strategy encompasses wide variety of strategic and tactical decision making, from pricing of products to investment in production and distribution facilities to contracting practices with customers and input suppliers to research and development expenditures. Competitive advantage grows from value that a firm is able to create for the buyer that exceeds the firm's cost of creating it. The goal of competitive strategy for a business is to find a position in the industry where the firm can best defend itself against competitive forces or can influence them in its favour. An effective competitive strategy takes either offensive or defensive action in order to create a defensible position against the five forces and thereby yield a superior return on the firm (Kathura et al, 2007). A strategy needs to be fluid as the competition will most likely adapt to the most successful company in your industry, so will the strategy need to change in order to meet this adaptation (Marren, 2010).

1.1.3 Concept of Service Delivery

Service delivery framework is a set of principles, standards, policies and constraints used to guide the design, development, deployment, operation and retirement of services delivered by a service provider with a view to offering a consistent service experience to

a specific user community in a specific business context. Service delivery framework is the context in which a service provider's capabilities are arranged into services (Helmsing, 1995).

Helmsing (1995) in his study defines service delivery as a deliberate obligatory decision by the elected or appointed officials to serve or deliver goods and services to the recipients. Heskett (1987) defines service delivery as an attitudinal or dispositional sense, referring to the internationalization of even service values and norms. Customer care involves putting systems in place to maximize customers' satisfaction. It should be a prime consideration for every business sales and profitability depends on keeping your customers happy. It is more directly important in some roles than others. For receptionists, sales staff and other employees in customer-facing roles, customer care should be a core element of their job description and training, and a core criterion when recruiting (Athanasopoulos, 2000).

This is a necessity, as the accessibility of delivery status at any time and the immediate notification of delays or other delivery problems are regarded as basic information needs in the logistics chain (Loebbecke and Powell, 2008). Traditionally tracking has been considered a separate function related mostly to controlling individual shipments, and without clear linkages to logistics management in general. However, besides its role in providing information on shipment status, tracking can also have an impact on supply chain management as it provides the possibility of creating visibility or transparency to the material flowing in the supply chain. A comprehensive tracking system, for example,

enables a company to monitor the arrival of critical components and plan its operation based on the estimated arrival of them (Biddle, 2004).

1.1.4 Tracking in Transport and Logistic Courier Services

Tracking is the process of gathering and presenting information on the location of delivery items in a distribution network or supply chain (Deschner et al., 2008). Lee and Billington (1992) were among the first to recognise the importance of tracking, when in 1992 they presented the lack of capability of informing customers on the progress of their orders as one of the most severe pitfalls of supply chain management (SCM). Early 1990s were an important period for the development of tracking applications also in practice. At that time, FedEx built the first large-scale shipment tracking system and started offering tracking as a value added service for its customers (Janah and Wilder, 1997; Tausz, 1994). Since then the development has been rapid. Well-functioning and accessible tracking services are currently demanded by most customers and they have evolved to be an industry norm in logistics service provision – tracking is considered as a market qualifier in more advanced logistics services (Ciuba, 2004; Day, 1991; Jakobs et al., 2001; Willesdorf, 1991; Williams and Tao, 2008). This constitutes a remarkable development both in the provision and demand for tracking services, and it has taken place in just over a decade.

When considering tracking and tracing as independent terms, tracking is usually perceived as the following of the location of an entity in transit (storing information), while tracing is defined as locating the entity when needed (retrieving the stored

information) (Bingham and Pezzini, 1990). They thus form a clearly complementary pair (Stefansson and Tilanus, 2001), and it would be against common sense to implement the other functionality while deciding to omit the implementation of the other. Therefore, for the sake of clarity, the term tracking is in this thesis used to stand for both the gathering of data on entities in transit and the processing of that data to useful information.

Stefansson and Tilanus (2001) state that tracking systems are needed for co-ordinating logistics, because they form the link between the information systems and the physical reality (the material flow) in the supply network. Harris (1999) has further claimed that efficient co-ordination of logistic flows would be difficult to achieve without tracking systems linking the information systems and the physical material flow. Several other authors have complied with the idea by noting that many logistics services, for example multi-modal transport and merge-in-transit, would be extremely difficult to produce without tracking systems (McLeod, 1999).

1.1.5 DHL Express and Use of the Tracking System

DHL is a division of the German logistics company Deutsche Post DHL providing international express mail services. Deutsche Post is the world's largest logistics company operating around the world. DHL is a world market leader in sea and air mail. Originally founded in 1969 to deliver documents between San Francisco and Honolulu, the company expanded its service throughout the world by the late 1970s. The company was primarily interested in offshore and inter-continental deliveries, but the success of FedEx prompted their own intra-U.S. expansion starting in 1983. DHL aggressively expanded to

countries that could not be served by any other delivery service, including the Soviet Union, Eastern Bloc, Iraq, Iran, China, Vietnam and North Korea.

In 2008, Deutsche Post began to acquire shares in DHL. It finally reached majority ownership in 2001, and completed the purchase in 2002. Deutsche Post then effectively absorbed DHL into its Express division, while expanding the use of the DHL brand to other Deutsche Post divisions, business units and subsidiaries. Today, DHL Express shares its well-known DHL brand with other Deutsche Post business units, such as DHL Global Forwarding and DHL Supply Chain. With DHL's shipment tracking options, checking the status of an urgent shipment has never been easier. The system has been designed to use email, SMS and WAP which installs a menu bar at the top of the customers' browser's screen.

