

" POSITIONING STRATEGIES USED BY HEALTH MAINTENANCE ORGANIZATIONS IN KENYA "

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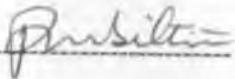
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DECLARATION

This management research project is my original work and has not been presented for a degree in any other university.

Signed 

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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 the Almighty God the giver of life and health for allowing me to accomplish this task. I also dedicate it to my children Mumo and Nthambi who gave me great support in my work.

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ABSTRACT

This study was conducted with the main objective of establishing the positioning strategies, used by Health Maintenance Organisations in Kenya. The study considered the whole population of the HMOs in the county since they were only 15 firms: Primary data was collected using a questionnaire that had both closed and open ended question and a greater extend used likert scale. The questionnaires were distributed to top marketing executives interested with marketing decisions in the firm. The response rate was 80%. The data was analysed using the statistical package for social sciences (spss).

The study revealed that all the HMOs appreciate the various strategies of positioning. It was also established that most of the HMOs use similar competitive strategies in their product design, benefits sought, distribution, personnel, physical evidence and process. From the research, it can be concluded that HMOs have appreciated use of various position strategies to distinguish themselves from the traditional health care providers and mainstream insurance. They have used these variables to a very small extent to distinguish themselves from each other.

Their limited use of elaborate promotion programmes was also shown by the large dependence on word of mouth advertising. This was seen as a possible explanation of the customer ignorance sighted by most of the HMOs as a major challenge in positioning. It was recommended that each of these firms adopt positioning strategies that would clearly distinguish it from the competitors. Further more it was recommended that a clear government policy be put in place in order for these firms to carry out proper marketing programming for their services. The study was limited to only positioning strategies used by HMOs. The collapse of several HMOs in the recent passed made data collection difficult. Further studies were suggested in the area of risk management as these firms depend on pooling of risks in health maintenance and financial stability. It was also suggested that a study be carried out on other service sub sectors to determine their positioning strategies.

LIST OF ABBREVIATIONS

DN	-	Daily Nation
EAS	-	East Africa Standard.
HIV/AIDS	-	Human Immunodeficiency Virus/ Acquired Immune Deficiency Syndrome
HMOs	-	Health Maintenance Organisations
KMA	-	Kenya Medical Association
NGO	-	Non Governmental Organisation
NSHIF	-	National Social Health Insurance
STP	-	Segmenting Targeting Positioning
WB	-	World Bank

CHAPTER ONE INTRODUCTION

1.1 Background Information

Liberalisation that has dominated the past decades has brought about borderless economic world. Keegan, Moriarty, Duncan and Poliwoda (1996) Barkowitz, Kerin, Hartley and Rudelius (2003) consider the market place as consisting of Global marketers and global consumers. Today, the world market is driven by global competition among global companies and consumers (Barkowitz et al, 2003). The Global competition has broadened the competitive landscape of markets. Both firms and consumers have turned global.

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

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

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

The marketer has to design an offering and image to occupy a distinct place in the mind of the target market. This is referred to as product or service positioning. The result of

positioning is the successful creation of a customer-focussed value proposition that explains why the target market should buy the service (Barkowitz et al, 2003; Johansson, 2002). The positioning strategy that would give a marketer such advantage requires adequate market research (Middleton, 1998; Craven, 1991).

The price must be worth the quality of the service. The promotion efforts should culminate in qualifying the services as the right one for the consumer, while distributing channels and outlets should make it easily accessible and acceptable to the buyer (Keegan et al, 1996). The use of communication technology has made global service delivery faster (Johansson, 2000). In service production, one has to establish the 'core service' i.e., what the buyer is really buying. This could be trouble free situation, comfort, reliability or assurance. The marketer has to make sure that sought service benefits are offered to the consumer. The basic service package offering is made unique and difficult to copy through continuo innovations. These can help develop a loyal customer base and sustainable competitive advantage (Xavier, 2002).

1.1.1 Service Positioning

A service is defined as the time, expertise or activities of an individual a firm that does something for customer (Barkowitz, 2003; Kotler, 2003; Payne, 2001). A service has unique features that distinguish it from a product; it is inseparable, intangible, perishable and highly heterogeneous (Keegan et al, 1996; Kotler, 2003). The service marketer has therefore to create features in the service provision that would help in reducing the effects of the above problems on the buying decisions of the consumer. Hutchings (1995) asserts that a service marketer has to distinguish the service by making it stand out from its main competitors. This means that a service has to be differentiated clearly for effective positioning.

Service positioning is process of formulating a marketing mix that locates a service in the mind of the customer more favourably in relation to alternative services offered by competitions with the aim of achieving competitive advantage (Stanton, 1984). It is the process where by a firm attempts to cope with a larger, more established competitors position in the mind of the consumer.

Service positioning is attained through the differentiation of services, which could otherwise appear similar in the market (Kotler, 2003; Monash, 2004). The augmented

service is about innovative service delivery system that satisfies the customer. Service features like provider behaviour, physical surrounding, provider appearance, brand image, quality, price, warranty, and the general benefits have to be designed to meet the ever-changing customer needs. Willy (1996) and Keegan et al (1996) observe that product/service development may be done to create features that distinctly give it a competitive edge.

Positioning locates the service in the mind of the buyer and gives it possible survival and success in a competitive market place (Kurtz, 1984; Craven, 1991). Positioning gives a company a clear picture of the consumer needs that it intends to satisfy. It helps the company to come up with a product or service designed, priced in line with promotion claims, and suitable for the points of delivery. The elements of the marketing mix have to be combined in such a way that the service position is made clear to the buyer (Willy, 1996).

1.1.2 Health Maintenance Organizations

Health maintenance organisation may be considered relatively new in Kenya (Okanga, 2001). However, Druly (1996) and Kongstvedt (1997) trace HMOS to have been in existence in Britain and USA since 1910. The HMOs are basically organised health plans that are responsible for both financing and delivery of specified set of health care services for a pre-paid fixed fee.

According to Mbatia (1997) the health sector in Kenya has gone through a lot of changes since independence from the dominantly government provided healthcare to cost sharing regime. The Government expenditure on health has continually declined against increasing population and rising cases of costly diseases such as HIV/AIDS Tuberculosis and malaria (World bank, 1993; Human development report, 1999). The effect of this trend has been poor health care provision in strained facilities where congestion and drugs shortages have been the norm. The introductions of cost sharing in public hospitals did not help the situation as it only made people to pay more for deteriorating health services (Human development report, 1999).

The alternative private sector has been described as very expensive for the population of majority poor. The financiers to the private health services have been and largely are

still the National Hospital Insurance Fund and out of pocket by the individuals or through fundraising. These have proved inadequate and often leave the person with the burden of medical bills to pay (Human Development Report, 1999). The insurance firms on the other hand have been financing health care based on pay first and claim reimbursement after treatment. This presents the clients with the problem of raising deposits for treatment as required by most of the private hospitals. It is against this background that Health Maintenance Organisations have joint the health services provision sector.

The HMOs finance and provide health services. This distinguishes them from the other health institutions that offer only health services and from the traditional insurance firms that only offer the financial benefits to their customers (Okanga, 2001; Alumila, 2004). Health services are intangible and hence the perceived image or quality of the product is difficult to verify. The entrance of Health Maintenance Organizations (HMOs) in the early 1980s introduced a new dimension of health services (Beckman, 1997; Litali, 2003). The HMOs have been in existence in Kenya for the last 20 years and serve a population of about 300,000 out of the 28.7 million Kenyans (Jagi, 2004)

The 1990s have been characterised by a significant growth in the number of HMOs in Kenya. This has created aggressive competition in the health care sector (Litali, 2003; Irungu, 2004). Each health care provider has to locate itself in the minds of the consumers against the established government health care services, the provider hospitals, faith healers, traditional medicine practitioners, nutritionists and other HMOs. The firms have to distinguish themselves from the mainstream insurance firms and other health institutions and stand out as filler of unmet needs of health care consumers. Kotler (2003) suggests that they may have to create a hole or space in the mind of the consumers, which they have to competently fill.

Like other services, health services are inconsistent and hence difficult to create a stable or consistent perception. As such, the marketer may have to do both the service and institution marketing to build the organisation image (Zeithaml and Bitner, 2004). The good name of the organisation can help to sell the services better than the service advertising campaigns alone. Inseparability makes the interaction between the service provider and the consumer very crucial; the service supplier primarily influences the service quality as seen by the consumer. This requires the service provider to create an

acceptable interface between the buyer and the seller that would make the buyer sell the service by word-of-mouth (Gakombe, 2004; Gilmore, 2003).

The HMOs provide health care services through networks of their own facilities or by contracting personnel and elaborate health facilities on behalf of the consumers. They pay for health care services for their members who require care from both local and overseas providers through pooling of risks. They provide primary, preventive and curative healthcare services with the aim of maintaining healthy members at low costs (Beckman, 1997). They close the gap of time and distance between the health service point of delivery and the patient, by providing evacuation services. They also provide planned health services expenditure/cost for corporate members through the pre-paid negotiated fee thus managing the cost of health care (Thakker, 2003). HMOs in Kenya operate in a very challenging industry environment characterised by open rivalry from the mainstream insurance Industry (AKI, 2003). Most HMOs have adopted head-on-competition by offering similar services to the same market segments, which intensifies the intra industry rivalry amongst the health firms.

