

**STRATEGIC MARKETING AND COMPETITIVE ADVANTAGE OF FIRMS IN THE
TELECOMMUNICATION INDUSTRY IN KENYA**

BY:

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DECLARATION

This is to declare that this research project is my original work that has not been presented at any other university or institution of higher learning for examination.

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

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DEDICATION

This work is dedicated to my beloved mother, Mrs. Joan Mawanda for supporting me through the whole process and who encouraged me to further my studies, to my brother Leo for helping me understand how to work under pressure. Thank you and God bless.

The telecommunication industry specifically the mobile communication industry has been one industry that has exponentially grown in just a matter of few years. It's an industry that other firms can use as a benchmark to be able to understand how well to plan and implement strategies. It comprises of many shifts when it comes to leadership, pricing of products and services, shifts when it comes to employment and shifts when it comes to providing not only one service but a variety of services.

The study aimed to establish the influence of strategic marketing on competitive advantage and also determine the strategic marketing practices as used to gain competitive advantage. It was conducted through a survey design and questionnaires issued to strategy and marketing managers in each of the four companies that were included in the survey. Data collected was quantitative and was analyzed by use of SPSS program.

The study found out that the industries have each played a part in creating brand loyalty to the customers and perception through strategic marketing and to achieve competitive advantage it's the provision of stability and trust plus a combination of variety in services that has made the companies that perform well do as they do and those who have a less percentage in market share have been thus due to the duration they have been in the market industry.

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CHAPTER ONE

INTRODUCTION OF THE STUDY

1.1 Background of the Study

Telecommunications Industry in Kenya involves Safaricom the lead player, Airtel, Orange and Essar Yu. In the past decade, technological advancement and regulatory restructuring have transformed the industry. Innovations and introduction of services that are consumer centric have come up. Mimicking of services to keep up with other companies in the industry as well as buying out companies by other players from outside the regions forcing there to be lowering of tariffs has occurred. There have been many changes in the industry from monopolisation to many firms joining in the industry, from prices variance, per minute billing to per second billing, from products and services diversification to threats brought about by Mobile Number Portability. Yet each company in the industry has maintained a stand, some succeeding others succumbing to the competition. This study therefore sought to bring out the role of strategic marketing in achieving as well as maintenance of competitive advantage. Strategic marketing encompasses components such as, how the firm addresses the competitive marketplace and how the firm implements and supports day to day operations Mintzberg (1998). In today's very competitive marketplace a strategy that insures a consistent approach to offering a company's product or service in a way that will outsell the competition is critical. According to Kotler (1994), however, in concert with defining the marketing strategy, a company must also have a well defined methodology for

the day to day process of implementing it. It is of little value to have a strategy if there is lack of either the resources or the expertise to implement it or if there is poor planning and implementation undertaken by those responsible.

In the process of creating a marketing strategy, there are many factors to be considered. Of those many factors, some are more important than others. Because each strategy must address some unique considerations, it is not reasonable to identify every important factor at a generic level. However, many are common to all marketing strategies. The strategies used in marketing will be highlighted showing the importance of strategies in pricing, promotion, distribution, environment, the prospect, the product/service, the competition, the firm, development, production, marketing/sales, and customer services.

1.1.1 Strategic Marketing

In response to the increasingly dynamic developments and the turbulent business environment, both globally and locally, managers are increasingly being confronted by the need to achieve the organizational capabilities for continuous business success by looking at various strategic options (Kotler, 1994). Strategic marketing for competitive positioning is one option that has been embraced for continued business success. Strategic management can be described as the identification of the purpose of the organization and the plans and actions to achieve that purpose (Lynch, 2009). The soul of strategic management revolves around trying to define: what business we are in; what our basic direction for the future are; what our culture and leadership styles are

and what our overall attitude to strategic change is and should be. It also looks at who our customers are, our level of competitiveness and competitive advantage, to be innovative and creative to improve the business processes and how and where to add value within the business (Johnson *et al.*, 2006).

On the other hand, strategic marketing involves performing an annual comprehensive review of markets and chances provided, and then making long-term strategic decisions without the distractions of day-to-day marketing and sales activities. Marketing is strategically concerned with the direction and scope of the long-term activities performed by the organization to obtain a competitive advantage. Doyle (2000) suggests that marketing is the management process that seeks to maximize returns to shareholders by creating a competitive advantage in providing, communicating and delivering value to customers thereby developing a long-term relationship with them. It is important for a strategic marketing planning process to look at the company from the customer's point of view by asking questions that have a long time horizon, such as; what needs or problems cause customers to consider buying from our company or taking our services, what improvements in the customer's personal or business life can we enable or improve, which customer market segments are attracted to our company or products, which customer motivations or values lead people to decide to purchase our products, and what changes or trends in our customer base are affecting their general interest or attraction to products like ours? • .

Implied in this view of strategic marketing is the need to develop a strategy to cope with competition, spot market opportunities, innovate and commercialize new products and services, apportion resources among the marketing activities and design an appropriate organizational framework to ensure the desired performance is met and surpassed. Being more than just a set of tools, marketing is concerned with all parts of the organization; an orientation that encompasses the organization-wide thinking. It is noted that the two major assumptions behind marketing are that customers know what they want and are informed and highly rational in satisfying their wants, and that customer sovereignty prevails (Dickinson *et al.* 1986).

1.1.2 Competitive Advantage

Competitive advantage occurs when an organization acquires or develops an attribute or combination of attributes that allows it to outperform the competition. These attributes can include access to natural resources, customer numbers, or access to highly trained and skilled human resources, Porter (1980). This study looked at the context of the strategy which is concentrated on the factors internal to the firms like the companies' strengths and weaknesses, opportunities and threats, personal values of the key implemented, factors external to the companies like the societal expectations and industry opportunities and threats. The contemporary competitive landscape is characterized by the fundamental nature of globalization and rapid and significant technological changes (Hitt, Keats and DeMarie, 1998). In many industries, strategic marketing is now the most important driver of competitive success (Schilling, 2005).

Miles & Darroch (2004) contend that strategy is ingrained in competitive advantage, while Moody (2007) posits that despite competitive advantage's wide use, few researchers have attempted to define the concept. Despite Moody's (2004) claim, she nonetheless goes ahead to praise Ansoff's (1965) definition for its clarity which subscribes to the view that competitive advantage lies in the properties of individual products/markets which will give the firm a strong competitive position. In whole, the underlying premise of competitive advantage is that it provides the firm with a means to out-perform its competitors by more efficiently and effectively delivering products and services to the market. However, competitive advantage does not come from being simply different; it is achieved when an organization exploits and successfully maintains its advantages over its competitors (Lumpkin & Eisner 2007). Porter (1985) argued therefore that sustaining this advantage must underpin the firm's strategy.

The most noteworthy strategic business initiatives for telecom operators may often be found through the processes of an operator's value configuration. According to Raphael and Christoph (2001), a value configuration is a series of steps that analyzes how business processes function to create values and aid in finding strategic advantages inside the business activities. Porter's value chain framework (Porter, 1985) is the most well-known value configuration. Operators wish to see not only growth of revenue but also the players that can gain highest growth in the use of telecommunications services. Given that strategic marketing is a day-to-day business of telecom operators, there is a

need to investigate how this aspect has been turned around and used for competitive positioning in the telecommunications sector.