1.2 Research Problem

Porter (1980, 1985) argues that superior performance can be achieved in a competitive industry through the pursuit of competitive strategy, which he defines as the development of an overall cost leadership, differentiation, or focus approach to industry competition. If a firm does not pursue one of these strategy types, it will be stuck-in-the-middle and will experience lower performance when compared to firms that pursue a generic strategy (Porter, 1980). Day and Wyckoff (1992) argue that competitive methods consist of skills and resources that are available for use by firms in a competitive industry. They define superior skills in terms of staff capability, systems, or marketing savvy not possessed by a competitor. Bharadwaj *et al.* (1993) suggest that a competitive

advantage can be developed from particular resources and capabilities that the firm possesses that are not available to competitors. The transformation of available skills and resources into a strategic position can only take place under conditions that provide a customer benefit, and normally requires the transformation of multiple competitive methods.

Tracking has potential in increasing the effectiveness of administrative processes. It can help in introducing paperless and less paper systems, and can therefore improve information accuracy and help reduce waste (Florence and Queree, 2005). The leading companies devise and evaluate their marketing strategy to survive and keep up with the rapid transformations in dynamic and competitive environment. Along with the globalization and the development of technologies, more and more companies have realized how complex the competitive situation is today. In order to make customer feel comfortable and safe, DHL has implemented DHL Interactive to give possibility to customers to track the shipping process.

Various researchers have studied the effects of competitive strategies on organization performance. Wanjere (2004) proposed that companies should be more involved in strategic marketing and especially as they operate in competitive and turbulent environments. Similar studies such as Kombo (1997) on the motor vehicle franchise holders, Muturi (2000) on the East African Breweries and Thiga (2000) on the airline companies confirm that firms respond differently to environmental challenges. Mwanthi (2003) did a case study of strategic responses to environmental challenges by British

American Tobacco while Cheluget (2003), studied the responses of milk processing firms to increased environmental turbulence with emphasis on New KCC Limited. Oluoch (2003) studied the perceived attractiveness of the freight forwarding industry in relation to Porter's modified framework.

As a personal parcel delivery service, Track UK offers customers a cheap, speedy, mail-tracking and customer-oriented service which fulfils the needs of American companies. DHL's tracking & tracing system can work with its Information Management Systems to give full visibility to customers along the whole supply chain. And thanks to the latest shipping tools or technology, DHL can finish more specific tasks smoothly and completely. The use of new equipment provides the possibility to reduce the delivery time and cost at the same time. By deploying DHL Ocean Secure, the brand new ocean freight full container load program, the security of delivery, real time spent and reliability can be improved. The purpose of this study is therefore to answer the following question: how does DHL Express use of cargo tracking system as a competitive strategy in service delivery

1.3 Research Objectives

- i. To establish the nature of cargo tracking system employed as a competitive strategy in service delivery by DHL, Kenya
- ii. To determine the benefits of using cargo tracking system employed as a competitive strategy in service delivery by DHL, Kenya
- iii. To find out challenged faced in using cargo tracking system employed as a

competitive strategy in service delivery by DHL, Kenya

1.4 Value of the Study

The study is invaluable to several stakeholders including the management of DHL, the policy makers as well as the scholars.

The management of cargo delivery companies in Kenya will find the results of this study intriguing as a source of information on what competitive strategies are applied in the market and what they need to do in order to improve service delivery in cargo delivery. The immediate beneficiary of this research will be the DHL where the researcher will be getting information from and therefore any recommendation made by the researcher will be directly addressing issues that affect the industry.

The policy makers will obtain knowledge of the industry dynamics and the responses that are appropriate and specific for Pact Inc; they will therefore obtain guidance from this study in designing appropriate policies that will regulate the sector.

The study will provide information to potential and current scholars on cargo tracking. This will expand their knowledge on competitive strategies and also identify areas of further study. Moreover, the researcher and other academicians will be in apposition to comprehend the concept of cargo tracking as a competitive strategy more so in the context of the cargo freight delivery sector.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents the theoretical foundation of the study and empirical literature of competitive strategy for cargo tracking system and service delivery for cargo tracking system.

2.2 Theoretical Foundation of the Study

The current study is anchored in the Resource Based View (RBV) of the firm. There is strong evidence that supports the RBV (Crook et al., 2008) which indicates that firms compete in an ever changing business environment. Organizations can attain and achieve a sustained competitive advantage through their employees according to Barney (1991). This can be realized when a firm has a human resource pool that cannot be imitated or substituted by its rivals or competitors. The RBV as a basis of competitive advantage lies primarily in the application of the bundle of valuable resources at the disposal of the firm. The firm has to identify the key potential resources which should fulfill the criteria of being valuable, rare, in-imitable and non-substitutable by the firms' competitors (Galbreath, 2005).

In strategy literature, and in particular, the resource based view of the firm (Barney, 1991) provides a key element that if HRM systems are to create sustained competitive advantage, they must be difficult to imitate. Collis and Montgomery (1995) describe two features of a strategic resource that enhance inimitability and that characterize High

Performance Work Systems (HPWS), these are, path dependency and causal ambiguity. Path dependency characterizes resources that are developed over time such that learning and experience provide cumulative “first mover” advantage. A competitor cannot simply purchase an equivalent resource from the market and “catch up” with a rival firm. Causal ambiguity describes resources whose content and essential ingredients are so subtle and difficult to fully comprehend that observers outside the firm are not able to reproduce in their own organizations. The causal ambiguity of an appropriately aligned HPWS that embeds effective strategy implementation throughout the firm is a good illustration (Lado & Wilson, 1994; Lengnick-Hall, 1998). This is what helps a firm to create a competitive advantage through its unique human resource.

The key points of the RBV theory are that firms have to identify their key potential resources and evaluate whether these resources fulfill the following criteria referred to as Valuable, Rare, In-imitable and Non-substitutable (VRIN). A resource must be valuable to enable a firm to employ a value-creating strategy, by either outperforming its competitors or reduce its own weaknesses (Barney, 1991; Amit & Schoemaker, 1993). Relevant in this perspective is that the transaction costs associated with the investment in the resource cannot be higher than the discounted future rents that flow out of the value-creating strategy (Mahoney & Pandian, 1992; Conner, 1992).