The proposed introduction of compulsory National Social Health Insurance Fund poses a serious market share problem for the HMOs. As individuals and corporate members may not contribute twice for the same service, there are fears that they might take the mandatory one and pullout of the private providers. The HMOs are business firms and the challenges of declining economic performance, retirement and dominant low-income market impact heavily on the appeal of their services. The situation is made worse by the escalating cost of care resources, high poverty levels, high rates of HIV /AIDS infection, unemployment, fraud and road accidents. The cultural backgrounds that create negative attitudes and beliefs towards prepaid health care services keep away the potential consumers. With this kind of environment, Mogusu (2004) observes that it is not easy to run a Health Maintenance Organisation in Kenya.

According to Mbatia (1996) Health services have been described as very expensive especially where the consumer is looking for specialist care or even quality care.

The HMOs facilitate the financing of health. This is seen as major milestone towards making health services from the private providers affordable (Okanga, 2001). Kotler (2003) suggests that constant service improvement has to be the theme of the service

management. Barkowitz et al (2003) adds that a service provider has to use meaningful service differentiation to cater for individuals and corporate/group buyers and at the same time distinguish itself from competitors. Kotler (2003) observes that advertising is important but works better when combined with other promotion mix elements like public relations, publicity and sales promotion. The HMOs must decide whether to promote the service brands or their organisations (Keegan et al, 1996; Monash, 2004).

The idea, of positioning may not be very common in health sector but just like with other products it is the most important single marketing activity in the whole of marketing (Meccer, 1997). There are two major trends in health care organisations. One in healthcare financing and the other one in contracting providers: These two promise to change the relationship between and among health plans providers and consumers. These are effected else where in the world and Kenya cannot be left out in the shift to consumer driven healthcare (Monash, 2004).

In positioning healthcare services, perception is everything (Kotler, 1993). The success or lack of it will invariably be determined by the consumer perception of certain factors. These include; service quality, technology, expertise, the competitors on the same parameters, and how the overall health care industry is perceived (Monash, 2004; Zeithaml and Bitner, 2004; Keegan et al, 1996;). In order to build the desired customer perception, the marketer has to start with the customer opinion. This helps in defining quality and other service attributes in a language that the customer understands and wants to hear (Howgill, 2005).

According to Esipisu, (2004) medical insurance requires specialised and focussed attention by those involved. It is a very personal business dealing with individuals' health and hence requires confidentiality, sensitivity and expertise. This is done while maintaining well-monitored control since it is a high volume claim.

In health service provision, quality is among the most important attributes a consumer would look for. An HMO can distinguish its services as high quality services (Monash, 2004). Service cannot be handled due to their intangible nature. An HMO can make its services visible by providing a suitable physical environment. Well-trained workers who provide efficient interaction with the clients can also be used as a measure of the

service quality. The health services in Kenya have been perceived to be of poor quality as they are characterised by poor processes well known for long queues, Long waiting time, congestion and noisy waiting rooms. The tired and indifferent workers have little or no courtesy and are mostly irresponsible to the patients, which cause the patients to seek for care from other alternative providers (Baseline, 2000). These are gaps that an HMO can take advantage of by providing the better alternative that most of health care consumers could be looking for.

The quality gap can be a marketing opportunity for health providers. An HMO can distinguish its services using service design; price, promotion, distribution, process personnel and physical evidence The HMOs have to differentiate themselves or their services in order to occupy a better position than the competitors in the wider market. Each individual firm can make use of the marketing variables to fix its offering above the other existing HMO firms in order to obtain a competitive advantage.

1.2 Statement Of The Problem

According to Okanga (2001) and Beckman (1997) HMOs offer financial incentives to encourage network utilisation of health care resources and provide selected health care services to their members. Their main role is to close the gaps in the continuity of healthcare, ensure even geographical distribution of providers, better utilisation of primary care and preventive service (Kongstvedt, 1997). The Health Maintenance Organisations in Kenya operate in a very competitive market comprising of 19 similar firms owned by both local and foreign investors, the giant government National Hospital Insurance fund, faith healers, traditional medicine practitioners and the mainstream insurance firms. Although HMOs are relatively new, several of them have come up and collapsed going down with millions of clients' money (Irungu, 2005). This has dealt a big blow to credibility of these firms that are not even well known in the country (GoK, 2003). This is illustrated by the kind of role allegedly assigned to these organizations by different groups of people.

The Kenya Medical Association sees the HMOs as profit makers on ignorant clients and recommends that they be put under control of the Ministry of Health (Jagi, 2004). The Association of Kenya Insurers claims that they do not understand the HMOs operations as they serve both as financiers and health providers hence may be exploiting the

clients. As such this body recommends that HMOs be put under the scrutiny and control of the Ministry of Finance to be supervised by the commissioner of insurance (AKI, 2004).

The HMOs need to adopt positioning strategies that would give them clear identity and enable them appeal to clients and other stakeholders positively. This will ensure that what they stand for or their market offering is clear and a distinct. In addition the image created will not only remove doubts in the mind of stakeholders but also distinguish one HMO from the others so that each gains a competitive edge in the market.

Studies by Mbatia (1996), Ministry of Health (2003) and Alumila (2004) focused on the nature of health care services in Kenya and on distribution strategies used by the HMOs. None of these studies has focussed on the positioning strategies used by HMOs. According to Kotler (2003) the key to sustainable competitive advantage in an industry is in designing appropriate positioning strategies. This includes the HMOs, as they would greatly benefit from positioning their services. It has not yet been established whether the HMOs in Kenya position their services, or even the extent to which they have used various positioning strategies to position their services. It was therefore necessary to conduct a study with the view to establish the positioning strategies used by the HMOs in Kenya and the extent to which these firms used positioning strategies to attain competitive edge in the market place. Such understanding is important as it helps in determining the strategies that a firm may pursue to gain competitive advantage in the competitive market place.

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

- a) What positioning strategies do HMOs in Kenya use when marketing their services?
- b) To what extent do they use the positioning strategies?
- c) What challenges do HMOs in Kenya face when positioning their services?

1.3 Objectives Of The Study

The objectives of the study were to:

- (i) Determine the positioning strategies used by the HMOs in Kenya

- (ii) Determine the extent to which the HMOs use the various positioning strategies when marketing their services
- (iii) Determine the challenges faced by the HMOs in Kenya in developing their positioning strategies.

1.4 Importance Of The Study

The results of this study may be useful to the following:

- (i) HMOs may learn the importance of effective positioning for their services and thus adopt the right positioning practice for their services.
- (ii) The policy makers may also realise the consumer needs that the other players may not be taking care of thus be cautious when regulating the HMOs.
- (iii) Scholars and future researchers who may wish to make use of the results may find it useful in providing secondary information.

CHAPTER TWO LITERATURE REVIEW

2.1 The Concept Of Service

A service can be referred to as an intangible product. Wells (1996) and Paliwoda et al (1996) define services as the time and expertise provided or activities performed on the customer behalf by an individual or a firm. There are two types of services the product services and facilitating service. The product service is a task or action whose performance by a seller offers some satisfaction or benefit to a buyer (Palmer, 1998; Keegan et al, 1996). Facilitating services is ancillary task or an action that enhances the value of the service product. It may be performed before or after the delivery of the basic service (Keegan et al, 1996). Several hospitals may offer health care services, which they consider of high quality, but the services have properties that the consumer may find difficult to evaluate even after purchase and consumption (Monash, 2004). To reduce the perceived risk created by these properties the consumers turn to personal sources of information such as early adopters, opinions leaders and reference group (Prensky and Wells, 1996; Keegan et al, 1996; Schiffman, 1994; Kotler, 2003).

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

Inseparability

For most services, the inseparable part of the marketing mix is the performance of a task by a person. The result of this characteristic of service is often high labour intensity. This makes labour costs for service firms higher than they are in goods/industries (Barkowitz et al, 2003; Keegan et al, 1996.) Efficiency, courtesy and friendliness are important demands created by inseparability (Keegan et al, 1996; Wells and Prensky, 1996; Barkowitz et al, 2003). This is particularly crucial for upscale markets that seek for customer intimacy or responsiveness of the service provider (Crane et al, 1990).

Customer Relationships

Unlike goods many services cannot be provided without the presence and co-operation of the consumers. To ensure customer loyalty Keegan et al (1996) and Barkowitz et al (2003) agree that the service providers must know their customers. The providers must keep the promises they make to their customers. To strengthen the customer relationship the provider must focus on appearance of facility and employee, stress the employee courtesy, multi-site locations and never keep the customers waiting for long.

Inconsistency or Variability

Barkowitz et al (2003) and Johansson (2002) agree that developing, pricing, promoting and delivering services is challenging because the quality of a service is inconsistent. This is because the quality of the service depends on the people who provide them as is echoed by Palmer (1998). Even the same person may offer different services depending on the mood, works set up or the nature of the buyer.

According to Zeithaml and Bitner (2004) service marketing is different from goods marketing in significant ways and as such requires different strategies and tactics in addition to the traditional marketing approaches. Services are difficult to define and this inhibits growth in the service marketing. Service marketing is an emerging activity with a vast growth potential and increasing competition (Beckman, 1997). The overwhelming size of service market dictates special attention in this field. Such analyses provide important insights in developing an appropriate marketing mix for service. The difference between goods and services are most noticeable in the case of purchase behaviour. A service marketer like any other has to try different ways of identifying the market. Health services like any other services require careful segmentation in order to reach the specific consumer in the clearest way possible.

