

**THE EFFECT OF PSYCHOLOGICAL POSITIONING IN  
ACHIEVING SUSTAINABLE COMPETITIVE ADVANTAGE  
AMONG SAFARICOM INDIVIDUAL CUSTOMERS IN NAIROBI.**

**BY**

**ISABELLA MUENI MUTUNGI**

**A RESEARCH PROJECT SUBMITTED IN PARTIAL  
FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF  
MASTER OF BUSINESS ADMINISTRATION (MBA), SCHOOL OF  
BUSINESS, UNIVERSITY OF NAIROBI**

**NOVEMBER, 2012**

**DECLARATION**

This is my original work and has not been presented for a study in any University or college.

Name: **Isabella Mueni Mutungi**

Admission Number: **D61/63036/2010**

Sign.....

Date.....

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

Name: **Dr. Raymond Musyoka**

Sign.....

Date.....

## **ACKNOWLEDGEMENT**

My special gratitude goes to my supervisor Dr. Raymond Musyoka who tirelessly through his effort, experience, expertise and initiative guided me through the whole process.

Above all, thanks to my God for the faithful provision, love and protection throughout my academic journey. Individually I take the formatting errors that would be spotted in this script.

I would like to acknowledge my family for their moral support and all the MBA students, colleagues, friends for their substance support, availability and especially in the completion of this project.

## **DEDICATION**

This project is dedicated to my two children Nicole, Nalo and my husband and a friend Jack Luke for supporting me emotionally and showing understanding when school work took toll on me. I dedicate it to Lecturers of the University Of Nairobi, School Of Business for their continual guidance and academic support contributed to the completion of this project within the stipulated timeframe.

# TABLE OF CONTENTS

<b>Declaration</b> .....	i
<b>Acknowledgement</b> .....	ii
<b>Dedication</b> .....	iii
<b>List of tables</b> .....	vi
<b>Abstract</b> .....	vii
<b>CHAPTER ONE: INTRODUCTION</b> .....	1
1.1 Background of the Study .....	1
1.1.1 Psychological Positioning .....	3
1.1.2 Sustainable Competitive Advantage .....	6
1.1.3 The Telecommunication Industry in Kenya.....	7
1.1.4 Overview of Safaricom Limited .....	9
1.2 Research Problem .....	10
1.3 Objectives of the Study .....	12
1.4 Value of the Study .....	12
<b>CHAPTER TWO: LITERATURE REVIEW</b> .....	14
2.1 Introduction.....	14
2.2 Psychological Positioning.....	14
2.3 Factors Affecting Psychological Positioning .....	16
2.4 Psychological Positioning and Competitive Advantage .....	20
2.5 Challenges Facing Psychological Positioning .....	24
2.6 Solutions to Challenges Facing Psychological Positioning .....	25
2.7 Summary .....	27
<b>CHAPTER THREE: RESEARCH METHODOLOGY</b> .....	28
3.1 Introduction.....	28
3.2 Research design .....	28
3.3 Population .....	28
3.4 Sampling .....	28

3.5 Data collection .....	29
3.6 Data Analysis .....	29
<b>CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATIONS</b> .....	30
4.1 Introduction.....	30
4.2 Demographic profile of the respondents .....	30
4.3 Academic profile of the respondents. ....	33
4.4 Positioning Attributes .....	35
4.5 Perceived Competitive Benefits.....	38
4.6 Safaricom Challenges in Positioning of their products.....	40
<b>CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS</b> .....	42
5.1 Introduction.....	42
5.2 Summary .....	42
5.3 Discussions .....	44
5.4 Conclusions.....	46
5.5 Recommendations.....	46
5.6 Limitations of the study .....	48
5.7 Suggestions for Further Research .....	49
<b>REFERENCES:</b> .....	50
<b>APPENDIX 1: QUESTIONNAIRE</b> .....	53

## **LIST OF TABLES**

Table 4.1 Response rate .....	30
Table 4.2 Gender of the Respondents .....	30
Table 4.3 Age of the Respondents .....	31
Table 4.4 Number of years as a Safaricom Customer .....	31
Table 4. 5 Employment History .....	32
Table 4.6 Marital Status .....	32
Table 4. 7 Education level of Respondents.....	33
Table 4.8 Household Income .....	34
Table 4.9 Positioning Attributes .....	35
Table 4.10 Perceived Competitive Benefits.....	38
Table 4.11 Safaricom Challenges in Positioning of their products .....	40

## **ABSTRACT**

In order to keep up with the competition and changing consumer needs and wants in the competitive business environment. Changing consumer needs and business environment has necessitated Safaricom to position their products and services from the psychological aspect in order to survive in the competitive and dynamic telecommunication industry. The objectives of the study were; to determine the effect of psychological positioning in achieving Competitive advantage among individual Safaricom customers, to assess the relevant psychological positioning attributes among individual Safaricom customers in the market and to identify the challenges facing Safaricom psychological positioning in the market. This was a descriptive cross-sectional study. The target population for this study was the Safaricom customers who were using Safaricom products and services. This study utilized a questionnaire as the data collection tool. Data collected was analyzed through descriptive statistics with the help of SPSS.

It was established that quite a number of challenges were faced by Safaricom Company in the market which included; Competition from other telecommunication companies had resulted to customer change of attitudes toward Safaricom brand. Complexity of Safaricom adverts posed a major challenge to consumers and affected their perception towards the brand, inadequate customer attention was a challenge that contributed to negative perception of the brand in the market. Therefore, this study recommends that Safaricom Company should conduct a market surveys frequently in order to understand the changing consumer needs and wants and the management should come up with effective pricing policies to retain and attract customers in the market.



# CHAPTER ONE: INTRODUCTION

## 1.1 Background of the Study

Behind the rapid growth in mobile communication in Kenya there are some important trends that may change the way the industry operates. These trends are the macro-economic factors that redefine this industry and include the economy, economic spending by the consumers, technological advancement, regulatory restructuring, competition for the customer base and changing consumer demands for example customers' needs have become more sophisticated, customers seek value from the products and services, raising their expectations on quality. Today, the diverged interests of business and individual consumers are increasing. 5 or 6 years back, consumers just wanted a SIM card. Handset price, functionality, and data connection speeds led the market. The current situation is more complex.

Individual consumers are concerned about portability and mobility prompting questions such as: Will my phone fit in my jeans' back pocket? While for businesses, mobility centers more on the question: Do the applications I need work on my mobile? When a mobile signal drops, individual users simply move somewhere else to obtain a signal. So Quality of Service, and those entire attributes customers associate with the Mobile network enterprise environment are starting to impinge very significantly on customers' expectations in the mobile space. (MacLeod, 2009)

The Economic forces are constantly changing and significantly influence organization position and survival in the market. The economic activities include: Economic growth, inflation, recessions, and interest rates etc. and their upward and downward trends impact significantly on telecommunication sector performance. It is important for marketers to understand consumer behaviors as their preferences are also evolving. In the recent survey done by Bharti Airtel during their introduction of low-cost model found out that the price reduction strategy did not deliver results, consumers did not increase their consumption instead spread their residue income to household budget (standard newspaper Feb, 2012).

The Market has become increasingly more competitive and coping with the increasingly competitive environment calls on firms to rethink the marketing strategies (Pearce and Robinson, 2005). In our Kenyan Telecommunication Sector competition for customers has become a fierce battle. Almost every marketing strategy has been employed to attract potential customers. This is inclusive of 'Price war' involving intense competitive rivalry accompanied by series of price reductions of tariffs just as seen recently between the largest players in terms of market share Safaricom Limited and Bharti Airtel. To attract customers the four players in the market (Safaricom, Airtel, Orange and Yu Mobile Networks) have also been offering promotional attractions such as, bonus airtime, free service, unlimited resources etc. They have provided free accessibility to customer care contact points, e.g. Safaricom has got L100 (prepaid), L200 (Postpaid) and Money transfer services L234 (M-PESA Services), High speed data network (3G) among other value added products and services.

Traditionally, there are the most wanted features that a customer are looking for, prior to product or service such as high quality or high end gargets, lifestyle-enhancing features, environmental friendly products, and value for money. However, the ability to differentiate using these features and price is being diluted by the day because every competitor in telecommunication industry will have already thought of that. This is very evident in the giant advertisements that are placed in the media every day. (<http://kogitronomy.wordpress.com/2011> ).

This situation has become a major concern for the company as customers are defecting to other competitors or cease to use services. The environmental changes are representing a potential threat to an established firms and a market leader. These changes in the business environment are seriously eroding competitive advantage. Therefore, the upsurge of macro-economic forces require of an organization to develop alternative strategies to sustain the high performance and profitability in the telecommunication sector and today a company cannot afford complacency must adapt itself to these developments and innovation for better positioning in the environment (Lindgreen, 2008).

### **1.1.1 Psychological Positioning**

Positioning refers to how customers think about proposed and/or present brands in a market (Perreault and McCarthy 1999). Through a brand's positioning, a company tries to build a sustainable competitive advantage on product attribute(s) tangible or intangible in the mind of the consumer. This advantage is designed to appeal to one or more segments in that product category. Developing a successful positioning strategy in a complex market can be one of a company's most difficult decisions (Schnedler

1996). Harris (2009) asserts that product positioning is a pivotal concept of modern marketing which attempts to maximize demand for a product or service.