A competitive advantage can be attained if the current strategy in a firm is value-creating, and not currently being implemented by present or possible future competitors (Barney, 1991). Although a competitive advantage has the ability to become sustained, this is not

necessarily the case. A competing firm can enter the market with a resource that has the ability to invalidate the prior firm's competitive advantage, which results in reduced (normal) rents (Barney, 1986b). Sustainability in the context of a sustainable competitive advantage is independent with regard to the time frame. Rather, a competitive advantage is sustainable when the efforts by competitors to render the competitive advantage redundant have ceased (Rumelt, 1984). When the imitative actions have come to an end without disrupting the firm's competitive advantage, the firm's strategy can be called sustainable.

The Resource Based View (RBV) as a basis for the competitive advantage of a firm lies primarily in the application of a bundle of valuable tangible or intangible resources at the firm's disposal (Mwailu & Mercer, 1983; Wernerfelt, 1984; Rumelt, 1984; Penrose, 1959). To transform a short-run competitive advantage into a sustained competitive advantage requires that these resources are heterogeneous in nature and not perfectly mobile (Peteraf, 1993). Effectively, this translates into valuable resources that are neither perfectly imitable nor substitutable without great effort (Barney, 1991).

2.3 Competitive Strategy for Cargo Tracking System

The importance of having a clearly defined new competitive strategy guiding the strategic process was recognized by Griffin (2010) and Cooper et al. (2003). Competitive strategy provides a clear direction and focuses the effort of the entire organization on a common competitive strategies goal. The competitive strategy needs to specify how the importance of competitive strategies will be communicated to employees to achieve their

buy-in and must explicitly reflect the importance that management places on competitive strategies (Clayton, (2010).

2.3.1 Cost Leadership Strategy

This strategy emphasizes efficiency. By producing high volumes of standardized products, the firm hopes to take advantage of economies of scale and experience curve effects. The product is often a basic no-frills product that is produced at a relatively low cost and made available to a very large customer base. Maintaining this strategy requires a continuous search for cost reductions in all aspects of the business. The associated distribution strategy is to obtain the most extensive distribution possible. Promotional strategy often involves trying to make a virtue out of low cost product features.

To be successful, this strategy usually requires a considerable market share advantage or preferential access to raw materials, components, labour, or some other important input. A firm attempts to maintain a low cost base by controlling production costs, increasing their capacity utilization, controlling material supply or product distribution and minimizing other costs including R&D and advertising (Prajogo 2007). Mass production, mass distribution, economies of scale, technology, product design, learning curve benefit, work force dedicated for low cost production, reduced sales force, less spending on marketing will further help a firm to main a low cost base (Tuminello, (2002). Decision makers in a cost leadership firm will be compelled to closely scrutinize the cost efficiency of the processes of the firm.

Maintaining the low cost base will become the primary determinant of the cost leadership strategy (Kim et al. 2004, p.21). Further they mention that such low cost may act as entry barriers since new entrants require huge capital to produce goods or services at the same or lesser price than a cost leader. As discussed in the academic frame work of competitive advantage raising barriers for competition will consequent in sustainable competitive advantage and in consolidation with the above writings we may establish the fact that low cost competitive strategy may generate a sustainable competitive advantage. However, low cost leadership is attached to a disadvantage which is less customer loyalty (Yakhlef, 2001, p. 490, Cross 1999). Relatively low prices will result in creating a negative attitude towards the quality of the product in the mindset of the customers (Pennathur, 2001). Customer's impression regarding such products will enhance the tendency to shift towards a product which might be higher in price but projects an image of quality.

2.3.2 Differentiation Strategy

With the differentiation strategy, the unique attributes or perceptions of uniqueness and characteristics of a firm's product other than cost provide value to customers. The firm pursuing differentiation seeks to be unique in its industry along some dimension that is valued by customers, which means investing in product R&D and marketing (Porter, 1980). It is the ability to sell its differentiated product at a price that exceeds what was spent to create it that allows the firm to outperform its rivals and earn above-average returns. A product can be differentiated in various ways. Unusual features, responsive customer service, rapid product innovations and technological leadership, perceived

prestige and status, different tastes, and engineering design and performance are examples of approaches to differentiation (Porter, 1980).

A differentiation strategy calls for the development of a product or service that offers unique attributes that are valued by customers and that customers perceive to be better than or different from the products of the competition. The value added by the uniqueness of the product may allow the firm to charge a premium price for it. The firm hopes that the higher price will more than cover the extra costs incurred in offering the unique product. Because of the product's unique attributes, if suppliers increase their prices the firm may be able to pass along the costs to its customers who cannot find substitute products easily.

Rather than cost reduction, a firm using the differentiation needs to concentrate on investing in and developing such things that are distinguishable and customers will perceive. Overall, the essential success factor of differentiation in terms of strategy implementation is to develop and maintain innovativeness, creativeness, and organizational learning within a firm (Pennathur, 2001). Successful differentiation is based on a study of buyers' needs and behavior in order to learn what they consider important and valuable. The desired features are then incorporated into the product to encourage buyer preference for the product. The basis for competitive advantage is a product whose attributes differ significantly from rivals' products. Competitive advantage results when buyers become strongly attached to these incorporated attributes and this allows the firm to: charge a premium price for its product, benefit from more

sales as more buyers choosing the product and more buyers become attached to the differentiating features resulting in greater loyalty to its brand.