According to Aaker (1996), the consumers could see the position of health care services as professional, caring, capable and dignified. A health service provider can communicate such appeal to the consumer, through branding, colour, spokes persons who are perceived as celebrities with such characteristics. Service selection decisions emphasize selection of proper timing and selection of a source. The consumers are highly personally involved and are influenced more by others – friends, neighbours and sales people (Kotler, 2003; Payne, 2001).

Where adequate information lacks buyers heavily depend upon the advice of others. This is true with medical services. In addition, lack of past experience increases perceived risks, which are reduced by obtaining information from other experienced consumers. This means that a service marketer emphasises on developing a professional relationship between service supplier and customer with promotional efforts aimed at exploiting word-of mouth promotion (Kurtz, 1979; Stanton, 1984). Service marketing requires a focused attention on both the workers and the customers. Healthy service profits and growth require superior service firm performance. This can mainly come through satisfied and loyal customers who would loyally make repeat purchase and refer others to the firm. This results to greater service value (Kotler, 2003; Barkowitz, 2003). It therefore means that service marketing would require: *Internal marketing*, where all workers are well trained to give customer satisfaction. *Interactive marketing* – where marketers recognise that perceived services quality depends heavily on the quality of the buyer and seller interaction. *External marketing* increase services and personnel productivity without lowering perceived quality.

2.2 Positioning

The idea of positioning was first discussed by Al Ries and Trout in 1969. The two saw positioning as the marketing programs used by a firm in attempt to cope with the larger and more established competitors' position in the mind of the consumer (Kotler, 2003). Ries clarifies that positioning is not what is done to the product but to the mind of the consumer to give the market offering a competitive advantage. Ries and Trout coined the term positioning era to describe the realization that marketing campaigns had to do more than just offering something for sale. It had to get the product into the mind of the consumer in order to succeed. Positioning is thus defined by Kotler (2003); Keegan et al (1996) and Craven (1990) as the use of the elements of marketing mix to formulate a marketing program that locates a product or service in the mind of the consumer distinctly in relation to competitors offering. It creates a psychological niche occupied by the particular product or service.

Meccer (1998) asserts that positioning is the most important activity in the whole of marketing. Carried out effectively by design or poorly by default, it determines every other element of marketing. As Kotler (2003) points out, no company can win if its product and offering resembles every other offering in the market.

Companies must pursue meaningful and relevant differentiation in order to position their service or product. Aaker and Myers (2003) postulates that a firm's offering can be positioned in terms of product value, as the pioneer product brand, experience or personality. The strategy used can be focused on emotional, experiential, or functional benefit. The essence of positioning is differentiation. Kotler (2003) asserts that each company must represent the distinctive big idea to the mind of the target market. In order to position itself or its service effectively, a firm has to identify a target market from a market segment to focus the positioning strategy (Craven, 1990). The management may come up with the desired perception or association that it wants the target buyer to have about the firm or the service. This is referred to as the positioning concept or theme (Craven, 1990). Aaker (1992) asserts that positioning is central to Customers' perception and choice. This requires firms to adopt a positioning process that would impact on the customers and the prospects as desired by the management.

Fig.1



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

Positioning and targeting strategies are directly interrelated. The choice of one or more market target may partly depend on capabilities of the organization designing and implementing the strategy. It may also depend on the needs of the market targeted by the firm (Craven, 1990). Selection of the positioning concept is a very important step in the process of positioning.

By using the appropriate positioning strategy, a firm can portray the market offering as number one by use of such terms as genuine, sharpest, best and greatest (Aaker and Myers, 2003). However, companies should be careful not to attract buyers away from the existing brands of the same company. The difference between the various brands in the company must be made clear to customer. This can be done through branding, pricing, outlets and the marketing communications (Hutchings, 1995). The positioning concept can also help to distinguish the market offering if it is clearly understood by the customer in terms of relevance to their needs and preferences. Selecting positioning space in the market involves three basic steps; identifying the firm's strengths and the opportunities of the market place to be exploited. An analysis of the market follows to determine whether the segment to be targeted is low or high-income market. The marketer can then develop a marketing program targeted to the identified market so as to take the located market space (Payne, 2001).

The positioning strategy is basically a combination of marketing actions that transform the product brand concept into a specific position in the target market. The concept could be **functional** where it is implied that the product solves consumption-related problem for externally generated consumer needs. In such a case, the company will have to pick on the function or attribute that "rings a bell" in the mind of the consumer e.g. Crest toothpaste (cavity prevention). Where the positioning concept is **symbolic**, it will relate to the buyers internally generated needs for self-enhancement, role position and group membership or ego identification. This should focus on the life style "the right" position. **Experiential concept** may be used to position products that provide sensory or cognitive stimulation (Aaker, 1996; Craven, 1990).

A Company brand is often the focus of positioning strategy. This means that the positioning concept applies to a specific brand rather than all the brands that make up the product class.

It also means that the concept is used to guide positioning decisions over the life of the brand this should take care of the possibility of positioning change for the brand (Craven 1990). Sometimes the choice of positioning concept is based on management desire to position a brand relative to competition (Aaker, 1996; Bartra, 1996). The objective is to find the preferred or ideal position for each market segment of interest and compare it with the actual positions of the competing brands. To achieve this objective the management has to come with an appropriate positioning strategy. This consists of the combination of actions taken by the organization to influence buyers to position the brand as expressed by the positioning concept. The positioning strategy for services combines the customer influencing capabilities of the product, distribution channel and price, promotion, people, process and physical facilities (Zeithaml and Bitner, 2004).

Marketing strategy is about definition and analysis of product market structure, segmentation, industry structure and competitor analysis, analysis of competitive advantage and effective market targeting and positioning strategies. These guide in selecting strategies for different competitive situations (Kotler, 2003). A marketer has to find opportunities for competitive advantage and use them to create sustainable advantage. From the larger market a company should cut out for itself a sizeable portion of the market, which it can competently satisfy (Barkowitz et al, 2003). According to Kotler (2003) a company should target those groups and needs it can satisfy in a superior way. The offering is thus positioned in such away that the target market recognises and distinguishes it from competitors. This calls for clear differentiation of the company's offering from the competition. While positioning simplifies what we think of identity, Kotler (2003) observes that differentiation is more complex. Kotler (2003), Zeithaml, and Bitner (2004) define differentiation as the process of adding a set of meaningful and valued differences to distinguish the company's offering from competition in the mind of the target market.

According to Stanton (1984), a strong brand difference is one that satisfies certain criteria. The difference delivers a highly valued benefit to the larger market. It is distinctively delivered. It is superior to the other ways of obtaining the benefit, can not be easily copied by competitors, it is affordable to the consumer and it pays the company to introduce it. Kotler (2003) echoes that strong differences should be important, distinctive, superior, pre-emptive, affordable and profitable.

While goods can easily be differentiated by form, i.e. shape, size or physical structure or by adding other features like equality, performance in terms of conformity, durability and reparability these differentiators cannot be effective in service differentiation. The unique features of services require unique differentiators. Intangibility makes service design very difficult and therefore makes the physical facilities a very important differentiator for services (Zeithaml and Bitner, 2004). According to Kotler and Armstrong (1995) most customers would want to own that brand that is clearly different from its rivals if its price is excessively high. Where services are seen as just any other by the consumer innovativeness keeps the brand ahead of its competitors.

A service provider can distinguish the service by adopting superior service process. This could be in terms of service system where different people involved in service provision portray understanding and objectivity regardless of their roles or individual points of view. A service firm can also distinguish its services by engaging well-trained personnel that are not only services oriented but also customer oriented. This requires more than just the technical skills but also human or customer skills. The employees can be trained to be responsive, where they respond quickly to the customers' requests and problems. By having better qualified people, the company can boast of offering better services because the employees are competent, courteous, credible, responsive and communicative (Zeithaml and Bitner, 2004; Hutchings, 1995).

A Company that is known for those qualities stands a better competitive edge in the market. These qualities cannot be copied easily thus making the company distinct from its competitors. Gilmore (2003) observes that differentiation can be seen in terms of symbols colours, logo and other tangibles of physical environment. Maintaining competitive position in the domestic market requires knowledge of the key competitors in the global market place. The product design, distribution, price and promotion strategies have to be suited to the changing dynamics of the market place. In addition other positioning components may be changed to maintain the same perception of buyers but to do so in more efficient way.

2.3 Service Positioning

According to Keegan et al (1996) and Barkowitz et al (2003) positioning strategy combines the marketing mix components into a bundle of actions designed to achieve a particular positioning objective. The positioning strategy determines the total resources to be used for the marketing program; indicates how to allocate the resources among the elements of the marketing mix; and allocates resources within each program component. This applies to all products including the Health Maintenance services. The marketing decisions are interdependent, qualitative and quantitative and open the management to many strategic alternatives depending on the size, deployment and use of resources. Selecting a positioning strategy is a combination of management judgement and experience, trial and error some experimentation in form of market testing and some survey research (Kotler, 1993; Craven, 1990).

According to Stanton (1984) health services have for long been categorised as non-business activities. This has greatly been attributed to the close relationship between the health services and government authorities, charitable organisations and professional bodies. Such relations can also be blamed for the different understanding and attitude of health care providers towards marketing. However, the contemporary view is that health care provision can be a business like any other and thus requires well thought marketing programmes for it to succeed (Zeithaml and Bitner, 2004; Monash, 2004). According to Kotler (1996) doctors who work for (HMOs) have moved towards handling more patients by giving less consultation time to each patient. This becomes industrialisation of services and may be perceived as lowering the service quality.