1.1.3 Overview of Kenya's Telecom Sector

Globally, the mobile industry continues to enjoy strong growth and the total number of mobile subscribers worldwide is expected to increase to approximately 4 billion by the end of this year, 2011 (Liao *et al.*, 2007). Trade liberalization in the Kenyan Telecommunications sector began in earnest in 1997 when the government embarked on progressive liberalization and privatization within the sector. Before liberalization, telecom services were delivered within a monopolistic public sector structure (the Kenya Posts and Telecommunications Corporation [KP&TC]); which combined regulatory and operational responsibilities (UNCATD, 2005). The sector was at the time plagued by inefficiencies and low network coverage. The liberalization of the industry through the 1997 Communications Act led to splitting of the KP&TC into Postal Corporation of Kenya, Telkom Kenya and the Communications Commission of Kenya. Further reforms in the sector were because of Kenya fulfilling its obligations under the WTO framework, which have led to the development of the ICT policy, which entails reviewing of the policy framework for investment, competition and growth including obligation of investors to universal access as stipulated in the WTO reference paper on Basic Telecommunications. (WTO, 2004).

Currently, the telecommunications Industry in Kenya involves Safaricom the lead player, Airtel, Orange and Essar Yu. In the past decade, technological

advancement and regulatory restructuring have transformed the industry. Innovations and introduction of services that are consumer centric have also come up. Further, there has been mimicking of services to keep up with other companies in the industry, buying out companies by other players from outside the regions, lowering of tariffs and even the introduction of mobile number portability (Mark Earls, 2010). One of the truths of modern business is that there is almost nothing that your competitors can't duplicate in a matter of weeks or months. On the local scene, operators invest heavily in strategic marketing to be able to cross-sell additional mobile services and grow their income stream. However, notwithstanding the experiential discussion in the literature on the separate themes of strategic marketing and competitive advantage, there is both a hypothetical and an experiential gap for a more comprehensive understanding of the role of strategic marketing on attaining competitive advantage. This study inquired about the role of strategic marketing on attaining competitive advantage in the local telecommunications sector, by employing explorative research tools.

The result of this liberalization measures has been new markets, new players, and new challenges. Market liberalisation efforts have also picked up leading to the successful partial privatization of Telkom Kenya Ltd in December 2007, divestment of GoK's 25% stake in Safaricom Ltd through a public listing in May 2008, and the launch of fourth mobile operator Econet Wireless Kenya in November 2008. This has resulted into some of the world's best known telecommunication providers,. Vodafone, France Telecoms and Essar Communications through their investments in Safaricom Limited, Telkom

Kenya Limited and Econet Limited respectively, being major players in the Kenyan market. A summary of subscriptions for each of the operators is as shown in table 1.1.

Table 1.1: Mobile Subscriptions by Operator

Service Provider	Mobile Subscriber base					Market share (%) Q210/11
	Q2 10/11	Q1 10/11	Q4 09/10	Net additions	Growth rate (%)	
Safaricom	17,451,325	16,714,548	16,240,569	736,777	4.4	69.9
Airtel	3,792,404	2,977,696	1,834,343	814,708	27.4	15.2
Orange	2,133,462	1,160,534	552,294	972,928	83.8	8.5
Essar Telecom	1,591,700	1,465,832	1,492,098	125,868	8.6	6.4
Total	24,968,891	22,318,610	20,119,304	2,650,281	12	

Source: (CCK, 2011)

The contextual issues in the sector are diverse. However, key players have focused on improving the infrastructure to cover Kenya vastly and widely but there are limitations the companies face, including: licensing being hindered by CCK; increasing competition and regulatory requirements, law suits on mobile number portability restriction; regulation and enactment of an enabling framework for provision of financial intermediary services such as mobile

banking, and; managing growth and the impending challenges on quality of service, average revenue per user and operator capacity. This is mostly an intrinsic problem that crops from the value chain. Accordingly, to get an edge over each other, the operators have come up with strategic moves that help propel them ahead of each other and gain competitive advantage by use of strategic marketing.

1.2 Research Problem

Mobile operators fare well when it comes to gaining market share due to the increased competition which has brought about price wars as well as reputational wars, especially with the introduction of mobile number portability (MNP). Marketing has become every person's duty, not to be left only to the professional marketing function. Currently, it is no longer about coming up with a strategy and telling marketers to sell what we have already come up with. Further, there are many theories and empirical studies on competitive advantage. However, the empirical studies, using complex mathematical models, tend to be limited in scope (Buzzel and Gale, 1990), and often do not include strategic marketing factors. While there has been much research on activities that can provide competitive advantage, there is little knowledge on the process of selection and impact of strategic marketing on the competitive position and business performance of a mobile operator. For instance, the economist Michael Porter pioneered value chain approach in 1985, which focused on how value chain analysis could help companies recognize their position in the market, and its relationships with suppliers, clients, and competitors.

Several studies on marketing strategies have been done, including Wilkinson (1996), Clarke & Laherty (2002), and Torres (2002). However, none of these have focussed on the process of selection and impact of strategic marketing on the competitive position, more so in the mobile or telecom sector. For many years, writers on marketing have been at pains to point out that the principal function of marketing is not so much to be skilful in making the customer do what suits the interests of the business as to be skilled in conceiving and then making the business do what suits the interests of the customers (McKittrick 1957). Specifically, the aspects of value chain, strategic marketing components, marketing mix as well as the benefits and challenges of the whole of strategic marketing on competitive advantage in the telecommunications industry represent an under-researched area which is what we will study.

This study therefore, sought to determine the role of strategic marketing in attaining competitive advantage. The local telecommunications industry, though young, is experiencing cutthroat competition, especially in the recent past which has also witnessed wide-ranging regulatory and policy changes by the Communications commission of Kenya (CCK), the industry regulator. Consequently, there is increased competition in the industry arising from the regulator's intervention. Hence, there is a need for the operators to have sound marketing strategies to competitively position themselves in light of these tough regulations and turbulent business environment. By use of descriptive research techniques, this study sought to evaluate the role of strategic marketing in attaining competitive advantage, given the renewed competition

in the industry. This ultimately enriched the literature on the association between strategic marketing and competitive advantage, as well as led to regulatory and policy changes in the sector. The research question therefore was what does strategic marketing do to help in attaining and maintaining competitive advantage in the telecommunication industry?

1.3 Research objectives

- i. To establish the influence of strategic marketing practices on Competitive advantage.
- ii. To determine the strategic marketing components as used to gain Competitive advantage.

1.4 Value of the Study

It was important to study strategic marketing in any context because the environment is dynamic and always getting new innovations and technological advancements. This study was timely, relevant and of importance as it had come at a time when competition had become stiffer in the industry, as witnessed in the reduction of prices across board on voice and in the data market segment. The significance of this research study can be summarized under the following paragraphs.