2.3.3 Focus Strategy

The focus strategy concentrates on a narrow segment and within that segment attempts to achieve either a cost advantage or differentiation. The premise is that the needs of the group can be better serviced by focusing entirely on it. A firm using a focus strategy often enjoys a high degree of customer loyalty, and this entrenched loyalty discourages other firms from competing directly. Because of their narrow market focus, firms pursuing a focus strategy have lower volumes and therefore less bargaining power with their suppliers. However, firms pursuing a differentiation-focused strategy may be able to pass higher costs on to customers since close substitute products do not exist. Firms that succeed in a focus strategy are able to tailor a broad range of product development strengths to a relatively narrow market segment that they know very well. Some risks of focus strategies include imitation and changes in the target segments. Furthermore, it may be fairly easy for a broad-market cost leader to adapt its product in order to compete directly. Finally, other focusers may be able to carve out sub-segments that they can serve even better (Porter, 1990).

Focus strategy involves targeting a particular market segment. This means serving the segment more efficiently and effectively than the competitors. Focus strategy can be either a cost leadership or differentiation strategy aimed towards a narrow, focused market. Advantages of focus strategy include having power over buyers since the firm

may be the only source of supply. Customer loyalty also protects from new entrants and substitute products. The firm adopting focus strategy can easily stay close to customers and monitor their needs. However, the risks involved in focus strategy include being at the mercies of powerful suppliers since such a firm will buy in smaller quantities. Small volume also means higher production cost leading to loss of economies scale. Change in consumer taste or a technological change could cause such a firm's niche to disappear. Cost leaders or big organizations may also gain interest in a particular niche, eroding the advantage of the focusing firm (Porter, 1980).

2.4 Service Delivery for Cargo Tracking System

Service delivery as a deliberate obligatory decision by the elected or appointed officials to serve or deliver goods and services to the recipients. Service delivery framework is a set of principles, standards, policies and constraints used to guide the design, development, deployment, operation and retirement of services delivered by a service provider with a view to offering a consistent service experience to a specific user community in a specific business context. Service delivery framework is the context in which a service provider's capabilities are arranged into services (Helmsing, 1995).

The importance of tracking and tracing of shipments is considered quite high for manufacturing firms in terms of customer service and essential for managing logistics networks efficiently. Global industries are facing problems both from tracking and tracing in their logistics supply networks, that creates huge coordination problems in the overall product development sites. This problem loses the track among production,

delivery and distribution in the complete logistics chain from source to destination, which is responsible for opportunity cost through customers' dissatisfaction. Tracking system helps to identify the position of the shipment and informed the customer in well advance. Without tracking system it is almost impossible to find out delivered items and often considered as lost or stolen item that causes business loss. This system might fulfill the needs of project manager to map the production process from transportation to material management.

Helmsing (1995) in his study defines service delivery as a deliberate obligatory decision by the elected or appointed officials to serve or deliver goods and services to the recipients. Heskett (1987) defines service delivery as an attitudinal or dispositional sense, referring to the internationalization of even service values and norms. Customer care involves putting systems in place to maximise your customers' satisfaction with your business. It is more directly important in some roles than others. For receptionists, sales staff and other employees in customer-facing roles, customer care should be a core element of their job description and training, and a core criterion when you're recruiting (Athanasopoulos, 2000).

Tracking technologies in logistics networks are implemented fairly little in the global technology industry. Mostly high volume of global industries are implemented this technology with limited capabilities. The basic methods for all these tracking systems are usually confined for the customer to access the tracking information are within the area of tracing the shipments through manual queries such as using a www-site or telephone

call, e-mailing, fax or to engage in developing systems interfaces or integrating with the tracking system. There is even no available tracking system between invoice and transportation. Customers got their ordered goods through calling or e-mailing the vendors and there do not existing real-time tracking and tracing technologies. This lacking affect to network and relationship structures between manufacturers and potential customers. Thus industries need a concept, methods, tools and competencies to systematically develop their real-time tracking technologies for logistics network.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the approach that was used to conduct the research. It encompasses the research design, data collection and analysis.

3.2 Research Design

This refers to the methods and procedures to be followed in conducting the study. For this study, the research design was a case study due to the fact that the unit of analysis is one organization. A case study allows an investigation to retain the holistic and meaningful characteristics of real life events. It involved a careful and complete observation of the social units.

The main focus of this study was qualitative. The research design is a method of study in depth rather than breadth and places more emphasis on the full analysis of a limited number of events or conditions and other interrelations. Primary data was collected from such a study was more reliable and up to date.

3.3 Data Collection

The study used primary data and secondary data. An interview guide was used in collecting the primary data. This was used in order to gain a better understanding and enabled a better and more insightful interpretation of the results from the study. The

interview guide was be devoted to the identification of the responses to the the cargo tracking system as a competitive strategy in service delivery

The interviewees were Get-way managers, Hub managers and Supervisors, the country CEO and regional operations officer. The interview guide was administered through personal interviews in order to get their opinions on cargo tracking system as a competitive strategy in service delivery of DHL

3.4 Data Analysis

Before processing the responses, the completed interview guides was edited for completeness and consistency. Qualitative data analysis seeks to make general statements on how categories or themes of data are related. The data was qualitative in nature, due to this fact; content analysis was used to analyze the data. Mugenda and Mugenda (2003) define content analysis as a technique for making inferences by systematically and objectively identifying specified characteristics of messages and using the same to relate trends.

The qualitative data was done using content analysis. Content analysis is the systematic qualitative description of the composition of the objects or materials of the study (Mugenda and Mugenda, 2003). The data was obtained from the various management team members belonging to different departments and compared against each other in order to get more revelation on the issues under study. This research yielded qualitative data from the interview schedules and analyzed using content analysis because this study

seeks to solicit data that is qualitative in nature. Analysis of data collected was compared with the theoretical approaches and documentations cited in the literature review.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the information processed from the data collected during the research on cargo tracking system as a competitive strategy in service delivery of DHL. The interview guide were administered through personal interviews in order to get their opinions on cargo tracking system as a competitive strategy in service delivery of DHL.