Payne (2001) observes that positioning of service require unique strategies that fit in the unique nature of service. In service marketing three more (Ps), namely people, physical facilities and process are added to the traditional marketing mix elements. The quality of service offered is difficult to determine since services are not tangible. The buyer cannot handle it before consumption. It becomes even more complex in that the buyer at times cannot tell the quality of the service even after consumption (Kotler, 2003; Payne, 2001). According to Aaker (2003) and Gilmore (2003) service-positioning strategies may be built on a number of positioning approaches.

The approaches include; attributes or benefits sought for, quality or price, use/application user category, product category and competition. The marketer may use the marketing mix to communicate the positioning concept as is built into the benefits, quality, price, use, user categories and competition to create a distinctive position in the mind of the consumer (Aaker, 2003)

Positioning plays an important role in the marketing of services (Zeithaml and Bitner, 2004). Wilmshurst (2002) resounds that a service/product has to be put in its right place in response to how the consumers are likely to see it. In so doing we can determine whether the service is for old or young, male or female or both, for big spenders or for those in low income for families with young children or for sophisticated couples on their own. This is service positioning. The service can thus be positioned for upmarket i.e. sophisticated and big spenders or for down market who are ordinary people with limited budgets.

Wilmshurst (2002) warns that a product may be positioned in such a way that only the aged people buy it. This risks a dying market. Meanwhile young people are reluctant to try services thought to be those bought by mum, dad or even grandma. Perreaut and Jerome (1990) echo this. Some repositioning is necessary to ensure a continuous market for such a service. The positioning of a product affects the message sent in marketing communications. Pricing can serve as a positioning strategy for a service. It could be an expensive exclusive service for the up market or as a reasonable priced affordable by all.

Jerome (1990) explains that positioning shows where customers locate a brand or the organisation in relation to the competitors' brand in the market. It requires some formal marketing research for effective service positioning. A service position may be determined in relation to competitors. This requires adequate competitor analysis. While with tangible good product feature may be means of positioning, services present the problem of intangibility. The marketer has to use branding and image based promotion to position the service. The major use of value of proposition is to help managers to locate their service in customers' mind. It is possible to over emphasis service based features when marketers start with a product-oriented definition of a market.

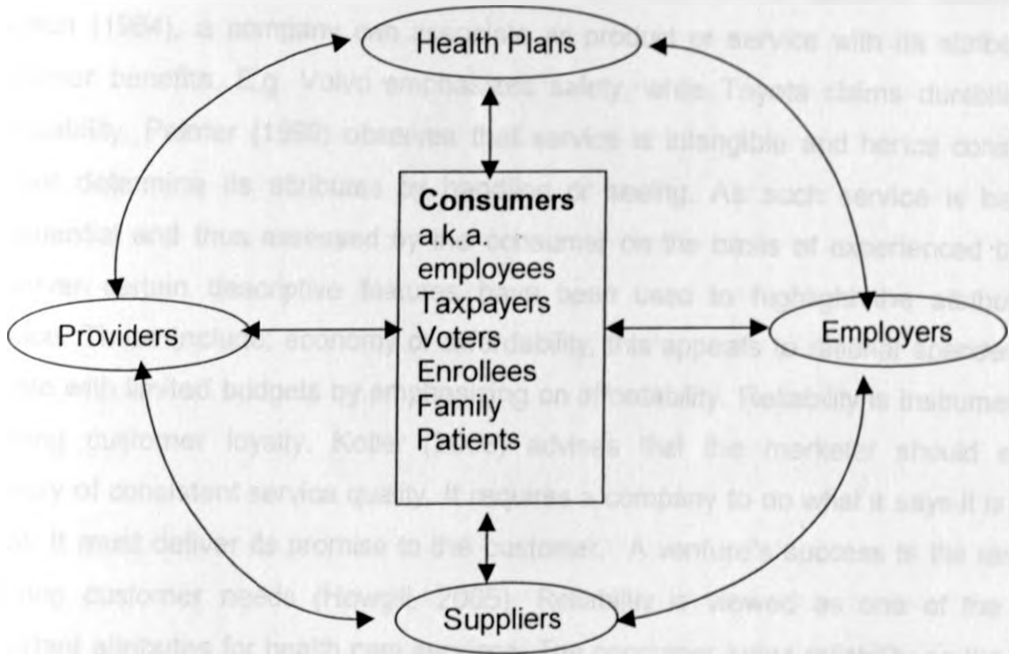
Effective positioning will therefore require a good understanding of the potential needs and attitudes of the customers. Kotler (1996), Solomon (1996) and Kurtz (1979), caution that the position established must be guarding the value the customer sees in the brand. The marketers may fix the weakness that give opportunities for competitors. It should keep costs low and its prices in line with the value the customers see in the brand. The best service defence is continuously increasing its competitiveness and value to customers. Monash (2003) and Kurtz (1979) emphasise that positioning is seen as a strategy; process of developing marketing segment and desire to achieve a desired position in the prospective buyer's mind. A marketer to distinguish his or her service offering from competitors therefore uses positioning. Services that are not leaders in their particular industry can succeed if their advertising concentrates on specific positions in consumer's mind.

2.4 Service Positioning Strategies

According to Payne (2001), selecting a positioning strategy for a service involves identifying the firm's strengths and opportunities to be exploited in the market place. Aaker (1996) outlines a variety of positioning possibilities available to advertisers namely: attributes, price/quality, competitors, applications, product uses/users and reliability. Positioning some aspects of the firms market offering against the leading competitors may also do though not for everybody. Solomon (1996) asserts that positioning is a way of fitting service features with a consumer's lifestyle. This requires adequate psychographic analysis of the consumers. Campbell and Alexander (1997) agree that the basic ingredient of a good strategy includes, discovering, understanding, documenting and exploiting insights about how to create more value than other companies do. In the case of services such as health plans, the end-users are the most important purchasers. Monash (2004) advises health service providers to know their customers inside out. This would help the marketer to determine how much they buy, how much they save for health care, where they work, where they shop and what their family sizes are. These are the factors that influence purchase decision. Employers also purchase the health plans while the ultimate consumer is the employee. In this case the buyer and the consumer will need to be considered when developing the marketing programs (Howgill, 2005).

The purchase decision for Health maintenance plans involve a number of people like in the organisations, family members, trade unions, enrollees, patients, voters and taxpayers. Other parties like the suppliers, providers and employers have to be taken on board when positioning the health plans (Howgill, 2005; Monash, 2004). Each of these present different motives of buying the health care plans. The marketer can therefore position the services in the way that appeals to the different stakeholders.

Fig 2 -The Healthcare Marketplace



Source; Howgill <http://www.optummanagers.com/research/articles/positioning.shtml> 11.00 a.m,3/16/2005

As consumers become more familiar with how Health Maintenance Organizations work, the satisfaction of patients and of their families and friends is likely to become main objective of health care providers. The firms may resort to the marketing of the company, its values and culture, its customers and its employees rather than selling the services. This can help in breaking through the clutter of service advertising experienced in the market (Aaker, 1996).

The judgements of existing brands with the important attributes and rating of an ideal brand attributes are important considerations when developing a positioning strategy.

From these data, Barkowitz et al (2003) observes that it is possible to develop a perceptual map, a means of displaying or graphing in two dimensions, the location of product or brands in the mind of the consumers. This enables a marketer to see how consumers perceive competing brands and then take appropriate marketing actions. Beckman et al (1979); Kotler et al (1996); Keegan et al (1996) agree that there are six basic strategies of positioning namely:

Attribute or benefit strategy, it is one of the most frequently used positioning strategies. It exploits a particular service benefit, attributes or features. According to Stanton (1984), a company can associate its product or service with its attributes or customer benefits. E.g. Volvo emphasizes safety, while Toyota claims durability and affordability. Palmer (1999) observes that service is intangible and hence consumers cannot determine its attributes by handling or seeing. As such service is basically experiential and thus assessed by the consumer on the basis of experienced benefit. However certain descriptive features have been used to highlight the attributes of service. These include; economy or affordability, this appeals to rational spenders and people with limited budgets by emphasizing on affordability. Reliability is instrumental in building customer loyalty. Kotler (2003) advises that the marketer should ensure delivery of consistent service quality. It requires a company to do what it says it is going to do. It must deliver its promise to the customer. A venture's success is the result of meeting customer needs (Howgill, 2005). Reliability is viewed as one of the most important attributes for health care services. The consumer judge reliability on the basis of accessibility, variety and consistence of the patient's care services provided by a company. The service distribution and communications should assure the target market of reliability.

Services can be positioned using a combination of several attributes. This is because services are offered as bundles of attributes that are not easily separable. However this has the danger of confusing the consumers. Most health care providers tend to position their services using a number of attributes. Kotler (2003) advises that it is better to pick on one or two distinguishing attributes and build on them over time. In the Kenyan market for example, health care service providers claim several attributes such as affordable, reliable accessible and quality service (Thakker, 2003; Beckman, 1997).

While it may be true that the Kenyan consumer desires such a package of service, it may not be possible for the consumers to clearly place each of these providers in distinctive places in their mind (Litali, 2004). According to Zeithaml (2004) attributes such as reliability, responsiveness, empathy and tangibles are important in positioning health services. However, if any of the firms can dominate an important functional benefit, it can claim a superior position of that benefit in the consumers' mind (Aaker, 1996; Parry, 2002).