There are two major categories of positioning, market positioning and psychological positioning. Market positioning is the first step of corporate positioning and is defined as the process of identifying and selecting markets or segments that represent business potential, to determine the criteria for competitive success (DiMingo, 1988). This must be based on a thorough knowledge of the needs, wants, and perceptions of the target market, along with the benefits offered. To do this, a few crucial questions must be answered. What is important to the target market? How does the target market perceive the product or service? How does the target market perceive the competition? What attributes should a product or service use to differentiate itself to make the best use of its limited resources?

Rozga (2006) defined psychological positioning as being communications exercise that follows Attention; Interest; Desire; and Action (AIDA). Therefore, Psychological positioning is a strategy that utilizes communication to create unique product image with the objective of creating interest and attracting consumers. It converts customer need into images and positions in customer mind. There are two kinds of psychological positioning in marketing: objective positioning and subjective positioning. Each has its appropriate place and usage. Objective positioning is concerned, almost entirely, with the objective attributes of the physical product. Subjective positioning is concerned with subjective attributes that is Consumer perceptions and feeling experienced when interacting with the product or the service rendered (DiMingo, 1988).

Key dimensions a company use to differentiate its market offerings are quality, image, personnel and channel. The brand name, distribution, advertising, promotion and packaging must also complement the psychological positioning. Consumer behavior is driven more by the feeling than rationale, hence positioned brand fails if it does not strike right chord (Flynn, 2004). This means that a brand ultimately has to build a relationship with the consumer.

Psychological positioning is tied in to the core competence of an organization. In Kenya, a financial institution like Equity bank aims to be identified by its clientele as ‘The listening and caring partner’, Kenya Re-insurance’s policy positioning slogan ‘Securing our future’; Sameer Africa’s slogan is ‘We’ll take you there’. Safaricom positioning core values are speed, simplicity and Trust and the company goals are aligned to project these values in all their touch points with Customers.

Psychological positioning is of tremendous significance to marketing. What the marketer hopes to do is to control the positioning, not just let it happen. Moreover, failure to select a position in the marketplace, to achieve, and to hold that position may lead to various consequences, all undesirable, as pointed out earlier. Safaricom Limited, currently operating in a business environment characterized by fierce competition, is a major beneficiary of psychological positioning strategy. Psychological positioning has enabled the marketing wing of Safaricom Limited to create a unique brand /product image thereby creating interest and attracting customer toward their brand and the diverse products that they offer (Economy Watch, 2012). Safaricom Positions as the mobile telecommunication market leader in offering high quality products and service and prides itself in delivering excellent 24hrs customer service to all its 16million customers.

### **1.1.2 Sustainable Competitive Advantage**

Competitive advantage, according to Doyle, (2000) refers to the capability to make target customers an offer that they perceive as providing superior value over competitors offers. Customers buy from competitors that they perceive offer best value. A product perceived value consist of these elements: perceived benefits offered by the company products, minus the product price and other costs of using and owning it. Kotler, (2005) argues that customers estimate which offer will deliver the most value and buy from the company they perceive offers highest customer delivered value. Phil, (2009) defines competitive advantage as an advantage that one firm has, relative to competing firms. It usually originates from a core competency for example Safaricom Limited core competencies the company positioning is Speed, simplicity and trust in its products and service delivery. To be really effective, the advantage must be difficult to mimic, unique, sustainable, superior to competition, and application to multiple situations.

Competitive advantage depends on how the firm is able to create for its customers' value that exceeds the firm cost of creating product. Value is what the customers are willing to pay and superior value stems from offering low prices than competitors or providing unique benefits (Narayanan, 2001). Porter (1985) argues that the concept of competitive advantage relates to the ability of an organization to discover and implement ways of competing that are unique and distinctive from those competitors and can be sustained over time. The fundamental basis of organization performance is sustainable competitive advantage (Porter, 1996).

Organizations that have sustainable competitive advantage have capabilities and competencies that enable them produce service and products that market is willing to

buy. The main goal of Safaricom Limited is focused on profit maximization and customer retention. Therefore, Safaricom focus in achieving sustainable competitive advantage is to grow value through perfect market positioning. A sustainable competitive advantage ascertains Safaricom Limited consistent positive cash-flow, offers Safaricom a significant market share, brand equity and customer loyalty ([www.safaricom.co.ke](http://www.safaricom.co.ke))

### **1.1.3 The Telecommunication Industry in Kenya**

The ubiquity and high penetration rate of mobile technology has made Kenya a center stage of dynamic and unique competition among mobile service providers. Over the years, a number of mobile operators have emerged with attractive packages apparently with the aim of attaining the largest number of customers as possible. Pioneers in the Kenyan mobile service scenario were Safaricom and Kencell (now Bharti Airtel), since then, the number has grown to four, following the entrance of Orange Network, and fourth mobile operator YU Mobile Network. The telecommunication industry in Kenya, just like the rest of the world, has gone through profound changes. In the past decade, technological advancement and regulatory restructuring have transformed the industry. Markets that were formerly distinct, discrete and vertical have coalesced across their old boundaries with a massive investment of capital - much of it originating from private sector participants.

The result has been new markets, new players, and new challenges. Market liberalization efforts have also picked up ensuing the successful partial privatization of Telkom Kenya Ltd (December, 2007), divestment of Government of Kenya's 25 per cent stake in Safaricom Ltd through a public listing (May, 2008), and the launch of fourth mobile operator Econet Wireless Kenya (November, 2008). This has

resulted into some of the world's best known telecommunication providers – Vodafone, France Telecommunication and Essar Communications through their investments in Safaricom Limited, Telkom Kenya Limited and Econet Limited respectively - being major players in the Kenyan market. Ongoing infrastructural developments by operators have largely been focused on network expansion for increased nationwide coverage (PwC-Kenya webpage).

The competition among these companies is totally commendable in that it has contributed to a vast improvement and transformation of access to quality communication, accompanied by series of price reductions of tariffs for people across Kenya (Ministry of Information, 2012). Other innovations that have transformed the economy include money transfer service, for example M-pesa, U-cash, Airtel money etc. The banks have partners with the networks to deliver mobile banking services to customers. Current challenges facing the Telecommunication Sector in Kenya include: Licensing of the Secondary National Operator process has been rather slow and lethargic and may have been overtaken by events such as the issuing of unified licenses, Increasing competition and regulatory requirements ,Scope for m-commerce application largely unexplored, Regulation and enactment of an enabling framework for provision of financial intermediary services such as mobile banking, Managing growth and the impending challenges on quality of service, average revenue per user, operator capacity.



#### **1.1.4 Overview of Safaricom Limited**

Safaricom Limited started as a department of the former state owned Kenya Posts & Telecommunications Corporation, initially launching its operations as early as 1993. In 1997 Safaricom was incorporated as a private limited liability company. In May 2000, Vodafone group Plc of the United Kingdom, the world's largest telecommunication company, acquired a 40 per cent stake and management responsibility for the company. The state corporation Telkom Kenya acquired a 60 per cent stake in Safaricom by contributing its ETAC and GSM networks together with a customer base valued at US\$30 million. However, Telkom Kenya Ltd (December 2007), divested of Government of Kenya's 25 per cent stake in Safaricom Ltd through a public listing (May 2008). Similarly, Vodafone Kenya Limited acquired a 40 per cent interest in Safaricom.

Safaricom is the largest telecommunication service provider in Kenya and has been expanding its Customer base in Kenya. It owns 65.3 per cent of total customers in the country's mobile market share. Safaricom is currently the market in leader in telecommunication industry operating in a very competitive environment. The competitors include Bharti Airtel, YU, and Orange network. It has a well-established countrywide retail center outlets and dealers network to manage distribution and selling of its products and services. Safaricom has a detailed organisation structure in line with the Safaricom 2.0 agenda which its main focus is on the customer and secondly it positions as an efficient organisation that support its core values speed, simplicity and trust. It has more than 3000 employees supporting the fast growing market.

Over the years, Safaricom has managed to come up with unique and attractive innovations that have seen it emerge as by far the leading telecommunication company in Kenya. Safaricom, the largest mobile operator in Kenya, is noted for its innovative telecommunication services. As a market leader company seeks to deliver services that are relevant on a local level covering both prepaid and postpaid, adding value for customers, and fortifies the brand equity of Safaricom. Leading products in its market share include M-PESA, Data, and Voice etc. Safaricom has received several awards on innovations for example: The Best Mobile Money Service award at the 2009, GSMA Mobile World Congress for M-PESA, and Safaricom signature service 2010 (<http://www.huawei.com/ru/static/hw-079487.pdf>, ISSUE 2, 2009).

Despite stiff competition from the other three mobile service providers, that is, Airtel, Orange and YU, Safaricom has successfully dominated the market; controlling more than half of the mobile communication sector in Kenya. Recently the company has as one of the largest and fast growing network across East Africa. These attractive elements as well as a host of other interactive services have surely made Safaricom ‘the better option’ (Safaricom Website, 2012).

## **1.2 Research Problem**

In emerging economies like Kenya, macro-economic factors such as competition, economic fluctuations, customer demands and stringent government regulatory policies can jeopardize a telecommunication firms effort to move a notch higher in embracing real positioning and consequently have an adverse effect towards sustainable competitive advantage. Therefore, lack of competitive advantage in this sector, the firm could easily experience decline in value maximization, a path that will constrain future choices and opening up of new possibilities.

Psychological positioning is closely tied to sustainable competitive advantage. According to the basic principles of marketing, products and services are created to solve customer "problems" and provide benefits. Thus, to be effective, psychological positioning must promise the benefit the customer will receive, create the expectation, and offer a solution to the customer's problem. If at all possible, the solution should be different and better than the competition's solution set, especially if the competitors are already offering a similar solution (Chacko, 2009).