4.2 Organization Bio-data

4.2.1 Location of the Company

DHL is a part of the Deutsche Post DHL group, one of the largest employers in the world. With a global network composed of more than 220 countries and territories and 470,000 employees worldwide. DHL also offers unparalleled expertise in express, air and ocean freight, overland transport, contract logistics solutions as well as international mail services.

4.2.2 Designation of Interviewees

Majority of the interviewees were Get-way managers, Hub managers and Supervisors. The country CEO and regional operations officer also participated in the study.

4.2.3 DHL Competitor

Interviewees were asked to indicate the companies that they consider as major competitor of DHL, Kenya in service delivery and they pointed out Kenya Airways Courier, Federal Express (FM), United Parcel Service (UPS), TNT Express and Aramex, although other

logistics companies are competitors in different markets and by different transportation modes, and competitors vary if in Europe, Asia, or Americas.

4.3 Nature of Cargo Tracking System Employed As a Competitive Strategy in Service Delivery

4.3.1 Nature of cargo tracking system employed by DHL, Kenya

From the respondents point of view, the nature of cargo tracking system strategies that are pursued by DHL Kenya do build on the distinctive competencies that they have cut out in the past decades. DHL continues to offer faster delivery times and expand their global network. A critical aspect of the strategy that is pursued by DHL, Kenya is along the technology front. DHL offers more automated and package tracking options, from the plain barcode to wireless, for their customers than any other firm in the industry.

DHL, Kenya's distinctive competencies are based on their strong resources as well as their capabilities to operate in the shipping industry. To some of DHL's major resources, that distinguish their operations from their competitors, undeniably belongs to their aircraft fleet. One can observe the extent of this distinction by comparing DHL, Kenya to one of their major competitors, UPS. It is not difficult to distinguish the barriers to imitate this kind of distinctive competence. For the most part, the biggest barrier to imitate DHL, Kenya's air fleet is the high cost of acquiring more aircrafts.

4.3.2 Product Differentiation for Service Delivery by DHL, Kenya

Respondents pointed out that DHL's strengths in logistics, operations, and technological innovation allow them to pursue a differentiation business level strategy. DHL works to stand apart from its competitors by creating a level of service that is difficult for competitors to match. DHL has clearly been identified as an innovator, but what they need to get across to their customers is that they provide a high level of quality service. DHL charges higher prices for its services than many of its competitors in the industry. This is considered a premium that a customer pays for the quality of service DHL provides. By differentiating their standard of quality from their competitors, DHL lets their customers know that if they are willing to pay more, it will be worth it.

The purpose of differentiation is to establish a strong customer base which understands that DHL does offer a superior service than its rivals. While all players in the industry are capable of making fast deliveries, DHL is the most customer-friendly. Some of the special services DHL offers are the most support, a money back guarantee, and the capability to pick up packages from the customers home. DHL goes far out of its way to differentiate itself from its rivals.

4.3.3 Levels of Innovative Services Strategies

Respondents aired their views that DHL, Kenya commitment to innovative services strategies is very apparent. The company invested heavily in new technologies that enable them to improve their service and make it more reliable and valuable in the eyes of their customers. They have improved quality by introducing innovative technologies

such as package tracking on their website, address checker which is a convenient tool that can help a client reduce the costly mistakes, late deliveries and dissatisfied customers resulting from incorrect addresses. This commitment to improving the quality of their service with add-ons creates a more valuable service in the eyes of its current and potential customers.

Innovation is deeply ingrained in DHL corporate culture, and has long been a driving force in the growth of its services. It originally stems from listening to customers and developing new products and services that address market needs. At DHL, creativity is celebrated and rewarded. Small and big ideas come from all levels of the company to achieve the highest levels of customer satisfaction. Improving processes, eliminating bottlenecks and increasing efficiency of daily operations is an ongoing cycle in DHL.

4.3.4 Nature of Cargo Tracking System Employed by other Companies

Interviewees reached on the nature of cargo tracking system employed as a competitive strategy employed by other companies, pointed out that tracking technologies in logistics networks is implemented fairly little in the global technology industry. Mostly high volume of global industries are implemented this technology with limited capabilities. The basic methods for these tracking systems are usually confined for the customer to access the tracking information are within the area of tracing the shipments through manual queries such as using a www-site or telephone call, e-mailing, fax or to engage in developing systems interfaces or integrating with the tracking system. Customers got

their ordered goods through calling or e-mailing the vendors and there do not existing real-time tracking and tracing technologies.

DHL places high value on maintaining and enhancing quality in every facet of the organization. Therefore it have designed and implemented a quality management system to ensure a consistent level of high standards at all times, and we evaluate these standards regularly and work on technological and process innovations to improve upon them. The DHL DQMS (Documented Quality Management System), called InfoHub, complies with the requirements of the international standard of ISO 9001:2008 and includes a set of effective systems that measure customer satisfaction in order to ensure continuous service enhancement.

4.3.5 Harnessing Customers Analytical Insight

Interviewees agreed that DHL harness analytical insight in order to get close to their customers and transform the data they collect into meaningful, actionable customer and market insight, this is necessary because, the way people interact with the world around them is changing and digital technologies offer new decision-making experiences. The power of these decision spaces is that they give users real insights, not just information; by providing valuable insight, users are one step closer to taking action.

Technology has been evolving to enable this for the last decade. The ubiquity of network connectivity and the proliferation of smart devices (such as sensors, signs, phones, tablets, lights, and drones) have created platforms upon which every enterprise can

innovate. In terms of creating new consumer experiences, this is perhaps most visible in the surging popularity of the “quantified self” movement. Consumer inventions such as FuelBand, miCoach, and Fitbit track systems in ways that allow users to easily gain insight into their performance often in real time giving them the information necessary to make decisions about picking up the pace, going for another lap, or pushing for a personal best.