Quality/price strategy perceived quality is a brand association that is the single most important contributor to a company's return on investment (ROI). It is expressed in terms of the price quality continuum, from high price and high quality combination to one of lows. High **prices** are in most cases associated with **high quality**. A consumer will be willing to pay a premium charged for premium quality. The upscale market may be ready market for highly priced services where price and warranty are used to position the brand as high quality product. However, these people are very conscious of their health needs and may turn out to be difficult customers (Kotler, 2003). A company can strive to satisfy the difficult customer as these turn out to be the best sellers of the organisation.

The consumer on the basis of the following criteria judges the service quality: **Reliability**, service will be considered as reliable where the service provider is seen to have ability to perform the promised service dependably, accurately and consistently Zeithaml (2004). **Responsiveness** refers to the willingness to help customers and to provide the needed services promptly. The service provider is also considered responsive if it is able to answer customers' questions promptly and to handle any complaints competently and promptly. Speed is very important in responding to customer needs. The employees' knowledge and their ability to inspire trust and confidence on the consumers **express assurance**. This creates confidence and loyalty in the service consumer. **Empathy** refers to the caring and individualised attention given to the customers. The marketer would need to augment the health services to justify the premium price. Furthermore delighting customers may be the key to successful positioning. The marketer may have to strike a middle ground with a moderate price level that target the middle-income group. This should be done carefully to avoid undermining higher brands from the same organization (Kotler, 2003).

The low price position may be taken where the service provider wishes to offer services at low cost and price. According to Payne (2001), **low quality high price** sometimes known as cowboy strategy is seen as a situation where a firm fails to offer a fair exchange value for itself. This may be difficult to try in health care provision since none of the buyers would go seeking for poor services (Gakombe, 2004 and Thakker, 2004). However, the service provider has to play to its strength and stay customer focused (Barkowitz et al, 2003). Price is assumed by many customers to be an indicator of quality. For services and particularly health services, it is not easy for the customers to tell the quality of services due to its intangibility and variability. In the Kenyan market all health providers claim to offer quality health care. This alone is not enough, as each firm may need to qualify the claimed quality. This is made more complex by the fact that some of the managed health providers have collapsed thus failing to offer the claimed service quality. Customers may need a more explicit claim than this (Monash, 2004).

Zeithaml and Bitner (2004) assert that supportive evidence of the service quality claims may be provided by the quality of the physical facilities, personnel responsiveness and the service processes. Aaker (1996) asserts that achieving a perception of quality is usually impossible unless the claim has substance. Companies should generate quality expectations, which are feasible. He further explains that where the organisation and the brand are one and the same thing, the positioning statement will have to include the name of the organisation. The physical environment of the company premises has to satisfy the generated quality expectation (Zeithaml, and 2004; Barkowitz, 2003).

Use /Application strategy, The situation in which the consumer will use or need a service influences the purchase activities. Where the service will be needed, the time it will be needed and whether the user and the purchaser are the same person may be used to categorise the usage situations (Wells and Prensky, 1996). Service providers can position their health service as the best for the situation of need. Emergency services that are needed in factories and in risky functions like sports and travel may be used as the service need situations (Kotler, 2003; Aaker, 1996). A Health maintenance organization may directly sponsor or cover such functions to identify itself with the service usage conditions. For service a brand is more than the logo, name or external communications. It is in fact the relationship between enterprise and its customer. The need for health assurance is a lifetime need.

Health maintenance organization that provides the assurance through its service is likely to build a competitive advantage for its offering (Howgill, 2005). People pay for health care when they are sick or when they want just the assurance that in case of any emergency one would have ease of accessing health care. Those prone to the risk of accidents like frequent travellers or the ageing that are prone to sicknesses tend to be more anxious about health assurance. The health plan providers can expand their market to sports people, college students and family households in order to increase the service usage.

Product user strategy; This strategy of positioning mainly focuses on the buying behaviour of the persons using a given product or service (Craven, 1990). It focuses on a wide variety of consumer action and reactions that surround the purchase process and consumption of a service. The consumer could be an organisation or an individual. A service provider like health maintenance organisation can target a consumer group and satisfy it in a superior way (Barkowitz et al, 2003). The consumer behaviour is determined by such factors as culture and value, demographic factors, personality, lifestyle and psychographics; and reference groups (Wells and Prensky, 1996). Although most members of a society **share culture and values**, members of subculture groups enact them differently. Those health conscious consumers enact the value of exercising to maintain health and fitness differently. Culture and value help to determine how group members participate in consumer exchange (Zeithaml and Bitner, 2004; Wells and Prensky, 1996). A firm may position its services by using the values of a particular subculture group and providing the benefit, the group is seeking from the service (Xavier, 2002). This could be an unoccupied market or a poorly served market sub-segment.

Demographic characteristics are the physical, geographical, social and economic attributes of individuals that are innate components of their day-to-day lives. Demographics play a vital role in the consumer purchase activities Bartra et al (1996) explains that they influence need recognition in terms of what, how and where to satisfy that need. A health service marketer can take advantage of such cues like preferred associations, to position his or her services. Gender and age distribution of the target market may serve as a good basis for creating the service appeals that differentiate it from its competitors.

A health plan can be designed to meet the needs of the youth, aged, men, or woman or all. The marketer should position it in such a way that none of the consumer groups feels misplaced.

Personality, lifestyle and psychographics represent an attempt to describe the essential psychological characteristics that affect a person's buying behaviour. According to Kotler (2003), personality traits such as self-confidence and worth, sociability and defensiveness tell of a person's pattern of behaviour these can be used as supportive appeals in positioning HMOs. Health conscious people will seek medical attention and ways of maintaining health assurance. Health care providers can use these cues of carefree life, peace of mind and protection as a positioning theme for their services.

Reference group; this an individual or group that serves as a standard of comparison to ones values, attitudes or behaviour, individuals can adopt, be members of or aspire to be members of a reference group. The use of credible spokespersons such as prominent politicians, religious leaders, sports people or businesspersons can be exploited in positioning health care services (Aaker, 1996; Wells and Prenskey, 1996).

Product category strategy

The success or failure of positioning strategy often depends on the marketers' ability to convince the customers that his or her product or service should be considered within a given category (Solomon, 1996). Health Maintenance Organisations in Kenya provide both health service and financing of the same (Okanga, 2001; Beckman, 1997). The providers will need to clarify the service category for such offering for the purposes of positioning. As a good example in the service category it becomes more familiar and easily recognisable. A clear product or service category helps the consumer to locate the service in the market and even to make sense of the service offering. According to Solomon (1996) brands that are strongly associated with a category "call the shot." This gets consumers to dissociate a product from product category for which they have negative image (Aaker, 1996). In the case of health services the marketer may use the over all industry performance to create a distinctive image that would make the consumer associate or dissociate the service or the provider with the rest of the industry.

The health care sector has been characterised by poor quality services (GoK, 2003). A health care provider may join the industry to provide superior services in terms of quality, affordability, reliability and accessibility. An HMO can also use symbols, colours and physical environment to illustrate the use of its services.

Competitive positioning strategy

A firm may adopt the head –to-head strategy this requires an analysis of the competitors both existing and potential competitors. This can succeed if the competitor is well known or has a well-established image. Aaker (1996) and Bartra (1996) assert that a company can pull itself from the crowd by positioning its product lower than the claims of the leader and above rest in the market position. Competitive positioning strategy can be implemented in form of price cuts, styling the product above the competitor, or creating superior position through promotion campaigns. However a firm has to remain focussed and resist the temptation of copying what its competitors are doing as it may not do it in any better way (Kotler, 1996; Aaker, 1996).

2.5 Positioning Criteria

Poor positioning job by a company would confuse the market as to what it should expect. The end result of positioning is the creation of a customer focused value proposition a cogent reason why the market should buy the product or service. While Ries in Kotler (2003) emphasis that positioning is for competition a firm may use either of the following alternatives; Strengthen its own current position in customer's mind, grab unoccupied position or de-position the competition in the customers mind. Whichever strategy companies have to fight for number one (Aaker, 1996; Kotler, 1995). This is easily remembered and recognized by the customers.

Positioning requires very tangible aspects of products/service, price, place and promotion to support the chosen positioning strategy. Tracy and Wiersema in Kotler (2003) proposed a positioning framework called value disciples. Within its Industry a firm could aspire to be the product/service leader, the operationally excellent firms or the customer intimate firm. This is based on the notion that in every market there is a mix of three types of customer. Some customer favour firms that are advancing in technology and product leadership. Others want highly reliable performance (Operational excellence) still others want high responsiveness in meeting their individual

needs (customer Intimacy). Each value discipline requires different managerial mindset hence no firm can possess any more than one of these value disciplines. Tracy and Wiersema propose that a business should follow four rules for success. These include: Become best at one of the three-value discipline. Achieve an adequate performance level in the other two disciplines. Keep improving ones superior position in the chosen discipline so as not to lose out to the competition, keep becoming more adequate in the other two disciplines because competitors keep reusing customers' expectations (Kotler, 2003). In service positioning, marketer will not only manage the service, price promotion and place but also people, process and physical evidence (Gilmore, 2004).