Firstly, the telecoms sector will benefit from this study as it will examine the role Of strategic marketing in attaining competitive advantage in the telecommunications sector, which ultimately affects the companies' competitiveness. The study will assist the executives in these firms in

determining strategies for effective strategic marketing for competitive positioning and business success. Further, the study will assist in highlighting the challenges to effective adoption of strategic marketing in the organizations. In anticipation, the study results will generate discussions among board members and senior management, ultimately resulting in implementation of relevant strategic infrastructure for strategic marketing.

Secondly, the government of Kenya through the industry regulator, CCK, will also use the findings, conclusions and recommendations of this study to implement relevant institutional and policy framework in the industry, for fair competition by the key players. Thirdly, other than the mobile operators using the findings of this research to improve on strategic marketing initiatives, especially in areas where challenges were previously encountered, other organizations and business entities, in other economic sectors can also use this document as reference material in pursuit of competitively positioning strategic marketing in their organizations.

Finally, other researchers can also use the information gathered to develop on areas not yet addressed in the subject matter, especially in the adoption of strategic marketing to attain competitive advantage. This research paper will provide a guide on the topic and similar more advanced quantitative studies may thus be replicated across the economic sectors.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews relevant literature related to the aspects of strategic marketing and competitive positioning. More precisely, past studies carried out on the subject matter are reviewed together with other works relevant to the subject of study. Other official documents and reports on the subject will also be reviewed in this chapter.

2.2 Strategic Marketing

Marketing is the process used to determine what products or services may be of interest to customers, and the strategy to use in sales, communications and business development. It generates the strategy that underlies sales techniques, business communication, and business developments. It is an integrated process through which companies build strong customer relationships and create value for their customers and for themselves. (Kotler, 1994).

Marketing is used to identify the customer, satisfy the customer, and keep the customer. With the customer as the focus of its activities, marketing management is one of the major components of business management. Marketing has evolved in mature markets making it a basis to have it re defined thus the purpose of this study. The adoption of marketing strategies

requires businesses to shift their focus from production to the perceived needs and wants of their customers as the means of staying profitable.

The term marketing concept holds that achieving organizational goals depends on knowing the needs and wants of target markets and delivering the desired satisfactions. It proposes that in order to satisfy its organizational objectives, an organization should anticipate the needs and wants of consumers and satisfy these more effectively than competitors.

The field of marketing strategy encompasses the strategy involved in the management of a given product. Therefore, strategic marketing should satisfy the conditions as well as surpass expectations. For instance a firm in an industry may have diversified into many businesses or even have many different services and products it provides but for it to have a competitive edge it has to come up with marketing strategies or a plan to manage such products.

It will need to know how to utilize resources that could be many or limited so it would be important to come up with different models in strategic marketing. The models available are such as positioning, which was the basis in this study, product differentiation, market segmentation and product diversification.

You begin the creation of your strategy by deciding what the overall objective of your firm should be. In general this falls into one of four categories: If the market is very attractive and your enterprise is one of the strongest in the industry you will want to invest your best resources in support of your offering; If the market is very attractive but your enterprise is one of the

weaker ones in the industry you must concentrate on strengthening the enterprise, using your offering as a stepping stone toward this objective; If the market is not especially attractive, but your enterprise is one of the strongest in the industry then an effective marketing and sales effort for your offering will be good for generating near term profits; If the market is not especially attractive and your enterprise is one of the weaker ones in the industry you should promote this offering only if it supports a more profitable part of your business (for instance, if this segment completes a product line range) or if it absorbs some of the overhead costs of a more profitable segment. Otherwise, you should determine the most cost effective way to divest your enterprise of this offering.

Having selected the direction most beneficial for the overall interests of the firm, the next step is to choose a strategy for the offering that will be most effective in the market. This means choosing one of the following generic strategies as according to Michael Porter (1985): A cost leadership strategy is based on the concept that you can produce and market a good quality product or service at a lower cost than your competitors. These low costs should translate to profit margins that are higher than the industry average; a differentiation strategy is one of creating a product or service that is perceived as being unique throughout the industry. The emphasis can be on brand image, proprietary technology, special features, superior service, a strong distributor network, or other aspects that might be specific to your industry. This uniqueness should also translate to profit margins that are higher than the industry average; a focus strategy may be the most sophisticated of the generic

strategies, in that it is a more intense form of either the cost leadership or differentiation strategy. It is designed to address a focused segment of the marketplace, product form or cost management process and is usually employed when it is not appropriate to attempt an across the board application of cost leadership or differentiation. It is based on the concept of serving a particular target in such an exceptional manner, that others cannot compete. Usually this means addressing a substantially smaller market segment than others in the industry, but because of minimal competition, profit margins can be very high.

In marketing therefore, positioning has come to mean the process by which marketers try to create an image or identity in the minds of their target market for its product, brand, or organization. Re-positioning involves changing the identity of a product, relative to the identity of competing products, in the collective minds of the target market. De-positioning involves attempting to change the identity of competing products, relative to the identity of your own product, in the collective minds of the target market.

2.3 Competitive Advantage

According to Porter, "Competitive advantage grows out of value a firm is able to create for its buyers that exceeds the firm's cost of creating it. Value is what buyers are willing to pay, and superior value stems from offering lower prices than competitors for equivalent benefits or providing unique benefits that more

- than offset a higher price.

At the most fundamental level, firms create competitive advantage by perceiving or discovering new and better ways to compete in an industry and bringing them to market, which is ultimately an act of innovation. Innovations shift competitive advantage when rivals either fail to perceive the new way of competing or are unwilling or unable to respond. There can be significant advantages to early movers responding to innovations, particularly in industries with significant economies of scale or when customers are more concerned about switching suppliers. The most typical causes of innovations that shift competitive advantage are the following: new technologies; new or shifting buyer needs; the emergence of a new industry segment; shifting input costs or availability and changes in government regulations. Other than watching these industry trends, at the level of strategy implementation, competitive advantage grows out of the way firms perform discrete activities, conceiving new ways to conduct activities, employing new procedures, new technologies, or different inputs. The fit of different strategic activities is also vital to lock out imitators.

To maintain and sustain competitive advantage, Porter (1990) outlines three conditions for the sustainability of competitive advantage: Hierarchy of source (durability and instability), lower order advantages such as low labour cost may be easily imitated, while higher order advantages like proprietary technology, brand reputation, or customer relationships require sustained and cumulative investment and are more difficult to imitate; Number of distinct sources; many are harder to imitate than few; Constant improvement and

upgrading; a firm must be creating new advantages at least as fast as competitors replicate old ones.

Porter describes three choices of strategic position that influence the configuration of a firm's activities: Variety based positioning; based on producing a subset of an industry's products or services. Involves choice of product or service varieties rather than customer segments. Makes economic sense when a company can produce particular products or services using distinctive sets of activities: Needs based positioning; similar to traditional targeting of customer segments. Arises when there are groups of customers with differing needs, and when a tailored set of activities can serve those needs best: Access-based positioning; segmenting by customers who have the same needs, but the best configuration of activities to reach them is different.