4.4 Benefits of using Cargo Tracking System as a Competitive Strategy in Service Delivery

Interviewees argued that, there is a good number of benefits of using cargo tracking system as a competitive strategy in service delivery. Cargo Tracking System, which has always played a central role in relieving the immense pressure on costs, time, quality of service and profitability experienced by forwarders, is now more crucial than ever in rising to the on-going challenges being presented now and in the future.

Top customers need the flexibility to pick and choose from a wide range of supply chain options - such as express, air, ocean, freight and contract logistics. DHL's Global Customer Solutions team continuously customizes innovative solutions that meet its customers' needs and move their business.

4.4.1 Market focus

Interviewees were asked their views on whether the organization engages in market focus, and it was evident that DHL company leverage competitive advantages in the

marketplace to achieve high levels of performance. It attains overall market leadership by differentiating itself from competitors and dominating market segments where they focus their efforts. Focus strategy identifies the market segments where the company can compete effectively. The strategy matches market characteristics with the company's competitive advantages to select markets where a focus of the company's resources lead to desired sales volumes, revenues and profits.

Tracking and monitoring of shipping containers came in focus after 9/11. Many companies saw an opportunity and started ambitious container tracking projects. However, neither the technology nor the market was ready at the time. Today, mobile and satellite networks are providing ubiquitous online connectivity at a reasonable cost and mobile computing and sensor technology delivers high performance, as well as excellent usability. All of these components combined enable the delivery of supply chain management, security management and operations management applications linking containers and enterprise IT systems. Shipping container tracking is a subset of asset tracking and aims at securing assets and increase operational efficiency. DHL is known to be championing these gadgets by incorporates data logging, satellite positioning and data communication to a back office application in its market segments.

4.4.2 Impact of competitive strategy in DHL

Interviewees pointed out that the rate of competitive strategy in DHL is very high. The modernization of a company's workforce and transformation of their thinking to work in collaboration while being agile and nimble requires different leadership skills, mindset

and training and this gives DHL a competitive edge. Although DHL does not so much possess distinctive competencies, as it has strong existing competencies. DHL's existing competencies include brand equity, strong infrastructure and a fierce commitment to innovation and technology. These competencies enabled DHL to become the premier express delivery company in the world.

Additional distinctive competencies that DHL have, also arise from firm-specific tangible and intangible resources, namely, DHL's hubs and package handling systems; its package tracking and customer support function and its logistics support. Again, the main barrier to imitate these firm-specific resources is the high cost associated with acquiring them. DHL's package tracking and customer support functions as well as their logistic support are examples of the firm's distinctive competencies as well. The barriers to imitate DHL's package tracking and customer support functions are based on the fact that DHL's was the initiator in establishing the first tracking applications website and providing each customer with a unique barcode to individualize each shipment. That allowed DHL to gain proficiency at these systems and knowledge about the functional operations.

4.5 Challenged Faced in using Cargo Tracking System

Interviewees at this section were asked to indicate the challenges faced by DHL, Kenya in cargo tracking system as a competitive strategy in service delivery. The most conspicuous is the fact that Kenya lags behind in terms of infrastructure, the government is making great strides to enhance the "hardware" such as airports, roads, and rail.

With markets facing tougher challenges everywhere, Cargo Tracking System companies are focusing on the search for competitive advantage. DHL's people, processes, and services are geared to finding new ways to reduce cost and inefficiency, clarify processes, improve delivery accuracy, as well as simplify the most complex and extended supply chains.

4.5.1 Challenges of competitive strategy in the sector

The domestic delivery market in Kenya is very competitive with a large number of strong local players. Those local firms have grown up with the market, they have strong ties in the community, and everyone is pulling for domestic companies to succeed. Although DHL have years of international experience and have been operating in Kenya for a long time, it's still considered a relative newcomer to the domestic market. The other challenge is the size and complexity of the market. The challenge is capacity, which at the moment is unable to meet demand. These capacity issues can be anything from the availability of slots at an airport to congestion on roads and railways. Transportation and infrastructure are also undeveloped in the areas outside of major towns. This makes it difficult for domestic delivery.

Freight forwarding is moving away from its original structure, built on extensive networks of local branches. To improve efficiency and service, the industry is evolving toward more centralized networks, with large platforms and hubs at the national and regional levels. Despite consolidation, this new model has not yet been fully adopted. In

reality, many players still operate extensive local networks in the countries where they originally were based.

In the evolving logistics marketplace, winners understand that there is no single path to success. They overtake competitors by selecting an organizational model that best supports their corporate strategy. They also ensure that the strategy matches their targeted customer segments. To increase their competitive edge, leaders develop insights into customers' needs and purchasing behaviors. The end result is a highly focused organization with a well-defined business strategy, designed to deliver sustained growth and profitability.

4.5.2 Utilizing Information on Product Differentiation

Interviewees agreed that indeed DHL utilizes information from customers on product differentiation. DHL's differentiation strategy are that if they are able to set themselves apart from their competitors, they can create a larger customer base and perhaps brand loyalty. Based on their history and commitment to innovation, it is easy for DHL to introduce new package tracking systems, shipping hubs or a greater general efficiency. All of these things give them the upper hand over the competitors that cannot duplicate their methods. Another advantage of their strategy is that by becoming differentiated in the eyes of the consumer, DHL would be justified in charging a higher price for its services than most other shipping firms.

However, due to the nature of the industry and the awareness level of the customer, differentiating themselves is proving to be difficult. When it comes to shipping, customers are very price sensitive. They will usually just decide on the cheaper carrier, so there isn't much brand loyalty at all. The typical customer doesn't care how well DHL can deliver around the world, or how innovative their logistics or technology is. They usually want their package delivered from point A to point B for as cheap as possible. For these customers, the lines of quality service are blurred by affordability. Therefore, DHL needs to differentiate itself in as many ways as possible from its competitors, namely UPS. The less they resemble their rivals, the better their customers can perceive their level of quality, becoming more willing to pay the premiums.