Product/ Service

The service can be designed and styled to take the desired position in the market (Zeithaml and Bitner, 2004). Services are not tangible and are highly perishable. However the service provider can make it tangible through the physical facilities and make the service experiences remarkably memorable to the consumer. The service offering must be designed in line with the positioning concept (Craven, 1990). The service provider can take leadership in cost, technology or even in reliability, competence and convenience. The important fact is to use the service strategy to attain the desired positioning (Hawkins et al, 2002).

Price

Most service organisations use naïve and unsophisticated approach to pricing without regards to movement of market forces. This may be as a result of difficulties in estimating the cost or price of the service especially medical services. Service pricing is taken as a way of expressing the service quality to the buyer. According to Zeithaml and Bitner (2004), credence services such as medical treatment; the customers look at the price as a surrogate for quality. Too high price can set consumer expectations that may be difficult for the firm to meet. On the other hand too low price can interfere with the perceived quality of the service. The pricing strategy must therefore be guided the firms positioning strategy (Payne, 2001; Craven, 1990). Besides covering costs or matching the competitors, the chosen price conveys the signal of the service quality (Kotler, 2003).

Promotion

Kabiru (2001) quoted one marketer saying: "*Without promotion, something terrible happens, NOTHING!*" According to Wells and Prensky (1996) promotion involves the way the marketer communicates the information used by the consumer to ascertain the product position. For a business to prosper it has to be amply advertised and marketed via all possible avenues to make itself known and distinguishable. A company must decide on the number of ideas e.g. benefits or features to convey in its positioning to target consumers. Stanton (1984) asserts that the firm has to tell the market the difference between what it offers and what the competitor offers.

Kotler (2003) believes that a Company would benefit from developing a unique selling proposition (USP) and sticking to it. Keegan (1996) agrees that it makes it easier for communication as the firm conveys a consistent message. It makes it easier for employees to be clear of what counts and it makes it easier to align the whole organisation with central positioning. If a brand touts itself as number one, it will be advertised using such term as; *best quality, best performance best service best styling best value lowest price safest, fastest most reliable to name a few*. Comparative advertising is an excellent way of positioning a brand in respect to its characteristics against the rival brands. If a Company consistently conveys this message and delivers the promise, it will probably be best known and recalled for that benefit (Barkowitz et al, 2003). Tactful combination of all elements of promotion mix can be excellent means of printing the desired service image onto the minds of consumers (Bitner, 2004; Hawkins et al, 2002).

A firm may start with the branding of its service. Kabiru (2001) observes that apart from aptly naming the business, getting a logo and stating the vision and mission, a firm must **advertise** what it does and what makes it special. It should tell something that the customers did not know and what it would do for them to make them want to do business with the firm. Firms can use business cards, brochures, TV commercials, bumper stickers, calendars and fliers that tell the world their clear difference. Like other professional services, health services have limited promotion freedom hence they use limited *advertising* and to the greater extent personal selling (Stanton, 1984). A company may on the other hand position its service on double or even triple benefit SmithKline Beecham promotes its Aqua fresh toothpaste as offering three benefits, anti

cavity protection better breath and white teeth. The challenge is to convince the customer that the brand offers all the three (Aaker et al, 1996; Kotler, 2003; Keegan et al, 1996).

Personal selling is a major promotion method for services, which can also be used as an effective positioning tool by a firm. Zeithaml and Bitner (2004) highlights that well recruited, trained, compensated and supervised sales force can effectively sell the organisation or/and its brands better on one to one basis. The sales force must clearly understand the service, its facilities, and its quality in order to communicate those features to the prospective buyers effectively. **Public relation** activities may be used to present the organisation or its brand as socially responsible. A brand can be portrayed as friendly, caring and passionate. This would do well for health services. The company can sponsor annual company awards, create or sponsor beauty/fashion contests, safari rally and donate food or service to charity (Kabiru, 2001). **Promotions** are also used in positioning of service through trade shows, posters, show selling and give-aways of T-shirts, umbrellas, caps or sporty bags. A firm can distinguish itself as the consultant or mentor in the field by helping those coming up in the industry. Such a move makes the firm stand out as the best but not opening its self to competitors.

Place

Most services are sold directly from producer to consumer (Keegan et al 1996; Kotler 2003). The use of appropriate brokers, franchise and contracted providers may facilitate the distribution of services like insurance and medical covers. Johansson (2002) asserts that personal service is a convenient good for many low-income people and a necessity for the upper markets. The atmosphere of the outlet can be suited to consumers' expectations of good reputation; appearance and reliable services ease the risk inherent in the purchase process (Wells and Prensky, 1996). Involving other parties in the service provision process creates quality problems has those other parties may not be driven by the same quality image as the principle firm.

A dominant patronage motive for many consumer services is convenient location. This requires a careful retail site location for both head offices and branches (Beckman, 1979). The service outlets should therefore be found in more locations than the competitions (Barkowitz et al, 2003; Keegan et al, 1996). Accessibility can be enhanced

through increasing the number of contactpoints, widespread network of clinics and mobile clinics. Accessibility is better when it is easily locatable, there is no congestion and there is ample parking (Stanton, 1984). The place can make an important instrument in positioning service. According to Zeithaml and Bitner (2004), a firm can distinguish its services, as those that are close to the people, available throughout the day or reaches unique locations that may be **unowned** in the market.

Personnel/People

According to Zeithaml and Bitner (2004), a health service firm can build its reputation around its well-trained, competent courteous and professional employees. From such a reputation it can be perceived by the customers as competent courteous, credible, reliable and interactive. The companies can market their employees' unique expertise (Kotler, 2003; Barkowitz et al, 2003). Personality of the firm should agree with the promotion, price, place and service as well as the process and physical environment offered by the firm. The service personality can be built around colour, uniforms, smiles and the general disposition of the employees (Aaker and Myers, 2003). The employees can inspire clients to tell their friends family members and neighbours about the firm's offering. Above all the sales people can articulate the details of the service that may be difficult for the customers to understand.

Physical evidence

Physical evidence plays a prominent role in determining service quality, expectations and perception. If the physical evidence is aligned with the organisational positioning concept it can effectively support the other elements of the marketing mix to communicate the brand or firms position. The message sent by the evidence facilities can be used to enhance the firm's image (Hutchings, 1995; Stanton, 1984). The physical environment can be an effective service differentiator in terms of interior design, colour, equipment, noise, temperature and air quality (Zeithaml and Bitner, 2004). The environment of service provision can also be enhanced by providing visual and voice privacy especially in health service delivery (Schiffman and Kanuk, 2004). These can also be used to enhance the service position as they influence the customer satisfaction and expectation.

Process, this defines the actual procedures, mechanisms and flow of activities by which the service is delivered (Zeithaml and Bitner, 2004). The actual service delivery steps, the customers' experiences or the operational flow of the service can give customers the basis on which to judge the service. Highly bureaucratic procedures tire and confuse the customers while rigidly standardised procedures may be seen as impersonal and non-expressive to the customer. A firm that manages to offer customer services with educating and involving procedures is perceived to be customer oriented (Kotler, 2003).

2.6 Challenges in Positioning Services

Kotler (2003) warns that as companies increase the number of claimed benefits for their brands, they risk disbelief and loss of clear positioning. Kotler (2003); Barkowitz et al (2002) and Monash (2004) identify four positioning errors. Such include **under positioning**. Some companies discover that buyers have only a vague idea of the brand. The brand could be seen as only another entry in the crowded market place. **Over positioning** - buyers may have too narrow an image of the brand. **Confused positioning** - buyers might have a confused image of the brand when a company makes too many claims or changes the positioning too frequently, e.g. positioning for different customer groups. **Doubtful positioning** -buyers may find it hard to believe the brand claims in view of the product features.

A company has to carefully consider the alternative positioning platforms such as technology cost, quality and service without overlooking how the customer feels about the improvement. Each attribute affects the consumers wanting time and price perception differently. The Company should concentrate on the attribute that makes sense to the customer (Best et al, 2002).

Communicating the Company's/brand positioning.

To communicate the companies or brand positioning, a marketing plan should include a positioning statement (Aaker, 1996). The statement should include; target-market that need the brand, the positioning concept and the point of difference. Once the Company has developed a clear positioning statement, it should communicate the positioning effectively through all the elements of the marketing mix. Some attributes may contradict others, like low price together with high quality.

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

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

Management capability

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

Positioning strategy is the one most important marketing strategy that every marketer must adopt (Meccer, 1998). It is the driver of the other strategies that a marketer may adopt. Therefore no matter what product or service a firm is offering its success or failure will depend on how the job of positioning has been done (Kotler, 2003).

Service positioning based on firms market research information can provide with opportunities to distinguish itself from competition (Zeithaml and Bitner, 2004). Segmentation and targeting provide appropriate bases for positioning. However, where segmentation is not considered necessary, a company can choose to position its offering by marketing certain appeals that would attract the potential market. A service

marketer may position the service offering using the following strategies has highlighted by Kotler (2003); Barkowitz (2003); Stanton, (1984).

Summary

Product design, style and performance are sometimes tailored to meet certain category of need e.g. women clothes. A product or service may be sold at exclusive clubs for certain categories of people like K2 store. Promotion mix that communicates distinct differences of a service is used to focus the consumer on the intended positioning concept. Colour symbols, posters, gifts, exhibitions, people and processes are used to distinguish market offerings. Like any other product or service, the HMOs have to position their services in order to attain a competitive advantage in the market.