As business shrinks, competition heats up and organizations are finding ways to differentiate themselves from their competitors. In critical times like now, customer understanding has become a potent competitive weapon in every business. Price positioning has also become less and less of a valued factor in positioning, and customers are also tired of hearing that every product or service is the best. They are more knowledgeable (Davidow and Utal, 1989).

A recent survey, reported Safaricom market share dropping as rivals such as YU gain from promotional and special offers targeting the youth. Latest figures by the Communication Commission of Kenya indicated that Safaricom, the largest mobile operator in East Africa, had a 65.3 per cent market share by subscription as at 31st March 2012 having dropped from 66.6 per cent in December, 2011, a 1.3 per cent decline. Essar Telecom, which operates the mobile brand YU, gained the largest market share to reach 8.7 per cent, a 0.8 per cent growth. YU is however still the smallest operator in the market followed by Orange (10.6 per market share) and Airtel at 15.3 per cent. (Herbling, Daily Report: Tuesday, July 10, 2012).

A number of local studies in Kenyan firms have been carried out to determine the importance of Positioning in gaining competitive edge. The studies include: Ndegwa

(2002), Ochola (2002), Kiprop (2003) and Mutheu (2005). However, to the best knowledge of the researcher, there has been no research carried out that directly look into the effect of psychological positioning in achieving sustainable competitive advantage among the individual customers in the local Mobile Telecommunication sector. Thus to fill this knowledge gap, this study seeks to answer this one vital question: What is the effect of psychological positioning in achieving sustainable competitive advantage among individual Safaricom customers?

### **1.3 Objectives of the Study**

The general objective of the study is to establish the effects of psychological positioning in achieving sustainable competitive advantage in Safaricom Limited

The study was guided by the following specific objectives:

- i. To determine the effect of psychological positioning in achieving Competitive advantage among individual Safaricom customers.
- ii. To assess the relevant psychological positioning attributes among individual Safaricom customers in the market.
- iii. To identify the challenges facing Safaricom psychological positioning in the market.

### **1.4 Value of the Study**

This study will contribute to theory, policy and practice. The study is also set to contribute to academic world. The study will be of great significance to Safaricom Limited, corporate executives in the telecommunication sector. Safaricom Limited is expected to be the chief beneficiaries of the study, as they it get new insights related to effects of psychological positioning and how ensures achievement of a sustainable competitive advantage.

The corporate executives too in the telecommunication sector will benefit tremendously from the findings of this study in that it is set to offer a detailed clarification regarding elements of psychological positioning that their firms can adopt to enhance their competitive advantage. The researcher has also identified there is very minimal study that has been carried out on psychological positioning in the Mobile Telecommunication sector in the local context. This study will thus add to the existing knowledge base by looking closely at effects of psychological positioning in achieving sustainable competitive advantage among Safaricom individual customers.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter presents an up to date review of related literature on psychological positioning and achievement of sustainable competitive advantage. The literature was sourced from relevant professional business journals, published and unpublished papers. The chapter helps to show what other researchers have found out generally about effects of psychological positioning in achieving sustainable competitive advantage.

### **2.2 Psychological Positioning**

Psychological positioning is a paramount element of marketing that uses communication to convey the identity and image to the target market to create a unique product image. According to Hanrahan (2000) psychological positioning creates an image but positioning approach completes the picture using visuals and words. Appropriate approaches are selected based on information collected during market position and psychological positioning.

Kotler, 2006, defines positioning as the act of designing the company's offering and image to occupy a distinctive place in the mind of the target market. The goal is to locate the brand in the mind of consumer to maximize potential benefit to the firm. Good brand positioning helps guide marketing strategy by clarifying the brand's essence, what goals it helps the consumer achieve, and how it does so in a unique way. The result of positioning is the successful creation of a customer focused value proposition, a cogent reason why the market should buy the product.

As noted in the preceding chapter, there are two kinds of psychological positioning in marketing: objective positioning and subjective positioning. Each has its appropriate place and usage. Objective positioning relates to the objective attributes of the physical product. It is concerned, almost entirely, with the objective attributes of the physical product. It means creating an image about the product or service that reflects its physical characteristics and functional features. It is usually concerned with what actually is, what exists. In other words, it deals with the objective attributes of a physical product (Rozga, 2006). Subjective positioning on the other hand includes the mental perception of the customer.

Marchany (2003) explains that subjective positioning is concerned with subjective attributes of the product or service. Subjective positioning is the image, not of the physical aspects of the product or service, but other attributes perceived by the customer, (i.e., they do not necessarily belong to the product or service but to the customer's mental perception). These perceptions and the resulting images may not necessarily reflect the true state of the product or service characteristics. They may simply exist in the customer's mind and not all customers' imaging agrees with a particular perception or image. In short, subjective positioning is inspired by cultural heritage rather than physical attributes.

The dynamics of psychological positioning are happening all the time and never in the neat sequence in which they appear below. In reality, the following steps take place partly sequentially and partly simultaneously, always requiring step-by-step review and revision. These steps include: Analyzing market opportunities; selecting a market and target specific subgroups; and devising a competitive strategy.

According to Mutheu (2005) the psychological positioning process begins with developing an attractive set of relevant opportunities based on corporate purpose, objectives, and growth strategies. In essence, a market opportunity is an area in which a company feels it is likely to enjoy a differential advantage over the competition. Since a market is typically filled with diverse customer groups and needs, segmentation is the next logical step. McKegney (2002) cites that subdividing the market into distinct subsets of customers is an important move toward fine-tuning a positioning strategy.

A company discovers different needs and groups in the market place, targets those needs and groups that it can satisfy in a superior way, and then positions its offering so that the target market recognizes the company's distinctive offering and image (Kotler, 2006). The entire concept of positioning strategy hinges on doing a better job of serving the chosen market than competitors do. To achieve this, a company must focus primarily on identifying its competitors' weaknesses and capitalizing on its own strengths to differentiate an offer (Hanrahan, 2000).

### **2.3 Factors Affecting Psychological Positioning**

Psychological positioning is probably one of the most important steps of a marketing strategy. Lopez and Ordas (2005) argue that once the market has been segmented and an appropriate segment been targeted, the firm needs to position itself in the minds of the customer. In operational terms, this is the communication of its value proposition to the customer. Correct psychological positioning is extremely crucial for the success of the marketing strategy and eventually the product or service. The firm may have an excellent offering, but if the same is not effectively communicated to the customer, probability of success is low. Psychological positioning thus should be on the basis of



the following factors: benefits, attributes, customer, competitor, communication mix (Advertising, PR, personal selling), image, personnel and management. These factors generate a pool of items which consumers/customers employ in their perceptions of goods and service.

To elaborate the psychological positioning factors further Tuli and Hawkins (1994) and Churchill (1995) employed focus group sessions. Participants were asked to provide descriptors/statements for the products and services in terms of features attributes and benefits. They were also encouraged to describe actual experiences related to their general perceptions about products and service. The survey highlighted benefits a crucial factor in positioning. Psychological positioning stresses on a few key benefits of using a product or a service. The telecommunication industry is a good example of psychological positioning beneficiary. The customer is communicated the benefits of using a particular tariff, package or service. For example recently M-pesa launched a benefit campaign in all media targeting existing and potential customers with the theme 'relax you've got M-pesa', (September, 2012).

Contrary to other forms of positioning, psychological positioning clearly emphasizes key attributes of the product or service. Psychological positioning is beneficial when the customer is aware of the benefits arising out of such attributes. The telecommunication industry again is a good example of psychological positioning attribute, with firms emphasizing on detailed quality specifications, excellent customer service, qualified personnel.

The customer is an extremely focused factor of psychological positioning, which clearly emphasizes the superiority of the product with respect to a particular customer

group. Davidow and Uttal (1989) argued that best practice companies invest a lot of their resources in capturing the voice of the customer. A few examples include beauty products targeting women, bicycles for teenagers, among others. Safaricom has developed a world class consumer and enterprise Segmentation tool to understand her customers on a consistent basis and allow creation powerful strategies for the innovation and communication of products and services offered. Customer focus is an option that the top management of the company consciously decides to take when positioning brand.

Competition is a particularly aggressive element of psychological positioning whereby one's own product is claimed to be superior to that of the competitor. This element is suitable for an oligopolistic market with high levels of competition. An example is the mobile telephony industry wherein market participants constantly try to claim superiority over competitors. Recently in June 2012, Bharti Airtel advertisement on TV stations have displayed 3.75G network, offering better and superior speeds than the market leader.

Quality is another major factor of psychological positioning and applies when product price is high. The customer will be willing to pay the price only if s/he is assured that the quality is correspondingly high. Technology products use this strategy effectively to command high price by quoting superior quality. When it comes to service Tschohl (1996) said that the bottom-line definition of kind of service its customers expect, delivers on those expectations 100 percent of the time, at a price that customers are willing to pay, while still getting an acceptable return. What the customer defines as service has changed radically through the years and will continue to change. Today's definition includes convenient location,

breadth of selection, category dominance, and speed of transaction and can even mean competitive prices.

A communication mix strategy could be designed to more effectively manage products and services image perceptions. Optimization of communication forms such advertising, promotions, public relations and personal selling can maximize on brand image, (Journal of Travel Research, 2008). When competition is generally mature, as it is in consumer packaged goods and automobiles, even the most artful advertising fails to convince customers that real differences exist. People believe more and more that all brands are basically the same and so why watch commercials (Wall Street Journal, 1988).