4.6 Discussion of the Study

The discussion of the study is divided into the following two sections

4.6.1 Link to Theory

This study is anchored in the Resource Based View (RBV) of the firm. The key points of the RBV theory are that firms have to identify their key potential resources and evaluate whether these resources fulfill the following criteria referred to as Valuable, Rare, Inimitable and Non-substitutable (VRIN). A resource must be valuable to enable a firm to employ a value-creating strategy, by either outperforming its competitors or reduce its own weaknesses (Barney, 1991; Amit & Schoemaker, 1993). Relevant in this perspective is that the transaction costs associated with the investment in the resource cannot be

higher than the discounted future rents that flow out of the value-creating strategy (Mahoney & Pandian, 1992; Conner, 1992).

From the research findings, DHL is undoubtedly a leader in cutting-edge technology. DHL's strengths in logistics, operations, and technological innovation allow them to pursue a differentiation business level strategy. DHL works to stand apart from its competitors by creating a level of service that is difficult for competitors to match. DHL has clearly been identified as an innovator, but what they need to get across to their customers is that they provide a high level of quality service. DHL charges higher prices for its services than many of its competitors in the industry. This is considered a premium that a customer pays for the quality of service DHL provides. By differentiating their standard of quality from their competitors, DHL lets their customers know that if they are willing to pay more, it will be worth it.

4.6.2 Link to Other Studies

Prajogo (2007), argues that, to be successful this cost leadership strategy requires a considerable market share advantage or preferential access to raw materials, components, labour, or some other important input. A firm attempts to maintain a low cost base by controlling production costs, increasing their capacity utilization, controlling material supply or product distribution and minimizing other costs including R&D and advertising. From the research findings, interviewees pointed out that DHL is one of the largest employers in the world. With a global network composed of more than 220 countries and territories and 470,000 employees worldwide. Thus, DHL offers unparalleled expertise in

express, air and ocean freight, overland transport, contract logistics solutions as well as international mail services compared to rival companies.

According to Porter (1980), the firm pursuing differentiation seeks to be unique in its industry along some dimension that is valued by customers, which means investing in product R&D and marketing. This is supported by Pennathur (2001), who argued that, the essential success factor of differentiation in terms of strategy implementation is to develop and maintain innovativeness, creativeness, and organizational learning within a firm. From the research findings, DHL offers more unique automated package tracking options, from the plain barcode to wireless, for their customers than any other firm in the industry. DHL's distinctive competencies are based on their strong resources as well as their capabilities to operate in the shipping industry. To some of DHL's major resources, that distinguish their operations from their competitors, undeniably belongs to their aircraft fleet. One can observe the extent of this distinction by comparing DHL, Kenya to one of their major competitors, UPS. It is not difficult to distinguish the barriers to imitate this kind of distinctive competence.

Porter (1990), agrees that the focus strategy of a company concentrates on a narrow segment and within that segment attempts to achieve either a cost advantage or differentiation. A firm using a focus strategy often enjoys a high degree of customer loyalty, and this entrenched loyalty discourages other firms from competing directly. Because of their narrow market focus, firms pursuing a focus strategy have lower volumes and therefore less bargaining power with their suppliers. However, firms pursuing a differentiation-focused strategy may be able to pass higher costs on to

customers since close substitute products do not exist. Firms that succeed in a focus strategy are able to tailor a broad range of product development strengths to a relatively narrow market segment that they know very well.

From the research findings, it was evident that DHL company leverage competitive advantages in the marketplace to achieve high levels of performance. It attains overall market leadership by differentiating itself from competitors and also dominate market segments where they focus their efforts. Focus strategy identifies the market segments where the company can compete effectively. The strategy matches market characteristics with the company's competitive advantages to select markets where a focus of the company's resources lead to desired sales volumes, revenues and profits.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents summary of findings as discussed in chapter four and interpretations of the data analysis, conclusions and recommendations based on the findings.

5.2 Summary of findings

The importance of tracking and tracing of shipments is considered quite high for manufacturing firms in terms of customer service and essential for managing logistics networks efficiently. Global industries are facing problems both from tracking and tracing in their logistics supply networks, that creates huge coordination problems in the overall product development sites. This problem loses the track among production, delivery and distribution in the complete logistics chain from source to destination, which is responsible for opportunity cost through customers' dissatisfaction. Tracking system helps to identify the position of the shipment and informed the customer in well advance. Without tracking system it is almost impossible to find out delivered items and often considered as lost or stolen item that causes business loss. This system might fulfill the needs of project manager to map the production process from transportation to material management.

Interviewees argued that, there is a good number of benefits of using cargo tracking system as a competitive strategy in service delivery. Cargo Tracking System, which has

always played a central role in relieving the immense pressure on costs, time, quality of service and profitability experienced by forwarders, is now more crucial than ever in rising to the on-going challenges being presented now and in the future. Top customers need the flexibility to pick and choose from a wide range of supply chain options - such as express, air, ocean, freight and contract logistics. DHL's Global Customer Solutions team continuously customizes innovative solutions that meet its customers' needs and move their business.

Tracking technologies in logistics networks are implemented fairly little in the global technology industry. Mostly high volume of global industries are implemented this technology with limited capabilities. The basic methods for all these tracking systems are usually confined for the customer to access the tracking information are within the area of tracing the shipments through manual queries such as using a www-site or telephone call, e-mailing, fax or to engage in developing systems interfaces or integrating with the tracking system. There is even no available tracking system between invoice and transportation. Customers got their ordered goods through calling or e-mailing the vendors and there do not existing real-time tracking and tracing technologies. This lacking affect to network and relationship structures between manufacturers and potential customers. Thus industries need a concept, methods, tools and competencies to systematically develop their real-time tracking technologies for logistics network.