2.4 Influence of strategic marketing practices on competitive advantage

Marketing is a philosophy that leads to the process by which organizations, groups and individuals obtain what they need and want by identifying value, providing it, communicating it and delivering it to others. The core concepts of marketing are customers' needs, wants and values; products, exchange, communications and relationships. Marketing has been defined as the management function responsible for identifying, anticipating and satisfying customer requirements profitably. Marketing is, therefore, both a philosophy and a set of tools and techniques Which address such matters as research, product design and development, pricing, packaging, sales and sales

promotion, advertising, public relations, distribution and after-sales service. Marketing is strategically concerned with the direction and scope of the long-term activities performed by the organization to obtain a competitive advantage. Implied in this view of strategic marketing is the requirement to develop a strategy to cope with competitors, identify market opportunities, develop and commercialize new products and services, allocate resources among marketing activities and design an appropriate organizational structure to ensure the performance desired is achieved

Strategy has been variously defined (Dess, Lumpkin & Eisner, 2007), a reflection of its evolution from a quantitative planning process to a mechanism designed to exploit an organization's resources. Sources of marketing advantage are reputation, brands, tangible assets, knowledge, customer service, and people. To be worthwhile the marketing advantage must be sustainable. It must, therefore, be tangible, measurable and capable of providing competitive protection for some time. Competitive advantage does not come from being simply different; it is achieved when an organization exploits and successfully maintains its advantages over its competitors (Lumpkin & Eisner, 2007). The reality though is that competitive advantage is invariably transitory, as competitors seek to mimic an organisation's strengths and undermine its competitive advantage (Campbell, Stonehouse & Houston 2004; David 2007). By recognizing interactions with competitors, managers can incorporate strategic foresight in their planning, which requires them to look forward and reason backward in making optimal decisions. Looking forward means that each brand manager anticipates how other competing brands are likely to make

future decisions, and then by reasoning backward deduces one's own optimal decisions in response to the best decisions to be made by all other brands.

The most noteworthy strategic business initiatives for service-oriented businesses are often found through the processes of a company's value configuration. According to Raphael and Christoph (2001), a value configuration is a string of steps that analyzes how business processes function to create values and aid in finding strategic advantages inside the corporate activities. Ever since the invention of the mobile phone more than a few decades ago, many things have changed in the telecom markets around the world. As cell phone ownership has reached its saturation levels in many countries, and the revenues from voice communication are no longer growing, telecom operators have had to find new sources of revenues. Consequently, they have continuously worked to introduce value-added services, that is, mobile services in addition to the traditional voice calls. Marketing planning, as Mandell and Rosenberg (1981) describe, is the managerial marketing process which explores what marketing actually does, the actual process by which marketing operates. Several benefits are associated with strategic marketing.

Firstly, it presents an opportunity to take a fresh look at the vision and mission, and the business environment and how to strengthen the business to take advantage of the changed business environment. Secondly, it provides an opportunity to review the business differentiators and positioning statement(s) to create effective strategies for the next financial year. Thirdly, strategic

marketing presents an opportunity to review the strengths, weaknesses, opportunities & strengths and apply what has been learnt to create effective communications and marketing strategies. Likewise, it provides an opportunity to develop new goals in a revised strategic action plan for the new financial year and an opportunity for building renewed commitments and confidence for a brighter business image. Marketing should distinguish between the individual customer's short-term needs and wants and the longer-term welfare of society. The two major assumptions behind marketing are that consumers know what they want and are informed and highly rational in satisfying their wants and that customer sovereignty prevails (Dickinson *et al.*, 1986). There is no unique strategy that succeeds for all organizations in all situations. In thinking strategically about marketing, many factors must be considered: the extent of product diversity and geographic coverage in the organization; the number of market segments served, marketing channels used, the role of branding, the level of marketing effort, and the role of quality.

It is also necessary to consider the organization's approach to new product development, in particular, its position as a technology leader or follower, the extent of innovation, the organization's cost position and pricing policy, and its relationship to customers, competitors, suppliers and partners. The challenge of strategic marketing is, therefore, to manage marketing complexity, customer and stakeholder expectations and to reconcile the influences of a changing environment in the context of a set of resource capabilities. Research on the marketing strategies used by both small businesses and art-related business has been conducted in many ways,

including by interviews (Wilkinson, 1996), surveys (Clarke & Laherty, 2002), and case studies (Torres, 2002). All of these methods pointed to three major themes that can help researchers to better understand the unique marketing challenges presented by service-oriented businesses: businesses have different definitions of success and therefore need different marketing strategies; the internet may help service-oriented businesses to implement creative marketing strategies; and, networking or forming strategic alliances may help service-oriented business to find greater success in strategic marketing.

In a present-day context, to be skilful in conceiving the real interests of customers, the organization must balance environmental considerations against profitability requirements; society's welfare against individual needs; and the long-term welfare of customers against their short-term wants. Social responsibility in marketing means accounting for the relationship between marketing and the environment in which it operates. Social responsibility refers to the obligation of the organization, beyond the requirements of the law, to take into practical consideration in its decision making the social consequences of its decisions and actions, as well as profits. The dimensions of studies on CSR are fairly varied and include the study of volunteer work (Almeida *et al*, 2005), the dissemination of information on CSR initiatives (Farache, & Sousa, 2008), corporate citizenship (Hemphill *et al*, 2004), the interaction between corporations and the community (Fonseca *et al*, 2005), corporate giving and philanthropy (Amato & Amato, 2007), the institutionalization of CSR (Ventura, 2005) and models of social and environmental management (Pasa, 2004). Accordingly, strategic CSR moves

further than good corporate citizenship and lessens injurious value chain impacts, incorporates social and ethical concerns into core business operations and strategy, and lowers costs, creates value, and better serves customer needs.

In recent years, ethical issues as well as social and moral standards, which are acceptable in a society, have become very important in marketing. Trust is a related issue which is an essential ingredient in building long-term relationships between organizations and their customers. Trust is well placed where ethical standards are upheld and misplaced where ethical standards are ignored or flaunted. Organizations operating in many cultures have greater difficulty in coping with a heterogeneous set of customers, drawing on disparate cultures for their ethical standards (Amato & Amato, 2007). The view that marketing has a special responsibility when discussing the natural environment is also well developed. By promoting product manufacture and usage, the organization may be encouraging resource depletion, pollution or other environmental deterioration. Most organizations believe that it is not sufficient to make profits and generate employment while ignoring an obligation to society regarding the preservation of the natural environment even though their behaviour is within the law. In a general way, social responsibility is an investment in future profits which should be made even at the expense of short-term profits (Almeida *et al*, 2005)

2.5 Strategic Marketing components and Competitive Advantage

Competitive advantage occurs when an organization acquires or develops an attribute or combination of attributes that allows it to outperform the competition. These attributes can include access to natural resources, customer numbers, or access to highly trained and skilled human resources, Porter (1980). The contemporary competitive landscape is characterized by the fundamental nature of globalization and rapid and significant technological changes (Hitt, Keats and DeMarie, 1998). In many industries, strategic marketing is now the most important driver of competitive success (Schilling, 2005). Positioning is not what you do to a product; it is what you do to the mind of a prospect (Ries and Trout, 1972). This correlation between strategy and competitiveness is widely recognised within strategic literature (Scholes & Whittington 2005). The challenge for organizations is to build a strategy around a sustainable competitive advantage but different perspectives exist to explain an organisation's competitive advantage, most notably, The Positioning School and The Resource-Based View.