Image is an important factor in positioning. Today businesses must compete with their counterparts from other countries for the same customers. Therefore, they must maintain their image through brands and positioning. A brand is an external indication that a product or service has received an organization's imprint. The brand name communicates directly to customers' information about the product or service characteristics. It also conveys information about the products or service characteristics. It also conveys information about the service quality and service value delivered by the company. A brand name also represents the company's employees, its service offerings and the customers as well (Tocquer and Cudennec, 1998).

Management and Personnel determines the success of psychological positioning strategy in the market. A question that has become critical in high performing organization is: do people who come into contact with the buyer behave as if they are working mainly for the company or for the customer? Top management has to

demonstrate, communicate and reinforce the organization-wide commitment to positioning (Berry, Bennett and Carter, 1989). Their goal is in fact about aligning the company's resources around the customer. When company resources are not aligned, departments which are not usually customer driven, like Finance and Administration or Information Technology Departments, tend to forget to integrate the customer in their decisions. Leading service organizations tend to be clear about the definition of the customers they want to serve; everyone in the organization is made aware of it (Tocquer and Cudennec, 1998). Many companies are concerned only with the tangibles such as technical skills talent and overlook the intangibles (soft skills) such reliability, responsiveness and empathy (Tschohl, 1996).

## **2.4 Psychological Positioning and Competitive Advantage**

Achieving a competitive advantage is a major preoccupation of senior managers in the competitive and slow growth markets, which characterize many businesses today and the sources of competitive advantage have been a major concern for scholars and practitioners for the last two decades (Henderson, 1983; Porter, 1985; Prahalad and Hamel, 1990; Barney, 1991; Peteraf, 1993). The importance of competitive advantage and distinctive competences as determinants of a firm's success and growth has increased tremendously in the last decade. This increase in importance is as a result of the belief that fundamental basis of above-average performance in the long run is sustainable competitive advantage (Porter, 1985).

Practitioners and academicians have centered their studies on firm specific characteristics that are unique, add value to the ultimate consumer and are transferable to many different industrial settings (Coplin, 2002). Thus, it is understood that across sectors most firms should recognize that attaining competitive advantages is the most

challenging issue facing firms in the 21<sup>st</sup> century. This concern has led to the development of resource-based and knowledge-based theories that examine the relationship between core resources and capabilities; sustainable competitive advantage and above normal performance. According to Barney (1991) a firm is said to have a sustainable competitive advantage when it is implementing a value creating strategy not simultaneously being implemented by any current or potential competitors and when these other firms are unable to duplicate the benefits of this strategy.

The key to competitive advantage is in product/service differentiation. A market offering can be differentiated along five dimensions: product (form, features, performance quality, conformance quality, durability, reliability, reparability, style, design); services (order ease, delivery, installation, customer training, customer consulting, maintenance and repair, miscellaneous services); personnel, distribution channel, or corporate image (Kotler and Keller, 2006).

In addition, the relationship between a firm's adoption of the positioning concept and its profitability has also been documented by Fisher (1991, pp.19 and 20) who contended that a differentiated position generates high return on profits. The above is supported by empirical evidence put forward by McAlexander et al (1993) who state that the selection of a positioning strategy correlates significantly with financial performance. Thus sustained competitive advantage exists only after efforts to replicate these advantages have failed. However in competitive markets a firm may need to go beyond in their market offering by introducing a realistic psychological positioning. According to Sapienza (2002) an ideal psychological positioning is closely aligned to the needs of its target segments, both current and emerging.

Companies which anticipate and shape market trends through a uniquely designed psychological positioning have the best opportunity to have a sustainable competitive advantage.

In business, often the best way to predict the future is to create it, and companies are often able to position themselves in ways which set and exploit the basis of competition to their advantage. Armstrong (2001) observes that there are two ways in which a business can gain competitive advantage by establishing a favourable psychological positioning. First, influence customers' perceptions, their expectations, the benefits & value which they are prepared to pay for (driving customers towards preferences in which your company has a competitive advantage in delivering against). Secondly, establish a raw competitive advantage over rivals (present and future)

The first method is obviously about shaping the nature of market demand to generate a desired market psychological positioning. The second method involves establishing raw competitive advantage. It is about using the delivery or supply side of business to establish a market psychological positioning that is usually quite tangible. Marketing innovation can be used to drive opportunities in psychological positioning. This way, companies can position for competitive advantage by either influencing customers or by establishing real world competitive advantage.

To put it briefly, psychological positioning enhances sustainable competitive advantage of firms through: effective Product differentiation; ideal branding; appropriate pricing and understanding competition. Successful product differentiation is a key characteristic of a competitive psychological positioning. Lipshirtz (2000) indicates that product differentiation involves determining what it is about your

product or organization that makes it better than any other within the industry and implementing marketing strategies that will properly inform consumers of such. This product differentiation establishes a higher value, whether perceived or actual, for a product than for that of competitors' products

According to Murray and Donegan (2003) branding is the marketing process of applying a personality or identity to a particular product or company. Building a strong brand or corporate identity is a chief attribute of psychological positioning. Effective branding often leads consumers to pay a higher price for a specific brand than they would normally pay for a similar product without the high status brand. For example, a consumer may be willing to pay much more for a 3G mobile handset from a trusted brand, such as Samsung, than for a similar type of handset from a "lesser" brand

Pricing is another essential element of psychological positioning. Coplin (2002) argues that products must be priced appropriately to balance the business need to turn a profit with the consumer need to pay a reasonable price for the product. In successful competitive marketing psychological positioning, effective product differentiation and branding will greatly increase the amount of money customers are willing to pay for the particular product

Building strong brand positioning requires a keen understanding of competition, and the competition grows more intense every year. New competition is coming from all directions- from global competitors eager to grow sales in new markets; from online competitors seeking cost-efficient ways to expand distribution; from private label and store brands designed to provide low price alternatives; and from brand

extensions from strong megabrands leveraging their strengths to move into new categories. To effectively devise and implement the best possible brand positioning strategies, companies must pay keen attention to their competitors. Markets have become too competitive to just focus on consumer only (Kotler & Keller, 2006).

## **2.5 Challenges Facing Psychological Positioning**

Challenging scenarios outlined in the literature facing psychological positioning included globalization, brand energizing, poor positioning strategy, and time. According to Raub and Romhardt (2000) it is a global world and new information sources, positioning expertise, organizational forms are needed. But as far as their implementation is concerned it is clear that applying products and services that work in the West is not a reliable recipe for success. It is also clear that having country positioning specialists go it alone is not wise. There need to be ways to apply and adapt the brand experience and expertise of central marketing. The product and brand needs to be psychologically positioned to suit the country and region involved.

For psychological positioning to be fruitful brands being marketed more than ever need energy to be competitive all the time. That brand equities are declining which have lack of brand energy. The two most beneficial ways to gain brand energy are as: one route to energy is what called “branded energizers”. When the offering itself is not exciting, or if it is between breakthrough innovations, it can find something with energy, such as branded social programs or proprietary sponsorships, that can be attached to the brand. Another approach is to deploy programs that involve the customer or potential customer (Jacobsen, 2001).



Another key challenge facing psychological positioning, as highlighted by Winter (2000) is confusing, or limiting, its use to defining what to communicate about the offering, say as in advertising. Therefore, the brand psychological positioning strategy statement may be viewed as unnecessary in those cases where a communication strategy or creative brief exists for the offering. It's about what marketers do with each and every element of the marketing mix to create and reinforce adequate psychological positioning.

The last challenge facing psychological positioning is the recurring issue of time. Jacobsen (2001) indicates that it seems as though many claim that they simply do not have the time to create, test and adapt an adequate psychological positioning strategy. What a truly sad state this is. It's people taking action without thinking. It's building without a blueprint. It's a mess in the making. It's a disaster waiting to happen.

## **2.6 Solutions to Challenges Facing Psychological Positioning**

There are various solutions outlined in literature reviews on psychological positioning. According to Armstrong (2001), marketing team needs to get a firmer hold on a seat at the executive table where the real action is. It can and should be a primary driver of business strategy that specifying the value proposition, the selection of the product-markets in which to invest, and the development of assets and competences, especially those around branding that will protect a business from competition.

Another solution is developing a single-minded, strategically appropriate psychological positioning strategy statement directed at a well defined target group and utilize it as the blueprint for the development of a brand, not a mere product or

service, in creating brand loyalty. This is a priority. Do not pass “go” as they say in the game of Monopoly until this task has been successfully completed. The development of the psychological positioning strategy statement should be undertaken in collaboration with a multi-discipline team reflecting multi-functional expertise. It should be ensured that this collaborative strategy creates special meaning for, or gives meaning to, the target group (Hoffman, 2000).

Also, firms should think well into the future to identify meaningful differentiation through the development of a perceptual competitive framework. Flynn (2004) insists that the perceptual competitive framework should lift you above and out of this “age of sameness.” It needs to provide them with a new way to map the marketplace such that customers will make them brand their clear choice. It will help ensure that their offering is perceived as being meaningfully distinctive – not a commodity. Moreover, it will guide the utilization of resources towards creating meaningful differentiation well into the future

The firms should further localize the psychological positioning strategy statement based on customer needs, the competitive landscape and company capabilities for a given market. More than likely this will not so much be a different positioning strategy as it will be a different place on the same line mere than the country that developed the “global” psychological positioning strategy. The act of undertaking this will ensure a greater understanding of psychological positioning. Importantly, it will promote ownership, leading to more successful execution (Coplin, 2002).