The collapse of several HMOs and the comments made by the public make it clear that they are not well known. It is not yet known whether those organisations position their services and even if they do, the strategies and the extent to which they use them are not yet known. A research in this area may help to cast light on the matter. Positioning takes a firm so much effort to develop and firms have to keep monitoring the position to avoid a position drift (Aaker, 2003; Meccer, 1997)

Kotler (2003), Barkowitz et al (2003); Zeithaml and Bitner (2004) describe services as characterised by inseparability, inconsistency, Perishability and intangibility. These explain the uniqueness of service. These features present unique marketing problems that call for unique marketing programmes. Just like goods producers must make certain appeals in marketing their goods, service marketers have to make appeals that would position their services in the minds of the consumers. This is positioning; creating a distinctive picture of a product/service in the mind of the consumer.

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

The distinction around those aspects may be created using the elements of marketing mix. In services, marketing the marketer has to use not only the 4 Ps namely Product, Price, Promotion and Place, but also the People, Process and Physical evidence. The service can be distinguished in terms of its quality, accessibility, reliability and consistency. Price may be used to express the quality of service. A service marketer may use promotion to tell the difference between its offering and that of competitors (Gilmore, 2002).

A firm can distinguish its services by capitalising on accessibility and choice of distribution points. For services people – through their competence, courtesy, and responsiveness can be used as the means of positioning. Intangibility makes service difficult to assess. However, the physical evidence can be used to tangibilise the services in terms of technology, spacious and clean rooms that are well-decorated and aired, colours and other symbols can be used to make services distinct (Zeithaml and Bitner, 2004).

Most services involve procedures. The mode of delivery can set a service provider above or among the others. A careful service marketer can distinguish the service offering through simple, fast and customer involving processes that give delight to the consumer (Gilmore, 2004). The manipulation of these elements of marketing mix serves as effective criteria of positioning. The process of positioning takes a long time and a lot of resources but it is the best thing that a service marketer and especially a HMO can do for itself (Monash, 2004; Meccer, 1992).

FIG 3 CONCEPTUAL MAP OF THE SERVICE POSITIONING STRATEGIES

MARKETING OF SERVICES

Intangible, cannot be handled for trial Not visible	Inconsistent Variable by mood, time, attitudes, place, relationships	Perishable, Cannot be stored	Inseparable, presence of both buyer and seller
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POSITIONING STRATEGIES

Attributes Position in aspect or benefit	Quality of price to Price signal quality	Product Use Purpose of the service satisfaction	Produce category A leader in the category occupying unowned place in its category	User Category Individuals Corporate Regional difference Economic differences Cultural Difference	Competition better Same Same for better quality Price Promotions
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Positioning Criteria for services

Product / Service quality Technology Cost Reliability	Price varied Premium low and mixed	Place Wide distribution, concentrated outlet types and features	Promotion advertising Personal selling Promotion Public Relation Publicity Image creation	People Professional Responsive, empathetic, courteous, smart	Process Organisation Fast Simple Flexible Customer involving	Physical Evidence Ambience Cleanliness Aesthetics
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CHALLENGES OF POSITIONING IN SERVICE SECTOR

Nature of Services Intangibility Perishability Inconsistency Inseparability	Nature of Services Life Cycle Introduction mature and declining	Inflexibility Management resistance	Positioning Errors Underpositioning Overpositioning Confused positioning	Attributes and Price Copying by Competition	Changing Customer taste
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CHAPTER THREE RESEARCH METHODOLOGY

3.1 Research Design

The research is a descriptive survey aimed at determining the positioning strategies used by HMOs in the marketing of their services. According to Nachmias (1996) descriptive studies are aimed at providing information on what, when, where who and how of a phenomenon, which is the focus of the current study.

3.2 The Population

The population of interest in this study includes all the Health Maintenance Organisations in Kenya. According to the Kenya Medical Directory of 2003-2004 edition, there were 19 HMOs in Kenya. However, at the time of study, four of the firms had collapsed and thus the study had a population of 15 firms. All of them had their head offices in Nairobi. This was a small number and therefore a census study was conducted.

3.3 Data Collection Method

Primary data was collected using a structured questionnaire. Respondents were people entrusted with marketing responsibility. The questionnaires were dropped and picked later. Follow up was conducted by telephone to minimize the problem of postal delays and non-response rate. The questionnaire was divided into two parts. Part A had questions to collect data on the profile/ general information about the respondent. Part B had questions to collect data on Health Maintenance Organisations positioning strategies and the challenges faced by the firms when positioning their services.

3.4 Operationalising the Service Positioning Strategies

Dimension	Expanded variable	Relevant Question
Service quality	Reliability, Responsiveness, Assurance, expertise, courtesy, confidence, physical evidence	10 a-d,
Benefits/ and Attributes	Reliable, high quality, customer friendly, quick response, flexible, prompt payment to contracted providers, superior customer service	11 a-e 21b
User category	Private companies, Households and businesspeople, NGOs, Government institutions	13 a-f,
Product category	Insurance, health provider, financier, both financier and health provider	12 a-f
Competition	Price cuts, service style promotion expertise technology, and cost management, superior service, new service innovations, widest network, financially stable	14 a-j
Price/Subscription fee	Low fee, premium fee, varied based on regions, age, volume required, negotiated fee discounted, brand price, competitive fee	16 a-g
Promotion media strategy	Advertise by radio, television, newspapers, magazines, salesperson's word of mouth, and outdoor posters. publicity, promotions	16 a-h;
Image building	Public relations, sponsorship community participation activities, personal selling, communication, colors, symbols, logos and decorations, extensive promotion, use credible people for word of mouth campaigns.	17 a-t
Place	Distribution networks, accessibility, parking space, location, nearness to users,	15 a – m
People	Professional, committed, always alert, competent, trustworthy, smart, motivated, positive to clients, organization and colleagues Communicative, well trained pleasant, courteous, polite and spontaneous.	19 a – o
Physical evidence	Ambience, low noise, spacious rooms, airs conditioned, cool temperatures; Physical attractions; layout, equipment, furniture, colors.	
Process	Policies for customer satisfaction. Accuracy, speed, simplicity, smooth flow, flexibility, customer involvement, employee empowerment.	

3.5 Data Analysis Techniques

The data collected in section A was analysed using frequencies and percentages. The data collected in section B was analyzed using frequencies and mean to determine the strategies used in positioning health maintenance services and the extent to which these strategies are used. The findings have been presented inform of tables graphs and pie charts.

**CHAPTER FOUR
DATA ANALYSIS AND FINDINGS**

4.1 Introduction

This chapter contains data extracted from the completed questionnaires. The data is summarised and presented in form of tables. The study targeted 15 HMOs but got response from 12 of them. This gave a response rate of 80%. The chapter was divided into three parts, part one analysis the general profile of the respondents. Part two analyses the extents to positioning strategies while part three analyses the challenges limiting positioning. The information from part one is summarised in Table 1.

Table 1: Profile of Health Maintenance Organisation

Age of the organisation	No	Percent
1-5	2	17
6-9	4	33
over 10	6	50
Total	12	100
Ownership of the firms	No	%
Locally owned	4	33
Joint/mixed owned	6	50
Foreign	2	17
Total	12	100
Major income group of clientele	No	%
0-19,990	1	8
20,000-39,999	2	17
40,000-59,999	7	58
over 60,000	2	17
Total	12	100
Existence of marketing department	No	%
Yes	10	83
No	2	17
Total	12	100
Size of enrolled members	No	%
Equal or less than 30,000	8	67
30,001-60,000	3	25
60,001-90,000	1	8
over 90,000		
Total	12	100
Area served	No	%
Kenya only	6	50
East Africa	4	33
Whole world	2	17
Total	12	100

Source: resource data

4.2 Analysis Of The Profile Of The Firms

In regards to the length of time in the health service industry, 50% have operated for more than 10 years, 33% for over six years and 16.7% for less than 5 years.

The ownership of the HMOs is represented by 50% as joint ownership while only 17% are foreign owner with 33% as locally owned. This reveals that locals and foreigners jointly own most of the HMOs.