In logistic terms, value can be described as both value in place and value in time; hence all actors performing activities in order to get the right product to the right place at the right time are parts of a value chain, (Simchi-Levi et al, 2000). Value in marketing is a combination of product or service quality, reasonable or acceptable prices and responsive service. It is noteworthy that marketing value combines high quality with acceptable prices. It is not low

quality products at low prices or high quality at high prices. Value in marketing means delivering on a whole range of promises to the customer; same chain to provide product or service from the very beginning conception to the end users. These stakeholders normally include input providers, producers, processors, collectors, traders, wholesalers, retailers, consumers as well as third parties providing such additional services as finance, market research and logistic to these stakeholders.

Viewing the value in the business system as the result of a network of important relationships highlights two important factors. First, decisions made by one organization affect and are affected by decisions by other organizations. Second, organizations often make decisions that are normally associated with those of other actors in the system. Thus, the organization makes important decisions which affect suppliers, just as suppliers make important decisions which are normally thought of as in the purview of the organization. Marketing's role in strategic planning for the organization means identifying the optimal long-term positions that will ensure customer satisfaction and support. These optimal positions are determined largely by fundamental changes in demographic, economic, social and political factors (Anderson, 1982). Thus, strategic positioning is more likely to be guided by long-term demographic and socioeconomic research than by surveys of consumer attitudes, the hallmark of the market-driven organization.

The strategic marketing planning process flows from a mission and vision statement to the selection of target markets, and the formulation of specific

marketing mix and positioning objective for each product or service the organization will offer. Leading authors like Kotler present the organization as a value creation and delivery cycle. In its first phase, choosing the value, the strategist "proceeds to segment the market, select the appropriate market target, and develop the offer's value positioning. The formula of segmentation, targeting, positioning (STP), is the essence of strategic marketing (Kotler, 1994). Market segmentation is an adaptive strategy, consisting of the partition of the market with the purpose of selecting one or more market segments which the organization can target through the development of specific marketing mixes that adapt to particular market needs. But market segmentation need not be a purely adaptive strategy: the process of market segmentation can also consist of the selection of those segments for which a firm might be particularly well suited to serve by having competitive advantages relative to competitors in the segment, reducing the cost of adaptation in order to gain a niche. This application of market segmentation serves the purpose of developing competitive scope, which can have a "powerful effect on competitive advantage because it shapes the configuration of the value chain." (Porter, 1985: pp87).

According to Porter, the fact that segments differ widely in structural attractiveness and their requirements for competitive advantage brings about two crucial strategic questions: the determination of; where in an industry to compete and; in which segments would focus strategies be sustainable by building barriers between segments (Porter, 1985). Segmentation as a process consists of segment identification, segment selection and the creation of marketing mixes for target segments. Once the firm has chosen a market

segment it must choose a generic competitive strategy, and at this point it is also necessary to review the selected strategy across segments and explore general strategic approaches. Miles & Darroch (2004) contend that strategy is ingrained in competitive advantage, while Moody (2007) posits that despite competitive advantage's wide use, few researchers have attempted to define the concept. In whole, the underlying premise of competitive advantage is that it provides the firm with a means to out-perform its competitors by more efficiently and effectively delivering products and services to the market.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discussed and determined the research methodology and process for the study, describing the methods applied in carrying out the research. It described the various methodologies that were used in gathering information, procedures that were adopted in conducting the research, the techniques which were used in analysis and the presentation of data collected.

3.2 Research Design

This study design adopted a descriptive research design so as to achieve the objectives in the survey. Descriptive research design is a research method for researching specific subjects and is used as a forerunner to more advanced quantitative studies. Hopkins (2000) suggests that descriptive studies is part of a quantitative research design, whose aim is to determine the relationship between one thing (an independent variable) and another (a dependent or outcome variable) in a population, establishing the associations between variables and the causality. This type of design was relevant to the present study since it involved seeking the opinions of strategy and marketing personnel who have utilized strategic marketing for competitive positioning of their firms in the marketplace.

3.3 Population of the study

The study population for this research included all the four mobile telecom operators in the country. The study targeted the four telecom operators in Kenya, namely Safaricom, Airtel, Yu and Orange.

3.4 Data Collection

Primary data was collected from eight senior managers, the Chief strategic managers and the Head of marketing division manager from the respective companies. Consequently, data from the respondents was collected by way of questionnaires. The questionnaire was divided into three major sections. The first section collected background information about the firm. Section two collected information on the influence of strategic marketing on Competitive advantage. Section three, the final section, dealt with the strategic marketing practices as used to gain Competitive advantage. Both structured and unstructured questions were used to collect the data. The questionnaire was designed and distributed to the respondents in each company one at a time, left with them to fill-in at their convenient time and collected later as agreed between the researcher and the respondents.

3.5 Data Analysis and Interpretation

The data collected was both quantitative and qualitative in nature. Thus, after fieldwork, there was transcription of data, after checking for completeness and consistency as well as for various omissions, incomplete or otherwise unusual responses, illegibility and other obvious inconsistencies. These data was coded

into categories as a way of organizing them before being thematically analyzed and interpreted to fit into the study objectives. Data analysis involved editing, cleaning, transformation and tabulation. The data findings and results was then presented using various statistical tools and techniques, like tables.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION

4.0 Introduction

In this chapter, the results of data analysis are presented. Data for this study - was collected, edited, organized, analyzed and finally presented both quantitatively and qualitatively using tables, and the information obtained was interpreted according to research questions and the study objectives discussed earlier on in chapter one. Analysis was done using the SPSS software. A total of 7 questionnaires were returned out of a possible 8, representing an 87.5% response rate.

4.1 General Information about respondents and the organization

Based on their job group in the company, a majority 57% of the respondents indicated they are in senior management, while 43% indicated they are in middle level management. None of the respondents was found to be a junior staff. From the total percentages of respondents in this study according to their level of education, it was found out that a minority 14% indicated highest level of education as tertiary college, majority 57% are university graduates and 29% are postgraduates. On the number of years served in the companies, 29% of the respondents have served in their companies for less than 3 years, majority 43% have served for 4 to 7years while 29% have served in their companies for more than 7 years.

The total percentages of responding firms in this study according to their length of existence since being established indicated that the majority (57%) of the firms have been in operation for between 5 to 10 years. The least have been in operation for the last five years (5%) while 29% have been in existence for more than 10 years.

The total percentages of responding firms in this study according to the number of full time employees in the organization, 14% have less than 1,000 employees, 29% have between 1,000 and 2,000 employees and 57% have more than 2,000 employees. Clearly, none of the firms has a pure local or foreign ownership. All the firms have both foreign and local ownership.

4.2 Influence of Strategic Marketing Practices on Competitive Advantage

The second part of the questionnaire dealt with the strategic marketing practices adopted in order to attain competitive advantage and their influence, as presented in the following subsections. Respondents were asked about their general impression of strategic marketing and competitive advantage. This was an open ended question with varying answers. The responses were generally inclined to the effect that strategic marketing is a critical component in achieving competitive advantage. The results are shown on table 4.1 below.