Finally, Verdi (2007) points out that firms should use the psychological positioning strategy statement to guide every marketing mix strategy and initiative undertaken on

behalf of establishing the brand and creating brand loyalty. They should not review proposed initiatives in a vacuum. Firms need to anticipate and keep ahead of potential new developments by leading. Evolving the brand positioning strategy is essential to stay ahead of the competition regardless of whether it comes from within or outside of the category.

## **2.7 Chapter Summary**

As revealed in the preceding sections, psychological positioning involves tailoring an entire marketing program including product attributes, image, and price, as well as packaging, distribution, and service to best meet the needs of consumers within a particular market segment. In this way, psychological positioning is part of the overall process of market segmentation, but involves a narrowing of focus. The key to sustainable competitive advantage understands the dimensions consumers use to evaluate competing marketing programs and make purchase decisions. Firms seeking a competitive advantage map consumer perceptions along several different dimensions. Once consumer perceptions are understood, the next step is to select the best psychological positioning for the product and take steps to align the marketing program behind this positioning choice. Therefore, in this light, the current study seeks to look into the effects of psychological positioning in achieving sustainable competitive advantage among individual Safaricom customers.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter presents research design strategy that was used to carry out the study on the effects of psychological positioning in achieving sustainable competitive advantage in Safaricom Limited. The chapter was divided into the following sections: Research design, target population, Sampling design, data collection, data analysis and interpretation.

### **3.2 Research design**

A cross-sectional survey was used in the study. Descriptive research design describes the characteristic of the population or particular phenomena. It is applied to obtain information concerning a circumstance with respect to variables or conditions in a situation. Best and Kahn (2000) similarly confirmed that descriptive survey design is an appropriate design for assessing the effectiveness of psychological positioning

### **3.3 Population**

The target population was Safaricom individual customers in Nairobi central business unit. The study focused on Safaricom customers whom were identified to own mobile telecommunication devices and used them primarily for social, business or personal purposes on Safaricom network. The targeted populations in this study were two million active customers in 2012 as per Safaricom customer database.

### **3.4 Sampling**

Probability sampling techniques was used this study. The approach is considered appropriate since it gave every member of the population an opportunity of being

included in the final sample. Samples of 384 customers were selected for the study using stratified random sampling procedures. The respondents were obtained using systematic random sampling from the various spending bands/groups on Safaricom tariffs that were core and their expenditure range from ksh.0-200, Medium whose expenditure ranged from Kshs. 201-1000, Premium whose expenditure ranged from Kshs.1001-3000 and Platinum whose expenditure ranged Kshs. 3000 and above per month. The bands with the highest population were considered in sampling.

### **3.5 Data collection**

The researcher used primary sources to collect data. Data was collected using closed ended and open ended questionnaires. The questionnaire was preferred since they were straightforward and less time consuming for the respondents. The questionnaire was administered in two ways that were sent through email to respondent and secondly the research assistant distributed them physically to respondents. The Questionnaires was divided into sub-sections that dealt with specific objectives of the study.

### **3.6 Data Analysis**

The completed questionnaires were edited for completeness and consistency. The data was then be coded, keyed in and then tabulated. Measures of central tendency including mean scores, frequency distribution and percentages and measures of dispersion such as variance and standard deviation were also computed. The analyzed data was further presented using, tables for clarity and understanding of the research findings

## CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATIONS

### 4.1 Introduction

This chapter presents the analysis of the data collected from the Respondent and discusses the research findings on the effect of psychological Positioning in achieving Sustainable Competitive advantage among Safaricom individual Customers in Nairobi. All completed questionnaires were edited for accuracy, uniformity, consistency and completeness. The response rate of 73% was achieved from the total target population of 384 respondents where Safaricom customers. This good response has been attributed to the fact that quite a good number of the respondents were knowledgeable to fill the questionnaires. The rate was shown in the table below:

**Table 4.1: Response Rate:**

<b>Population Category</b>	<b>Target</b>	<b>73% of the Target</b>	<b>Percentage (%)</b>
<b>Safaricom Customers</b>	<b>384</b>	<b>280</b>	<b>100</b>
<b>Total</b>	<b>384</b>	<b>280</b>	<b>100</b>

**Source: Research data.**

Summaries of data findings together with their possible interpretations have been presented by use of mean, percentages, frequencies, variances, standard deviation and tables.

### 4.2 Demographic profile of the respondents

Respondents were asked to indicate their gender and indicated as shown in Table 4.2

**Table 4.2: Gender of the Respondents**

<b>Gender</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Male	150	57
Female	130	43
<b>Total</b>	<b>280</b>	<b>100.0</b>

**Source: Research data.**

As shown in Table 1, 57% of the respondents were Male Safaricom customers of the. 43% of the respondents were Female Safaricom customers. Both of the respondents were loyal customers of Safaricom products and services in Kenya.

Respondents were asked to indicate their age and indicated as shown in Table 4.3

**Table 4.3: Age of the Respondents**

Age	Frequency	Percentage (%)
20 and below	0	0
21-30	200	80
31-40	40	10
41-50	20	5
50 and above	20	5
<b>Total</b>	<b>280</b>	<b>100</b>

**Source: Research data.**

80% of the respondents were between 21-30 years, 10% of them were between 31-40 years, 5% were between 41-50 and 5% of them were above 50 years.

Respondents were asked to indicate their subscription duration and indicated as shown in Table 4.4:

**Table 4.4: Number of years as a Safaricom Customer**

Duration of Subscription	Frequency	Percentage (%)
Less than 1 year	20	5
1 to 5years	200	80
6 to 10years	20	5
10 years and above	40	10
<b>Total</b>	<b>280</b>	<b>100</b>

**Source: Research data.**

80% of the respondents indicated that were customers for a period of 1to 5 years, 10% of them indicated that were customers for a period of more than 10 years, 5% of them indicated that were customers for a period of 6 to 10 years while 5% were customers for a period less than one year.

Respondents were asked to indicate their employment History and indicated as shown in Table 4.5

**Table 4. 5: Employment History**

<b>Employment Status</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Employed	20	5
Self-employed	10	2
Unemployed	39	11
Retired	10	2
Student	200	80
<b>Total</b>	<b>280</b>	<b>100</b>

**Source: Research data.**

80% of the respondents were students in tertiary level colleges and higher institutions of learning, 11% were unemployed, 2% were self-employed and retired while 5% were employed.

Respondents were asked to indicate their marital status and indicated as shown in Table 4.6

**Table 4.6: Marital Status**

<b>Marital Status</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Married	20	15
Widowed	0	0
Separated	0	0
Divorced	10	0
Single	250	85
<b>Total</b>	<b>280</b>	<b>100</b>

**Source: Research data.**

85% of the respondents were singles without families, and 15% were married respondents in this study, none of them was widowed, separated, or divorced.



### 4.3 Academic profile of the respondents.

Respondents were asked to indicate their education level and indicated as shown in

Table 4.7

**Table 4.7 Education level of Respondents**

<b>Education level</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Primary	0	0.00
High-school	30	4.2
College certificate	39	12.5
College-Diploma graduate	57	29.2
Bachelor's degree	70	33.3
Master's degree	39	12.5
Professional degree	30	4.2
Doctorate degree	15	2.4
<b>Total</b>	<b>280</b>	<b>100.0</b>

**Source: Research data.**

33% of the respondents interviewed were degree holders, 29% were diploma holders, 13% were certificate and postgraduate holders, 4% Masters Holders and High school respondents, while 2% were PhD holders.

Respondents were asked to indicate their income level and indicated as shown in

Table 4.8

**Table 4.8: Household Income**

<b>Income</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Less than Kshs. 10,000	250	70
Kshs.10,000 - 29,999	10	10
Kshs. 30,000 - 49,999	10	10
Kshs50,000 -69,999	10	10
Kshs. 70,000 - 99,999	0	0
Kshs. 90,000 to Kshs. 99,999	0	0
Kshs. 100,000 to Kshs. 149,999	0	0
Kshs. 150,000 or more	0	0
<b>Total</b>	<b>280</b>	<b>100</b>

**Source: Research data.**

70% of the respondents earned an income of less than Kshs 10,000 per month, 10% earned Kshs. 10,000 - 29,999 per month, 10% earned Kshs. 30,000 - 49,999 while 10% of them earned Kshs50,000 -69,999 per month.