5.3 Conclusion

From the research findings, analysing external and internal factors, it is found that the competitive advantages of DHL are related to customer satisfaction, hi-tech

transportation service and sustainable program. The long-term relationship with customer brings win-win situation to both parties, which means DHL makes customer feel safe and happy, meanwhile customer gives opportunity to DHL to earn economic benefits. Hi-tech service seems to attract more and more potential customers. Besides, if DHL can learn something complementary from other companies, or improve teamwork spirits it must be more another important competitive advantage. The level of salary makes employees feel comfortable and makes good staffs stay with DHL.

From the research findings, Interviewees reached on the nature of cargo tracking system employed as a competitive strategy employed by other companies, pointed out that tracking technologies in logistics networks is implemented fairly little in the global technology industry. Mostly high volume of global industries are implemented this technology with limited capabilities. The basic methods for these tracking systems are usually confined for the customer to access the tracking information are within the area of tracing the shipments through manual queries such as using a www-site or telephone call, e-mailing, fax or to engage in developing systems interfaces or integrating with the tracking system. Customers got their ordered goods through calling or e-mailing the vendors and there do not existing real-time tracking and tracing technologies.

The study also found out that domestic delivery market in Kenya is very competitive with a large number of strong local players. Those local firms have grown up with the market, they have strong ties in the community, and everyone is pulling for domestic companies to succeed. Although DHL have years of international experience and have been

operating in Kenya for a long time, it's still considered a relative newcomer to the domestic market. The other challenge is the size and complexity of the market. The challenge is capacity, which at the moment is unable to meet demand. These capacity issues can be anything from the availability of slots at an airport to congestion on roads and railways. Transportation and infrastructure are also undeveloped in the areas outside of major towns. This makes it difficult for domestic delivery.

According to Yunfeng Gao, theoretically, Third-party logistics (3PL) industries own many advantages than traditional industry, such as: skillful staffs, high-tech equipments, and complex distribution network. Consequently, these advantages make the cost low, improve efficiency, and high level of service. Thus, the company would be more competitive.

5.4 Recommendations

On the basis of the above conclusions, the following recommendations were made for influence of information and communication technology on the performance of the aviation industry in Kenya.

DHL lacks complete liability insurance which might lead to customer loss. As a suggestion, DHL should establish a complete liability insurance system as soon as possible. And, the fewer employees might also cause efficiency problem, it could leave bad impact on employees' health because of a lot of jobs.

Further recruitment may be another good option to solve such problem. But the manager should also care about employees' physical and mental health more actively. Regarding price issue, DHL must deal with a cheaper brand identity as soon as possible. DHL can make discount for customer to inspire sustainable business. Providing more reward or honor to employee who act excellently may stimulate employee to work hard. In such dynamic marketing environment, DHL should keep making surprise to its customer and even to its competitor. DHL should invest more on R&D, and consummate service in order to defend its leading position.

5.5 Limitations of the Study

At the beginning of this thesis, the interviewee in DHL were unwilling to give answers of some questions as they thought the questions were sensitive that they didn't get approval of the superior. In order to gather more information, authors make another effort to contact other officer in DHL and finally were told to get relevant information through DHL website. This study was also limited to time and adequate resources to undertake the study. However, this study contributes to the companies which plan to develop their competition from inside to outside in the market, especially in 3PL industry. Through the analysis of external, internal and SWOT of DHL, the author provide the competitive advantages and disadvantage that DHL has and summarize company's strength, weakness, opportunity and threats. Such analysis gives the author deep insights into company successful factors and suggestions from dealing with the problems which company may encounter.

5.6 Suggestions for Further Studies

The unmet needs are the product or services that do not meet customer expectation, and it means opportunities and threats for companies to improve the quality of their goods or services. However, in this thesis there is no information to indicate if DHL has any unmet needs, but it must be there. If DHL can enhance itself by providing unmet needs to customer, there is no doubt DHL would be more competitive in the 3PL industry. Furthermore, unmet needs have direct impact on customer satisfaction. Customer satisfaction is the most important issue in the marketing, so it is worth to research DHL customer satisfaction by analyzing unmet needs. In order to complete this research, the question about customer satisfaction is essential, and it is necessary to look for relevant theories as guide. By linking theories and the result of interview schedule, the unmet needs of DHL can be found eventually.

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APPENDIX I: INTRODUCTION LETTER

APPENDIX II: INTERVIEW GUIDE

Section A: Organization Bio-data

- 4 What is the name of designation? _____
- 5 Where is it located? _____
- 6 Title/Position of the respondent _____
- 7 Who do you consider as your major competitor?

Section B: Nature of Cargo Tracking System Employed As a Competitive Strategy in Service Delivery

- 8 What is the nature of cargo tracking system employed as a competitive strategy in service delivery by DHL, Kenya
- 9 How do you carry out product differentiation for service delivery by DHL, Kenya?
- 10 In what levels is the Cargo Tracking System Developing innovative services strategies to take the business to the next level?
- 11 What is the nature of Cargo Tracking System Employed as a Competitive Strategy in Service Delivery as used by other companies?
- 12 Is the Cargo Tracking System harnessing analytical insight in order to get close to their customers and transform the data they collect into meaningful, actionable customer and market insight?

Section C: Benefits of using Cargo Tracking System as a Competitive Strategy in Service Delivery

- 13 What are the benefits of using cargo tracking system employed as a competitive strategy in service delivery by DHL, Kenya
- 14 Does your organization engage in market focus?

15 How would you rate the impact of competitive strategy on your company?

Section D: Challenged Faced in using Cargo Tracking System as a Competitive Strategy in Service Delivery

16 What are challenged faced in using cargo tracking system employed as a competitive strategy in service delivery by DHL, Kenya

17 What challenges has competitive strategy brought to your sector?

18 How is the information obtained from product differentiation utilized?