Table 4. 1: Response rate on the influence of strategic marketing practices on competitive advantage

				Analysis				
				very low extent	low extent	high extent	very high extent	Total
practices								
	Pricing		N	0	1	3	3	7
	Response	%		0	14.3	42.9	42.9	100%
	cumulative %			0	14.3	57.1	100	
				0	0.143	0.429	0.429	1
	Change of ownership			2	3	2	0	7
	Response	%		28.6	42.9	28.6	0	100%
	cumulative %			28.6	71.4	100	0	
				0.286	0.429	0.286	0	1
	Advertisement		N		1	2	4	7
	Response	%			14.3	28.6	57.1	100%
	cumulative %			0	14.3	42.9	100	
				0	0.143	0.286	0.571	1
	target marketing		N	0	0	3	4	7
	Response	%		0	0	42.9	57.1	100%
	cumulative %			0	0	42.9	100	
				0	0	0.429	0.571	1
	TOTAL			0.286	0.715	1.43	1.571	4

As seen from the table above respondents' views on the extent to which pricing on tariffs and products, has affected customer acquisition and retention, 43% indicated very high extent and high extent, respectively and 14% indicated low extent. None of the respondents responded with very low extent. Clearly, pricing on tariffs and products has greatly affected customer acquisition and retention, positively. On the extent to which change in ownership has affected- the way customers view the firm, the results are presented as; 28% stated very low extent, 43% low extent, 29% high extent

and 0% very high extent. It is noted that change in ownership has not significantly affected the way customers view the firm.

Respondents were then asked the extent to which advertisement and brand recognition have affected the customer numbers acquired by the company, and the responses are demonstrated as a majority 57% stated very high extent, 29% high extent, 14% low extent, and 0% very low extent. It is thus noted that to an extremely large extent, advertisement and brand recognition have affected the customer numbers acquired by the companies. When requested to give their views on the influence of strategic marketing on choice of market when it comes to target marketing, the responses demonstrate that 42.9% stated high extent and majority 57.1% very high extent. Accordingly, it is concluded that the influence of strategic marketing on choice of market when it comes to target marketing is great.

Similarly, asked to what extent distribution channels availability contributed to ease of service and customer acquisition, the respondents answered as 14% each stated very low extent and low extent while the majority 43% indicated high extent. A further 29% stated high extent. Thus, it is noted that distribution channels availability have contributed significantly to service and customer acquisition

Regarding the extent to which change in leadership affected the performance of the firm, results shows that, 14% stated very high extent, 29% high extent, 15% low extent and a majority 50% very low extent. Clearly, we are indifferent as to the impact of change in leadership on the performance of the firm. On other practices like when asked to what extent their company has

evaluated the strengths and weaknesses and worked on them to increase competitive advantage. The results also show that 42.9% and a majority 57.1% indicated high extent and very high extent respectively. It is evident therefore that companies have evaluated their strengths and weaknesses and worked on them to increase competitive advantage.

When requested to give their views on the impact of strategic marketing on the level of competitiveness for their company, the responses are summarized as a majority 71.4% stated high extent, and 28.6% very high. Clearly, strategic marketing has had a great positive influence on the level of competitiveness of the companies. Respondents were requested to give their opinions as to the extent strategic marketing has led to revenue growth over time, and their responses are, 14.3% and 57.1% respectively, stating very high extent and high extent. Also, 14.3% said low extent, and another 14.3% very low extent. It is noted that to a considerable extent, strategic marketing has led to revenue growth over time. Finally, the firms were asked on the extent strategic marketing has led to overall business growth over time, results show that 42.9% stated very high extent, and 57.1% high extent. Clearly, strategic marketing has led to overall business growth over time.

4.3 Strategic Marketing Components

Respondents were required to give their opinions regarding how the strategic marketing components have been used in the attainment of competitive advantage (CA). Their responses are summarized in the following paragraphs and on the table 4.2 below.

Table 4. 2: Response rate on the influence of strategic marketing components on competitive advantage

Components			Very low extent	Low extent	High extent	Very high extent	Total
market analysis		N		1	4	2	7
Response	%			14.3	57.1	28.6	100%
cumulative %			0	14.3	71.4	100	
				0.143	0.571	0.286	1
market segmentation					3	4	7
Response	%			*-0	42.9	57.1	100%
cumulative %			0	0	42.9	100	
			0	0	0.429	0.571	1
market positioning		N		1	4	2	7
Response	%			14.3	57.1	28.6	100%
cumulative %			0	14.3	71.4	100	
				0.143	0.571	0.286	1
Strategic marketing and competitive advantage		N		1	5	1	7
Response	%			14.3	71.4	14.3	100%
cumulative %			0	14.3	85.7	100	
				0.143	0.714	0.143	1
Total			0	0.429	2.285	1.286	4

Asked to what extent market analysis has enhanced the attainment of competitive advantage, the responses are as shown above, 28.6% respondents stated very extent, 57.1% high extents and only 14.3% stated low extent. Clearly, market analysis has enhanced the attainment of competitive advantage. Regarding whether market segmentation enhanced the attainment of Competitive advantage, majority 57.1% of the respondents indicated very high extent and the remaining 42.9% stated high extent. None of the respondents disagreed. It is thus concluded that market segmentation has

enhanced the attainment of competitive advantage and on the question if strategic marketing has enhanced the attainment of competitive advantage, evidently, 14.3% respondent said very high extent, and 71.4% said high extent and 14.3% low extent. Clearly, strategic marketing has enhanced the attainment of competitive advantage.

When asked about influence of market positioning on competitive advantage, 28.6% of the respondents stated very high extent, with an additional 57.1% indicating to a high extent. It can be concluded that market positioning has been the greatest source of the companies' success. Respondents were then asked if organizational teams have been configured to fit into the general value chain network. It is clear that 14.3% strongly agreed, 28.6% agreed, 14.3% were neutral, 28.6% disagreed and a further 14.3% strongly disagreed. We are indifferent as to whether organizational teams have been configured to fit into the general value chain network. On whether pricing is structured to put them ahead of the competition, shows that 42.9% strongly agreed and a majority 57.1% agreed. Clearly, pricing is structured to companies ahead of the competition. On the other hand, it shows that 28.6% strongly agreed, when asked if systems and procedures for product and service quality assurance are implemented. An additional 42.9% agreed and 28.6% disagreed. Systems and procedures for product and service quality assurance are implemented.

When requested to give their views on whether demographic and socio-economic forecasts guide our market segmentation policies. It shows that 57.1% agreed, 14.3% were neutral and 28.6% disagreed. It is noted that although the results appear mixed, demographic and socio-economic forecasts

guide market segmentation policies for most of the companies. On the other hand, when asked if positive values such as trust, honesty, hardworking, are fostered by management, a majority agreed as we as customer needs and wants driving the company. The results to the statement that the marketing and strategy teams are configured to be highly responsive to the marketplace. Results showed 42.9% of the respondents strongly agreed and 57.1% agreed, respectively. Thus, there is strong evidence that marketing and strategy teams are configured to be highly responsive to the marketplace.