#### 4.4 Positioning Attributes

Respondents were asked to indicate the positioning attributes of Safaricom and indicated as shown in Table 4.9

**Table 4.9 Positioning Attributes**

Positioning Attributes	N	Very important [5]	Important [4]	Neither important [3]	Less important [2]	Not important [1]	Total (%)
Leader in the market	280	51.2	2.4	17.1	26.8	2.4	100
Usage Satisfaction	280	41.5	29.3	29.3	0.00	0.00	100
Better than Competition	280	2.4	2.4	22.0	39.0	34.1	100
Expensive brand	280	0.00	2.4	39.0	34.1	24.4	100
Reasonable tariff plan	280	0.00	0.00	48.8	34.1	17.1	100
Variety	280	43.9	4.9	22.0	4.9	24.4	100
Well known	280	34.1	34.1	4.9	26.8	0.00	100
Match my social class	280	2.4	2.4	29.3	51.2	14.6	100
Innovative products/service	280	2.4	2.4	34.1	14.6	46.3	100
Flexible service customization	280	56.1	0.00	39.0	0.00	4.9	100
Speed of service	280	61.0	0.00	2.4	36.6	0.00	100
Accessibility-Reliable network coverage	280	61.0	0.00	2.4	36.6	0.00	100
Good Quality product/service	280	61.0	0.00	2.4	36.6	0.00	100
Ease to use product/services	280	0.00	61.0	2.4	36.6		100
Impressive customer service ( Knowledgeable and friendly)	280	61.0	0.00	2.4	36.6	0.00	100
Personalized service	280	0.00	48.8	0.00	34.1	17.1	100
Communicate effectively (eye catching adverts /promotions)	280	4.9	43.9	22.0	4.9	24.4	100
Memorable name of products/service	280	34.1	4.9	2.4	34.1	24.4	100
Conveniently available -Service Provider is within my location.	280	51.2	2.4	29.3	2.4	14.6	100
Customer centric-feedback highly valued	280	46.3	2.4	34.1	14.6	2.4	100
Safaricom Loyalty scheme	280	0.00	0.00	39.0	56.1	4.9	100
Trustworthy and Secure	280	0.00	61.0	2.4	36.6	0.00	100
I get value for money	280	61.0	0.00	2.4	36.6	0.00	100
Environmental conscious- considers consumer health/cultural Values.	280	2.4	39.0	22.0	2.4	34.1	100
Passion for the world – Value CSR	280	0.00	2.4	34.1	39.0	24.4	100
A Kenyan brand	280	39.0	34.1	22.0	2.4	2.4	100
<b>Total</b>	<b>280</b>						<b>100</b>

**Source: Research data**

As shown in Table 4.9: 51 % of respondent identified that market leadership was an attribute that customers indicated to be as a very important factor when they were shopping for telecommunication service. 42% of the respondent indicated that usage satisfaction was very important factor when identifying with Safaricom brand due to satisfaction. 39% of respondent felt it was less important in deciding on which brand due to many competitors in the telecommunication industry. 39% of the respondent felt was neither important to them. 49% of respondents felt that it was neither important when identifying with Safaricom. 44% of the respondent felt that a variety was a very important factor when identified with Safaricom brand. 34% of the respondent felt that well-known brand was a very important factor they used to identify Safaricom brand. 51% of respondent indicated that matching social class was a factor that contributed to Safaricom brand awareness. 46% of the respondent did not perceive innovative products as important when comparing or shopping for Safaricom brand. However, they suggested that flexible service customization was very important at 56%.

Respondent rated the speed of service as very important at 61%. 61% of the respondents indicated that network accessibility was a major attribute as very important. Quality of service/product was rated 61% by respondents in terms of brand awareness. Ease of using Safaricom product was rated at 61%. Customer image of the brand was ranked to be an important attribute by 61%. 49% of the respondents rated Personalization as important.

Besides delivering quality 44% of respondent rated effective communication as important factor of Safaricom brands 34% of the respondents indicated that memorable brand was as very important factor that led to increased consumption of the products and services while 34% felt it was less important 51% of the majority

identified themselves with the brand due to availability of the brand and satisfaction. 46% of the respondents indicated that customer centricism (Value for customer feedback) was a very important factor when they chose Safaricom brand. 56% of the respondent said loyalty scheme was less important factor of choosing the Safaricom products. Some customers were not aware of its importance. Safaricom introduced this factor as a tool to retain customers and as an advantage to beat competition. 61% of the respondents indicated that trust and security, of respondent was important. 61% of respondent indicate that the value for money was a very important factor that contributed to the purchase of the brand. 61% Respondents indicated that they recognized the brand due to the value for their money. 39% of the respondents indicated that environmental was a conscious factor that promoted Safaricom brand in the market. 39% of the respondents indicated that Corporate Social Responsibility contributed to brand awareness thus repeat purchase behaviour. 39% of the respondents perceived Safaricom as a Kenyan brand due to its availability in the Kenyan market.

## 4.5 Perceived Competitive Benefits

Respondents were asked to indicate the Perceived Competitive Benefits of Safaricom and indicated as shown in Table 4.10

**Table 4.10 Perceived Competitive Benefits**

Perceived Competitive Benefits	N	Strongly agree [5]	Agree [4]	Somewhat agree [3]	Disagree [2]	Completely disagree [1]	Total (%)
Safaricom is excellent as a service provider.	280	56.1	0.00	22.0	22.0	0.00	100
Safaricom constantly deliver high quality service	280	61.0	22.0	4.9	12.2	0.00	100
Safaricom Tariff plan are reasonable and within household budget.	280	56.1	22.0	22.0	0.00	0.00	100
Safaricom provide Innovative high end products/service.	280	53.7	7.3	0.00	34.1	4.9	100
Safaricom effectively customize service to match my needs/lifestyle.	280	48.8	0.00	0.00	34.1	17.1	100
Safaricom consider customer as an important partner. My feedback is valued.	280	4.9	43.9	22.0	4.9	24.4	100
Safaricom focus is constantly on building strong customer relationship.	280	2.4	4.9	24.4	34.1	34.1	100
Safaricom is a Trustworthy/reliable service provider.	280	2.4	2.4	29.3	51.2	14.6	100
Safaricom provide speedy and accurate solution to customer issues	280	2.4	46.3	34.1	14.6	2.4	100
A rewarding Safaricom Loyalty scheme	280	0.00	0.00	39.0	56.1	4.9	100
Safaricom services are Accessible within my locality.	280	61.0	0.00	2.4	36.6	0.00	100
Safaricom products and services are Simple and easy to use.	280	0.00	61.0	2.4	36.6	0.00	100
I can easily Identify and understand Safaricom when it communicates via adverts and promotions.	280	0.00	0.00	2.4	36.6	61.0	100
Safaricom name and brand colors–resonate with those of Kenyan national flag and convey a strong sense of Kenya’s identity.”	280	61.0	0.00	2.4	36.6	0.00	100
<b>Total</b>	<b>280</b>						

**Source: Research data**

56% the respondents indicated that they had a strongly felt with Safaricom products and services since its services were effective. Safaricom has positioned. 61% of respondent strongly agreed with the quality of service as a competitive benefit, therefore suggested that there is a direct relationship with leading psychological positioning attribute. 56% of the respondents indicated that the Safaricom tariff was household friendly due to economic constraints that were experienced. 54% of the respondents perceived Safaricom as an innovative brand in the market due to customer satisfaction. 49% of the respondents indicated that Safaricom produced customer friendly products that led to loyalty. 44% of the respondents indicated that Safaricom valued its customers in the market by giving long term solutions.

34% indicated that Safaricom did not focus on building strong customer relationship. 51% of the respondents indicated that Safaricom valued customers on a small extent due to increased charges of their services due to competition in the market. 46% of the respondents indicated that Safaricom provided speedy and accurate solution to customer issues on great extent hence loyalty. 56% of the respondents indicated that Safaricom they valued Safaricom Loyalty scheme on a small extent due to lack of trust. 61% of the respondents indicated that Safaricom services were accessible to everybody and contributed to competitive advantage.

61% of the respondents indicated that Safaricom adverts were complex and unclear to be understood easily. 61% of the respondents indicated that they familiarized Safaricom brand colours with the Kenyan flag that symbolized unity.

## 4.6 Safaricom Challenges in Positioning of their products

Respondents were asked to indicate the Safaricom Challenges in Positioning of their products and indicated as shown in Table 4.11

**Table 4.11: Safaricom Challenges in Positioning of their products**

Challenges	N	Very great extent [5]	Great Extent [4]	Moderate Extent [3]	Small Extent [2]	No Extent [1]	Total (%)
Information overload on the wide range of products/services.	280	<b>48.8</b>	0.00	0.00	34.1	17.1	100
Poor network Experience.	280	<b>43.9</b>	4.9	22.0	24.4	4.9	100
Inaccessibility to customer service team due to high traffic experienced at the various customer contact points.	280	<b>34.1</b>	34.1	2.4	4.9	24.4	100
Safaricom Tariff plan/data charges are perceived to be expensive compared to competition.	280	<b>51.2</b>	2.4	29.3	2.4	14.6	100
Superficial knowledge on existing and new products and service	280	2.4	2.4	34.1	14.6	<b>46.3</b>	100
Customers feedback not delivered within agreed timelines.	280	<b>56.1</b>	0.00	39.0	0.00	4.9	100
Total	280						100

**Source: Research data**

49% of respondent the respondents indicated that Information overload on the wide range of products/services was a challenge. This could be attributed to technology dynamism in the telecommunication industry. 44% of respondent felt that poor network experience had a challenge that deterred psychological positioning of Safaricom brand this was alluded to inconveniences as a results of call drops, congestions due to high traffic . on Safaricom Network. 34% of respondent felt to a very great extent that inaccessibility has been a challenge in positioning customer centrisism in the market.



Customer cannot reach customer service team when need arose. This was attributed to high customer base in different geographical areas.

51% of respondent felt that Safaricom Tariff plan/data charges were expensive compared to other competitors services in the market. 47% of the respondents indicated that superficial knowledge on existing and new products and service posed a major challenge since some of customers Safaricom had were illiterate in terms of modern technological changes and were not quick in adaption latest versions and innovations. 56% of the respondents indicated that giving customer feedback was posed as a major challenge since customers waited for a long period of time to be attended by the customer care staff due to high traffic on the various channels which include retail outlets, call centre, short message services, email and social media.

# **CHAPTER FIVE: SUMMARY, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS**

## **5.1 Introduction**

This chapter summarizes the major findings of the study. This study sought to find out the effect of psychological Positioning in achieving Sustainable Competitive advantage among Safaricom individual Customers in Nairobi. In addition, this chapter provides a direction for further studies and also gives some recommendations for policy making by the relevant authorities. Questionnaires were used to gather primary data. The questionnaires comprised of both closed and open-ended questions and were strictly administered by the researcher. Both primary and secondary information was used to determine the results findings of the study.