When asked whether driving brand image has put the company ahead of the competition it was found out that 28.6% of the respondents strongly agreed, 42.9% agreed, only 14.3% were neutral and 24.4% disagreed respectively. To a large extent, driving brand image has put the respective companies ahead of the competition. The researcher was also interested in knowing if currently, strategic marketing is the most important driver of competitive success for the company. It was evident that 14.3% strongly agreed, majority 42.9% agreed, 14.3% were non-committal, 28.6% disagreed and 1 4.3% strongly disagreed, in that order. Thus, there is a strong indication that currently, strategic marketing is the most important driver of competitive success for the company.

The respondents were asked if there exists a strategic marketing coordinating organ/team and a majority 42.9% strongly agreed. The results further show that 28.6% agreed, 14.3% were neutral, and 14.3% disagreed. Accordingly, there is indication that there exists a strategic marketing coordinating

organ/team within the participating telecom operators. Respondents were asked if information on operational and financial performances are collected and analyzed. The results show that 71.4% strongly agreed and 28.6% agreed that information on operational and financial performances are collected and analyzed. It is therefore concluded that indeed, information on operational and financial performances are collected and analyzed. Results on this proposition presents the results of the respondents' views on the statement that the top management strongly promotes organization-wide staff involvement in marketing initiatives. Clearly, 14.3% of the respondents strongly agreed, 57.1% agreed, and 28.6% disagreed. Evidently, it is concluded that the top management strongly promotes organization-wide staff involvement in marketing initiatives.

4.4 Correlation among various dimensions of marketing

The findings were from a majority in senior management who are a majority when it comes to university level as graduates. Majority of the managers have served the company for more than four years. The firms have more than 2000 employees. When it comes to ownership structure, none of the firms has a pure local or foreign ownership. All the firms have both foreign and local ownership. Correlation analysis to determine the relation between the two dimensions which are marketing practices and components was also carried out. The two are not intertwined therefore possible to correlate and also the correlation calculations do not discriminate between the two but rather quantify the relationship between the two

From the findings it showed that, pricing on tariffs and products has greatly affected customer acquisition and retention, positively and it is noted that distribution channels availability have contributed significantly to service and customer acquisition. Pricing and strategic marketing after doing a correlation analysis showed a significant relationship as shown on table 4.3 below.

Table 4. 3: Correlation between different marketing^practices and components

		Pricing	Strategic Marketing
Pricing	Pearson Correlation	1	.676**
	Sig. (2-tailed)		.324
	N	4	4
Strategic Marketing	Pearson Correlation	.676**	1
	Sig. (2-tailed)	.324	
	N	4	4
		Target Marketing	Market Segmentation
Target Marketing	Pearson Correlation	1	1.000"
	Sig. (2-tailed)		.000
	N	4	4
Market Segmentation	Pearson Correlation	1.000"	
	Sig. (2-tailed)	.000	
	N	4	4

		Advertisement	Market Positioning
Advertisement	Pearson Correlation	1	.543**
	Sig. (2-tailed)		.457
	N	4	4
Market Positioning	Pearson Correlation	.543**	1
	Sig. (2-tailed)	.457	
	N	4	4

** . Correlation is significant at the 0.01 level (2-tailed).

Correlation analysis between change on ownership and market analysis indicated a negative correlation. It was also noted that change in ownership has not significantly affected the way customers view the firm but to a large extent market analysis has contributed to a firm's success.

Accordingly, it is concluded that the influence of strategic marketing on choice of market when it comes to target marketing, is great as shown on table 4.3 above. Market analysis, market segmentation as well as market positioning has enhanced the attainment of competitive advantage therefore strategic marketing has enhanced the attainment of competitive advantage and advertisement and brand recognition have affected customer retention. From the findings, it is noted that companies that fare well have put to mind and practice marketing strategies that work for them as well as their employees. From the correlations we find that most strategic marketing practices and components are positively correlated and therefore go hand in hand.

CHAPTER FIVE

DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This study had two main objectives which were to: establish the influence of strategic marketing practices on competitive advantage, and; determine the strategic marketing components as used to gain competitive advantage. Data from the respondents was collected by use of emailed questionnaires and analyzed using the SPSS software. The results were presented in the form of tables, so that all the information supported by the objectives was clear. This section presents the summary of the findings, conclusion, recommendations and suggestions for further research, based on the study findings.

5.2 Summary of the Findings

The study found out that the marketing mix which includes market positioning, segmentation and target marketing are vital when aiming to get ahead in competitive advantage. The respondents showed that the components and the practices are aligned and help in achieving competitive advantage. A firm would succeed if it practices and implements the components as they are vital for they cover many aspects be it advertising, sales or promotions. Making customers happy and buy the company's service or product is one of the company's main goals and a research such as this helps identify what customers want. The study showed that firms in Kenya have succeeded in the

telecommunication industry due to the practices they implement as well as the marketing components and this research study has also shown to what extent. It is of point to note that competition has become stiff and to get competitively ahead such practices and components have to be adopted.

5.3 Conclusion

Strategic Marketing is one of the most important business functions in a service-oriented company as it relates to customer management, i.e. customer acquisition, loyalty and retention, by satisfying their needs and wants at a time when they want them and in the manner they want them. Further, Strategic Marketing helps gain visibility into customer processes and hence effectively balances products and services with demand. The premise of this study was that Strategic Marketing is a crucial component of customer satisfaction levels with the main theme being the application of strategic Marketing in attaining Competitive Advantage. While past studies on varying proportions of these two concepts have also been carried out, the subject remains relatively under-researched, presenting a literature gap that this study sought to fill. Accordingly, this study concludes that strategic marketing is very relevant in attaining competitive advantage, with many benefits associated with the same. Furthermore, there is a strong indication that customer satisfaction levels have shown improvement, customer complaints have reduced, financial results have improved and customer satisfaction and rate of customer churn has decreased, as a result of applying strategic marketing in attaining competitive advantage.

5.4 Recommendations

5.4.1 Recommendations with Policy implications

Based on the results, the study recommends the need for better Strategic Marketing education, as many employees may be unaware of their company's Strategic Marketing performance and its relationship to business performance and success. The management needs to select marketing strategies that focus on differentiation and cost leadership to achieve competitive advantage and business success. This study further recommends the broadening of the range of the Strategic Marketing components so as to reap the full benefits of applying Strategic Marketing for attaining Competitive Advantage in the marketplace. The cultural differences arising from the large percentage of foreign ownership compared to local Kenyan ownership could be significantly hampering the effectiveness of strategic marketing for attaining competitive advantage, due to corporate influence from the parent companies. This is so since in addition to facing numerous corporate challenges, which include management practices, international business managers also have cultural differences to contend with. Policy framework should be developed and implemented, to guide on labour issues for Multi-National Corporations in Kenya. This is a teething bottleneck that needs to be addressed. Also, there is a need to develop better Strategic Management integration to improve the organizations' corporate strategies by creating links with all stakeholders. Further, enhanced communication within the companies' value chains is recommended. The resultant, breakdown should allow for critical Strategic

Marketing performance gaps to be analyzed and understood from the viewpoint of customers and business excellence as well.

5.4.2 Suggestions for Future Research

The present study focused on strategic marketing and competitive advantage in the local telecom sector as its foundation, and thus the study was specific to the telecom operators in Kenya. The study has therefore primarily laid a foundation for further studies on the interaction between strategic marketing and competitive advantage, perhaps on a larger scale. Further research therefore needs to be done on the other sectors of the economy, using firm level empirical data in order to get a more definitive picture of the association between strategic marketing and competitive advantage, and enrich the literature thereof. Being a survey, it is recommended that further research should test the findings of this research using a larger sample and employing a more quantitative research method for the purposes of statistical generalization. With globalization creating a village-like marketplace, research about company behavior in one country could lead to potential consolidation of company marketing strategies providing global competitive advantage and hence future research can also extend research into different geographical areas as well. Further, this study does not discuss in detail how strategic marketing can be applied broadly across related industries, presenting a gap for future study. In light of this, no single study can be found to be conclusive and there is room for improvement on the subject.

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APPENDIX 1: LETTER OF INTRODUCTION

Josephine Mawanda,

P.O Box 64530, Nairobi,

Tel.: 0723930944

22nd September, 2011.

Dear Sir/Madam,

REF: REQUEST TO CARRY OUT RESEARCH ON STRATEGIC MARKETING AND ATTAINING COMPETITIVE ADVANTAGE

I am a student at the University of Nairobi pursuing a Master of Business Administration degree in Strategic Marketing. As a requirement in fulfilment of the requirements for the award of this degree, I wish to carry out a study on the role of strategic marketing on attaining competitive advantage in the telecom sector.

I have chosen your company since it is one of the firms in the telecommunications industry and thus is of strategic importance in achieving the study's objectives. I therefore ask for assistance by granting me the permission to collect important data from some of your senior employees.

The information obtained through interview guides shall be treated as confidential and academics and used purely for the purpose of this research. A final copy of the project will be availed to you at your request.

Your cooperation will be highly appreciated. Thank you in anticipation.

Yours Faithfully,

Josephine.

QUESTIONNAIRE

This survey is a part of a study on the role of strategic marketing on attaining competitive advantage in the telecom sector. The information obtained will be used for research purposes only and no attempt will be made to identify any individual in the final report publication.

PART A: GENERAL INFORMATION

1. Name of the company_____~.

2. Respondent' job group?

Senior Management []

Middle Level Management []

Junior staff []

3. Level of education

Tertiary/middle level college [] University [] Post-graduate []

4. Years served in the company

Less than 3 years [] 4 to 7 years [] More than 7 years []

5. How long has the firm been in existence?

Less than 5 years [] Between 5 to 10 years [] More than 10 years []

6. How many full time employees does your organization have?

Less than 1,000 employees []

Between 1,000 to 2,000 employees []

More than 2,000 employees []

7. What is the organisational structure like of your company?

SECTION B: INFLUENCE OF STRATEGIC MARKETING PRACTICES AS USED TO GAIN COMPETITIVE ADVANTAGE

This section helps us understand some of the strategic marketing practices adopted in order to attain competitive advantage and their influence.

1. What is your general impression about strategic marketing and competitive advantage?

2. To what extent has pricing on tariffs and products affected customer acquisition and retention?

Very High Extent [] High Extent [] Low Extent [] Very Low Extent []

3. To what extent have distribution channels availability contributed to ease in service and customer acquisition?

Very High Extent [] High Extent [] Low Extent [] Very Low Extent []

4. To what extent has change in ownership affected the way customers view the firm?

Very High Extent [] High Extent [] Low Extent [] Very Low Extent []

5. To what extent has advertisement and brand cognition affected the customer numbers acquired by the company?

Very High Extent [] High Extent [] Low Extent [] Very Low Extent []

6. To what extent has change in leadership affected the way the firm performs?

Very High Extent [] High Extent [] Low Extent [] Very Low Extent []

7. To what extent has strategic marketing influenced choice of market when it comes to target marketing?

Very High Extent [] High Extent [] Low Extent [] Very Low Extent []

8. Do you agree that market positioning has been the greatest source of your company's success?

Very High Extent [] High Extent [] Low Extent [] Very Low Extent []

9. To what extent has your company evaluated the strengths and weaknesses and worked on them to increase competitive advantage?

Very High Extent [] High Extent [] Low Extent [] Very Low Extent []

10. To what extent has strategic marketing increased the level of competitiveness for your company?

Very High Extent [] High Extent [] Low Extent [] Very Low Extent []

11. To what extent has strategic marketing led to revenue growth over time?

Very High Extent [] High Extent [] Low Extent [] Very Low Extent []

12. What can the local telecom operators do to increase their level of competitiveness through strategic marketing?

SECTION C: STRATEGIC MARKETING COMPONENTS

This section helps us understand the how the strategic marketing components have been used in the achievement of competitive advantage (CA).

1. To what extent has market analysis enhanced the attainment of competitive advantage?

Very High Extent [] High Extent [] Low Extent [] Very Low Extent []

2. To what extent has market segmentation enhanced the attainment of Competitive advantage?

Very High Extent [] High Extent [] Low Extent [] Very Low Extent []

3. To what extent has strategic marketing enhanced the attainment of Competitive advantage?

Very High Extent [] High Extent [] Low Extent [] Very Low Extent []

Any explanation?

4. Please rate the following statements on a scale of:

1=Strongly Disagree 2= Disagree 3=Neutral 4=Agree 5=Strongly Agree

STATEMENT	DEGREE OF AGREEMENT
1. All our organizational teams have been configured to fit into the general value chain network	1 2 3 4 5
2. Our pricing is structured to put us a head . of the competition	' 1 2 3 4 5
3. Systems and procedures for product and	

STATEMENT	DEGREE OF AGREEMENT
service quality assurance are implemented	1 2 3 4 5
4. Demographic and socio-economic forecasts guide our market segmentation policies	1 2 3 4 5
5. Positive values such as trust, honesty, hardworking, are fostered by management	1 2 3 4 5
6. Customer needs, wants and values guide our marketing strategies rather than our own profit maximization objectives	1 2 3 4 5
7. Our marketing and strategy teams are configured to be highly responsive to the marketplace	1 2 3 4 5
8. Communication links exist amongst all the value chain stakeholders in our organization	1 2 3 4 5
9. Driving brand image has put us a head of the competition	1 2 3 4 5
10. Our emphasis is on the close linkage among different economic actors to improve the value chain by adding value to the chain with their own activities	1 2 3 4 5
11. Currently, strategic marketing is the most important driver of competitive success for our company	1 2 3 4 5
12. Employees are continuously trained for marketing related skills	1 2 3 4 5
13. There is a strategic marketing	

STATEMENT	DEGREE OF AGREEMENT
coordinating organ/team	1 2 3 4 5
14. Information on operational and financial performances are collected and analyzed	1 2 3 4 5
15. Top management strongly promotes organization-wide staff involvement in marketing initiatives	1 2 3 4 5

Any additional information or comments?

THANK YOU FOR YOUR COOPERATION