## **5.2 Summary**

This study sought to establish the Effect of Psychological Positioning in achieving Sustainable Competitive advantage among Safaricom individual Customers in Nairobi. Psychological Positioning is a crucial marketing strategy that enables companies to gain competitive advantage in the market through its products and services. Due to changes in customer tastes and preferences, most organizations have been forced to reposition their products and services to gain competitive edge. To gain competitive edge in the dynamic business environment, large and small firms should adopt psychological positioning strategy to survive.

To achieve objectives like profit maximization, offsetting costs of operations, business survival and gaining competitive advantage in the market through branding,

segmentation and product/service positioning, emphasizing should be put on the psychological positioning of products based on marketing mix strategies by companies which include; product strategy, pricing strategy, promotion strategy, distribution strategy, people strategy, process strategy and physical evidence.

The study established that competition from other telecommunication companies had resulted to customer change of attitudes toward Safaricom brand. The study established price wars from other competitors had led to customers switching to other brands in the market due to economic constraints. Due to economic constraints of the target markets, customers find it difficult to purchase Safaricom products and services in the market.

The study established that most of customers perceived Safaricom products as expensive compared to other products and services of other competitors in the market. The study established that most of the respondents perceived Safaricom as the best brand in the market based on its availability, quality and innovative culture of developing services that were tailored to solve customer problems.

The study established that complexity of Safaricom adverts posed a major challenge to consumers and affected their perception towards the brand. The study established that inadequate customer attention was a challenge that contributed to negative perception of the brand in the market. It was established that e-marketing remains a big challenge to most of the customers since most of the target population were semi-illiterate and unable to use modern technological application that were used by Safaricom in the market.

### **5.3 Discussions**

From the finding the study found out that psychological positioning is an effective tool in creating a distinctive place in the minds of existing and potential customers. It evokes the images of the Safaricom brand in the customers' mind, images that differentiate Safaricom from competition and also satisfies their needs and wants (Rozga, 2006).

Effective, psychological positioning must promise the benefit the customer will receive, create the expectation, and it offers a solution to the customer's problem. If at all possible, the solution should be different from, and better than the competition's solution set, especially if the competitors are already offering a similar solution (Schilling, 005).

The reality of the matter from the research is that if the target market doesn't perceive the image, the image does not exist. If the target market does not believe that what the Safaricom brand has to offer is a benefit, it isn't a benefit. If the target market doesn't believe that the benefit can be delivered, promises are meaningless. If the benefit isn't important to the target market, it isn't important. If the benefit is not perceived as being different from that of the competition, then differentiation has not succeeded. In addition, images, benefits, and differentiation are solely the perception of the customer, not the perceptions of marketing team (Rozga, 2006).

The psychological positioning research also required an evaluation of the image that customers have of a Safaricom brand. This involved identifying positioning attributes and the vital elements which comprise the benefits. Examples of leading attribute, in particular those with a rate above 50% s that may produce benefits that would differentiate the Safaricom brand included leader in the market, flexible

customization, speed of service, accessibility, good quality, impressive customer service, within the customer location and value for money. After determining customers mind through asking, match these attributes strength to the need and benefits sought and communicate clearly to the target market. This knowledge will also provide a basis for the development of a credible differentiation strategy (Schilling, 005).

Psychological positioning is a strategy employed to create a unique product image with the objective of creating interest and attracting customers. Hence, it is concerned with perceptions and the resulting images may not necessarily reflect the true state of the service or product. They may simply exist in the customers mind and not all customers as per the findings imaging agree with a particular perception or image. Therefore the marketing research has to continue to study the ever changing need of consumers. They become more knowledgeable on technology and lifestyles are also dynamic influencing their expectations (Sapienza, 2002).

Selection of positioning strategy that creates a distinctive place in customers mind is essential in preventing three pitfalls as identified in the findings. First Safaricom being a market leader is forced to compete under pressure of competitors' low price strategies, for examples lowering prices to address the attribute perceived as expensive. Secondly communication is unclear that the target market does not recognize the message that is being sent. Thirdly the service has a negative image in customers mind such as poor network experience may not create more customer demands. Hence these pitfalls will be an adverse effect in achieving the competitive advantage among the individual Safaricom customers (Verdi, 2007).

## **5.4 Conclusions**

The findings indicate that Safaricom company endeavor to achieve competitive advantage over their competitors in such a stormy environment by using psychological positioning. Therefore psychological positioning attributes could be useful in assessing positioning of Safaricom brand. It is concluded that if a proper mechanism is put in place in implementing some of the strong leading psychological offering positioning attributes that customers perceive in the products and services to name a few: speed of service, accessibility/reliable network, quality of service/products, impressive customer service, value for money etc. Safaricom will remain a competitive and preferred brand both the local and international markets.

## **5.5 Recommendations**

The study found out that competition from other telecommunication companies in the market resulted to customers switching brands in order to get relief from paying high prices. Therefore, this study recommends that Safaricom Company conduct a market surveys frequently in order to understand the changing consumer needs and wants.

The study found out that most of the customers perceived Safaricom as an expensive brand due to high prices of their products and services in the market. Therefore, this study recommends that the management should come up with competitive pricing policies to retain and attract customers in the market.

The study found out that little attention was given to customers who were making enquiries concerning Safaricom products and services from the customer care regularly. Delays in response from Safaricom customer care were noted from customers. Therefore, this study recommends Safaricom management to take

appropriate measures in keeping service level agreements with customers. Further train the customer care staff to proactively anticipate needs and expectations to deliver exceptional customer service in the dynamic business environment.

The study found out that most of customers found it difficult to understand the objective of Safaricom adverts. Therefore, this study recommends that the marketing department to attempt to better understand how audience process and respond to advertisements this will increase their understanding on consumer behavior and develop messages in line with their different customer segments in the market.

The study found out that the technology used by Safaricom to market their products and services was complex and difficult to be understood by the ordinary citizens. Therefore, this study recommends that Safaricom should establish customer care centers in different geographical areas in Kenya to help both semi illiterate and illiterate customers to understand on how to use them.

The study found out that most of the customers did not have adequate knowledge telecommunication companies' products and services. Therefore, this study recommended that the government in coordination with the Communication Commission of Kenya should play a major role in sensitizing the public on their rights with regard to communication.

The study found out that most of the customers were not literate on information technology issues. Therefore, this study recommends that the government should promote business activities in the country by ensuring that all citizens have knowledge on information and communication technology to enhance free flow of

business information globally in a cost efficient and effective way. Communication technology especially in the advent of recent interconnectivity through the undersea cables which has enabled faster internet services through fiber optic cable among major towns in Kenya and is perceived to be faster and could be of great benefit if connected with rural towns and markets for sufficient market information concerning the telecommunication companies.

## **5.6 Limitations of the study**

The respondents were usually very busy and therefore they required a lot of time in order to fill in the questionnaires. The challenge was overcome by giving the respondents the questionnaires at the right time.

Inadequate financial resources affected the results of the study. The sample size was large hence stretching stationary budget.

Getting accurate information from the respondents was one of the major challenges since some of the respondents were threatened that the information may be used against them by the management in the terms of performance hence insecurity of their jobs. The challenge was minimized by assuring the respondents of confidentiality of the information they gave.

Most of the respondents were unwilling to give the information. The challenge was minimized by giving incentives to respondents in order to win their will to respond and offer accurate information.

The location in distance while traversing Nairobi central business area proved to be tiring coupled with dusty grounds which posed a danger to personal health as far as



common colds are concerned. Effective means of transport were sought by using a private car to access respondents without delay. It was time consuming.

## **5.7 Suggestions for Further Research**

The study suggests that it could be useful starting point for further study both academic researchers and managers who positioning products and services in telecommunication industry. More important it could be useful for practioners who are managing marketing activities. They could employ the psychological positioning attributes in advertising and other sales inducing tactics. Therefore more studies are needed to validate the effect of psychological positioning in building a sustainable competitive advantage on product and/or service attribute(s) tangible or intangible in the mind of the consumer. The research should be conducted on a larger sample country wide. The sample size was biased towards customer in Nairobi and in particular in central business unit and hence need to replicate it in other markets country wide to assess the effect. Continued refinement of this study will be valuable to telecommunication companies in understanding nature of market and views of customers when introducing new products and services in the market.

## REFERENCES:

- Adam Lindgreen, (2008). Managing Market relationships; methodological and market insights. Page 9-35
- Armstrong, M. (2001). *A Handbook of Human Resource Management and Practices*. London: Kogan Page30
- Barney, J. B. (1991). Firm resources and Sustained competitive advantage. *Journal of Management*, 17: 1, 99-120
- Barney, J. B. (1995). Looking inside competitive advantage. *Academy of Management Executive*. 17, 4: 49-61
- Coyne, K. P. (1986). Sustainable Competitive Advantage: What it is and what it isn't. *Business Horizons*, January: 54-61
- Coplin, L. H. (2002). Competitive Advantages and the SMEs: *The role of Distinctive Competences as Determinants of Success*, PhD Thesis, Universitat Autonoma De Barcelona
- DeNisi, A.S. (2000). Performance appraisal and performance Management: A multilevel analysis. In K. Klein and S. Kozlowski (Eds.) *Multilevel theory, Research and Methods in Organizations*. San Francisco: Jossey-Bass
- DiMingo, F. (1988). The Fine Art of Positioning. *The Journal of Business Strategy*, March/April, pp. 34-38.
- Economy Watch (2012) Economy, Investment & Finance Reports. Retrieved June 24, 2012 from [www. Economywatch.com](http://www.economywatch.com)
- Flynn, J. (2004) Psychological positioning in Increasing Efficiency. England: Oxford University Press
- Hanrahan, F. (2000) Investigating the Impact of positioning in Marketing Transactions. *International Development Research Center*.
- Henderson, B. (1983). The Anatomy of Competition. *Journal of Marketing*, 47: 7-11
- Hoffman, N.P. (2000). An Examination of the Sustainable Competitive Advantage Concept: Past, Present, Future. *Academy of Marketing Science Review*
- Herbling D. Tuesday, July 10, 2012; Business Daily Report. Issue: Safaricom cedes ground to rivals-CCK report.
- <http://www.pwc.com/ke/en/industries/telecommunications.jhtml>; *Overview of the telecoms industry sector in Kenya 2009-2012*

<http://www.grassroots.co.ke/technology/world-bank-lauds-kenya-ict-telecom-sectors.html>. Created on 19 January 2012

<http://www.huawei.com/ru/static/hw-079487.pdf>, Win Win ISSUE 2, 2009.

<http://kogitronomy.wordpress.com/2011/03/07/kenyas-telecommunication-price-wars-lose-or-gain/>

Jacobsen, K. (2001). Intellectual Capital Analysis as a Strategic Tool. *Strategy and leadership Journal*, 29, 4: 21-26

Journal of Marketing Theory and Practice, Vol. 9, No. 2 (Spring, 2001), pp. 35-53 Published by: M.E. Sharpe, URL: <http://www.jstor.org/stable/40470031>.

Kiprop, W. (2003) The Process used by Kabansora Flour Milling Factory to Ensure an Ideal National Market positioning. *Great Lakes Journal of Economics* 3 (15)

Lipshirtz, R. (2000). Cited by Sun, P. Y., and Scott, J. L., (2003). Exploring the divide- Organizational learning and learning Organization. *The learning Organization*, 10, 4: 202-215

Lopez, S. P. and Ordas, J. V., (2005). Organizational Learning as a Determining Factor in Business Performance. *The Learning Organization*, 12, 3: 227-245

Marchany, C. (2003). Strategy Choice: Resolving strategy paradoxes to create competitive advantage. Thomson learning: London

McKegney, R. (2002), "*Responsible chain management: a capability assessment framework*", *Business Strategy and the Environment*, 7 (13)

Mutheu, G. (2005) Effect of Lopsided objective positioning in 3 major security firms in Kenya. Unpublished Masters Thesis. The Catholic University of Eastern Africa

Ministry of Information Kenya (2012) Retrieved June 26, 2012 from <http://www.information.go.ke>

Mockler, R.J. (2003). *Knowledge-based systems for strategic planning*. Prentice Hall: New Jersey.

Murray, P., and Donegan, K. (2003). Empirical linkages between firm competencies and organizational learning. *The Learning Organization*, 10, 3: 51-62

Ndegwa, P. (2008) Significance of market positioning in the East African Portland Cement Company. Unpublished MBA Thesis. University of Nairobi

Ochola, F. J (2002) Enhancing subjective positioning to enhance growth in The Kenyan Hospitality industry. *Strategic Management Journal*, 26(6)

Peteraf, M. (1993). The cornerstones of competitive advantage: A resource-based

view. *Strategic Management Journal*, 14: 179-191

Phillip Kotler and Kevin Keller 12<sup>th</sup> Edition, (2006). Marketing Management.

Porter, M. E. (1985). *Competitive Advantage; Creating and Sustaining Superior Performance*. New York: The Free Press

Prahalad, C. K., and Hamel, G. (1990). The core competence of the corporation. *Harvard Business Review*, 68, 3: 79-91

Raub, S. and Romhardt, K. (2000). *Managing Knowledge: Building Blocks for Success*. New York: Wiley

Rozga, Z. (2006) Factors Influencing Psychological positioning. *Strategic Management* 32(4)

Schilling, M. A. (2005). Strategic management of technological innovation. McGraw-Hill: New York.

Sapienza, H. J. (2002). Social Capital, Knowledge Acquisition and Competitive Advantage in Technology –Based Young Firms. *Strategic Management Journal*, Special Issue on Entrepreneurial Strategies and Wealth Creation in the 21<sup>st</sup> Century

Verdi, A. (2007), “what is required for growth?”, *Business Strategy Series*, Vol. 8 No. 1

Wafula p. 28 February 2012; Kenya: Airtel Could Drop Low-Cost Strategy, Daily Nation print media

Wasike, B. (2001). Subsidiary-specific advantages in Kenyan enterprises, *Strategic Management Journal*, 22(3)

Winter, S. (2000). The Satisfying Principle in Capability Learning, *Strategic Management Journal*, 21: 981-96

## APPENDIX 1: QUESTIONNAIRE

### Introduction:

My name is Isabella Mueni Mutungi, pursuing a Master's Degree in Business Administration (MBA) at the University of Nairobi. I am currently carrying out my Research Project on the topic: "The Effect of Psychological Positioning in achieving Sustainable Competitive advantage among Safaricom individual Customers in Nairobi.

I am inviting your participation in this research project by filling out this short questionnaire. Your responses will be used for research purpose only and your identity kept confidential.

### SECTION A: DEMOGRAPHIC INFORMATION

To respond to each category please put a tick (✓) next to preferred answer:

#### Gender:

Male

Female

#### Age:

20 and below

21-30

31-40

41-50

50 and above

#### Number of years as a

##### Safaricom Customer:

Less than 1 year

1 to 5years

6 to 10years

10 years and above

#### Employment:

Are you currently....

Employed

Self-employed

Unemployed

Retired

Student

**Marital Status:**

What is your marital status?

- Married
- Widowed
- Separated
- Divorced
- Single

**Education**

What is the highest degree or level of school you have completed?

- Primary
- High-school
- College certificate
- College-Diploma graduate
- Bachelor's degree
- Master's degree
- Professional degree
- Doctorate degree

**Household Income:**

What is your total household income?

- Less than Kshs. 10,000
- Kshs.10,000 - 29,999
- Kshs. 30,000 - 49,999
- Kshs50,000 -69,999
- Kshs. 70,000 - 99,999
- Kshs. 90,000 to Kshs. 99,999
- Kshs. 100,000 to Kshs. 149,999
- Kshs. 150,000 or more

**SECTION B: ASSESSING PSYCHOLOGICAL POSITIONING ATTRIBUTES**

Below is a pull of Positioning attributes employed to differentiate Safaricom in the market. In a scale of 1-5, please indicate (√), how important are these attributes when purchasing or comparing Safaricom brand with other offers in the market.

	very Important (5)	Important (4)	Neither important (3)	less important (2)	Not at all important (1)
<b>Positioning Attributes</b>					
Leader in the market					
Usage Satisfaction					
Better than Competition					
Expensive brand					
Reasonable tariff plan					
Variety					
Well known					
Match my social class					
Innovative products/service					
Flexible service customization					
Speed of service					
Accessibility- Reliable network coverage					
Good Quality product/service					
Ease to use product/ services					
Impressive customer service ( Knowledgeable and friendly)					
Personalized service					
Communicate effectively (eye catching adverts /promotions)					
Memorable name of products/service					
Conveniently available -Service Provider is within my location.					
Customer centric- feedback highly valued					
Safaricom Loyalty scheme					
Trustworthy and Secure					
I get value for money					
Environmental conscious- considers consumer health/cultural Values.					
Passion for the world – Value CSR					
A Kenyan brand					

**SECTION C: DETERMINING EFFECT OF PSYCHOLOGICAL POSITIONING:**

The statements below describe customers’ perceived competitive advantages that have been achieved in positioning Safaricom brand. Using scale of 5 we would like to determine to what extend you agree, please put a tick (√) next to preferred answer.

	Strongly agree (5)	Agree (4)	Somewhat agree (3)	Disagree (2)	disagree (1)
<b>Perceived Competitive Benefits</b>					
Safaricom is excellent as a service provider.					
Safaricom constantly deliver high quality service					
Safaricom Tariff plan are reasonable and within household budget.					
Safaricom provide Innovative high end products/service.					
Safaricom effectively customize service to match my needs/ lifestyle.					
Safaricom consider customer as an important partner. My feedback is valued.					
Safaricom focus is constantly on building strong customer relationship.					
Safaricom is a Trustworthy/reliable service provider.					
Safaricom provide speedy and accurate solution to customer issues					
A rewarding Safaricom Loyalty scheme					
Safaricom services are Accessible within my locality.					
Safaricom products and services are Simple and easy to use.					
I can easily Identify and understand Safaricom when it communicates via adverts and promotions.					
Safaricom name and brand colors–resonate with those of Kenyan national flag and convey a strong sense of Kenya’s identity.”					



**SECTION D: CHALLENGES FACING PSYCHOLOGICAL POSITIONING**

1. This section aim is to identify some of the challenges facing Safaricom in its success in psychological positioning.

2. Are there challenges in your opinion had an adverse experience when interacting with Safaricom brand?

YES

NO

If YES, using a scale of 5 indicate by ticking (√) to what extent the following challenges have affected you as an individual customer:

Challenges	Very great extent (5)	Great Extent (4)	Moderate Extent (3)	Less Extent (2)	No Extent at all (1)
Information overload on the wide range of products/services.					
Poor network Experience.					
Inaccessibility to customer service team due to high traffic experienced at the various customer contact points.					
Safaricom Tariff plan/data charges are perceived to be expensive compared to competition.					
Superficial knowledge on existing and new products and service					
Customers feedback not delivered within agreed timelines.					



☞ Thank for participating!