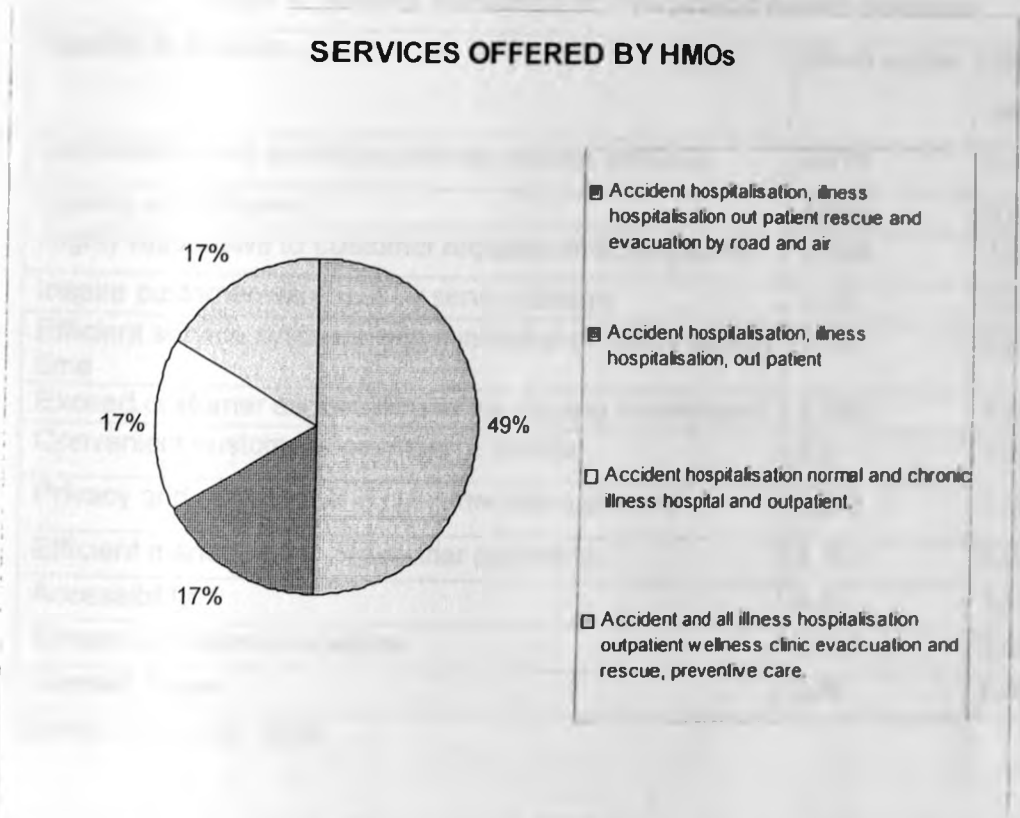
People earning Shs 40000-59,000 constitutes 58% of the clients while 60,000 and above make 17% and the rest 17% of the market earns less than 40,000. Only 8% of respondents indicated a small extent of Shs. 0-19,999 clientele. This shows that most of the HMOs serve people earning incomes above Shs. 40,000.

In regards to the existence of an established marketing department, 83% had marketing departments while 17% did not have. The results show that most of the HMOs take marketing seriously. In response to the age of the clientele, it was revealed that 33% are below 39 years of age while 67% are age 40 years and above. This shows that most of the clients are in the middle Or older age.

In response to market size and coverage 8 (66.7%) indicated a clientele of less than 30,000 members 25% fell in the range of 30001- 60000, and 8% had over 90000 members. The respondents also indicated that 50% served only the local market 33% served the East African market and 17% served Kenya and the world.

Fig. 4 Types Of Services Offered

The respondents were asked to list the type of services they offer. Their responses are summarised in Figure 4.



Source data:

From Fig. 4.2, 49% of the firms offer the widest combination of services namely accident and illness hospitalisation, outpatient, rescue and evacuation by road and air. The other 17% offer all these services without evacuation. The other 17% offer all services and cover for chronic illnesses. 17% of the offers all other benefits plus wellness outpatient clinics. This varied service mix shows some extent of differentiation among the HMOs.

4.3 Positioning Strategies Used By HMOs

In marketing their services, the HMOs use various strategies to make their market offers different from competition. These include quality, benefits sought, product category, and user category, competitive and image building strategies. The firms also use price, promotion, distribution, people, physical evidence and process to position their market offering.

4.3.1 Service Quality Strategy

The respondents were asked to indicate the extent to which their firms used various quality features to distinguish their services responses are summarised in Table 2

Table 2: Quality Indicators In Positioning Health Services

Quality indicators	Mean score	Standard deviation
Dependable and available services reliable services	4.416	1.189
Quality sophisticated	1.583	0.999
Highly responsive to customer requests and complaints	2.166	1.344
Inspire customer with trust by service design	4.33	1.080
Efficient service systems with minimal and quality waiting time	4.66	0.533
Exceed customer expectation by variety and involvement	3.166	1.519
Convenient customers payment systems	2.5	1.256
Privacy and confidence in customer management	2.583	1.498
Efficient management of provider payments.	4.75	0.433
Accessibility	4.33	1.118
Simple enrolment procedure	3.333	1.491
Overall mean	3.40	1.045

Source: Research data

In regards to quality indicators used by HMOs to position their services in Table 2, reliability based on dependability and availability, efficient claims management, efficient systems accessibility and express assurance had high means of 4.416, 4.66, 4.75, 4.33 and 4.0 respectively their standard deviations were 1.189, 0.533, 0.433, 1.118 and 1.080 respectively. Customer expectation, involvement, and simple enrolment procedures had mean score of 3.166 and 3.33 respectively and standard deviations of 1.519 and 1.491 respectively. Responsiveness to customer complaints customer convenience, confidentiality and empathy had means scores of 2.166, 2.5 and 2.583 respectively the standard deviations were 1.344, 1.256, and 1.498 respectively. Premium quality had the least mean of 1.583 and a low standard deviation of 0.999 showing that it was least used. The overall mean was 3.40 and a deviation of 1.045 which showed that the quality indicators were used to some extent.

4.3.2 Benefits sought strategy

The respondents indicated the extent to which the firms use benefits sought to position their services as summarised in Table 3.

Table 3: Customer benefits used in positioning by HMOs

Benefits offered	Mean score	Standard deviation
Special treatment and prestige personalised fast attention	2.166	1.573
Reliable services from high quality providers	3.333	1.748
Easily accessible care outlets	4.416	1.117
Affordable cost of health care	4.5	1.118
Courtesy, concern and good care	4.08	1.450
Express assurance	4.33	1.198
Better service from highly credible workers	4.33	1.198
Efficient complain response	4.25	1.089
Confidence	2.75	1.366
Overall mean	3.795	0.663

Source: Research data

In regards to customer benefits the respondents, provided summarised in Table 3, affordability had the highest mean score of 4.5 with a standard deviation of 1.118. Accessibility had a high mean score of 4.416 with a standard deviation of 1.117. Assurance and credibility of workers had a mean score of 4.33 each and a standard deviation of 1.198 respectively. Courtesy and good care had a mean score of 4.08 and a standard deviation of 1.450. Efficient response to customers had a mean score of 4.25 and a standard deviation of 1.089. All these benefits were considered to a very large extent as showed by their high mean scores. Reliability scored a mean of 3.33 with a standard deviation of 1.748 this showed a some extent of use prestige and confidence and privacy scored a mean of 2.166 and 2.75 respectively with standard deviations of 1.573 and 1.366 respectively. The overall mean was 3.795 and a standard deviation of 0.663, which showed clustering or insignificant benefit positioning among HMOs.

4.3.3 Product Category Strategy

In regard to product category the respondents gave data that was summarised in Table 4.

Table 4: Product Category Strategy

Category	Mean score	Standard deviation
Insurance services	2.5	1.659
Health services brokers	3	1.639
Direct health care providers	1.75	1.361
Health care financiers	2.58	1.658
Emergency health service providers	3.5	1.607
Both health care provider and financier	3.75	1.639
Provider selected health benefits	3.416	1.659

In the product categories, the combined financier of health care scored the highest mean of 3.75, and a standard deviation of 1.639. Emergency health services, health services brokers, and selected health benefit providers scored 3.5, 3.416 and 3.0 respectively. They had standard deviations of 1.607, 1.659 and 1.639 respectively. These showed some extent of the identity of the product class. To a small extent, the firms' services were identified with the category of insurance service providers with the mean score of 2.5 and 1.75 respectively. Standard deviations were 1.658 and 1.361 respectively. This gives a confused product categorisation of these organisations.

4.3.4 User Category Strategy

The respondents were asked to indicate the significance of the various user categories to the firms and they revealed the results analysed in Table 5.

Table 5: Positioning By User Category

Category of users	
Private companies	1.6
Non-governmental organisations	3
Business individual	3.6
Family and household groups	3.16
Government institutions	1.916
Overall mean	3.251

Source: Research data

The high mean of 4.33 and low standard deviation of 1.190 shows that the private companies are the major category of clients or users served by HMOS. The moderate means of 3.6, 3.16 and 3 with respectively close range standard deviations show similarity in the firms targeting to NGO, business individuals, and family households. The government institutions have the least extent of importance in the use of the HMO services with the mean score of 1.916 and standard deviation of 1.441. The over all mean was 3.251 and standard deviation was 1.705.

4.3.5 Competitor Positioning Strategy

The respondents indicated their competition strategies as shown in the summary in Table 6

Table 6: Positioning Against Competitors

Differentiation from competition	Mean score	Standard deviation
Lower prices	1.916	1.441
Unique service innovations	4.75	0.433
Promotion media	4.08	1.198
High quality personnel in competence and credibility	4.833	0.376
Improved service quality of delivery points	4.33	1.190
Size of coverage networks	4.41	1.141
Financial stability and cost	4.916	0.288
Efficiency variety of services	4.66	0.284
Simplicity and speed of procedures	4.25	1.089
Specialised customer care	4.25	1.499
Adaptability to clients view	3.666	1.608
Acceptance style of service processes	4.333	1.118
Overall	4.209	1.358

Source: Research data

It is evident that the competitive differentiation mostly largely used were financial and cost stability with a mean score of 4.916 and a very low standard deviation of 0.288. Quality of personnel was also largely used as it had a mean score of 4.833 and a

standard deviation of 0.376. Unique service innovation was large used with a mean score of 4.75 and a standard deviation of 0.433. Equally important were service variety with a mean of 4.66 standard deviation, 0.284; spread of services means 4.41 SD 1.141, quality of delivery points mean of 4.33 and standard deviation of 1.190. Speed and specialisation – customer care shared a mean score of 4.25 but varied in SD of 1.089 and 1.479 respectively.

Promotion media strategy had a mean score of 4.08 and a standard deviation of 1.198. Acceptability of style had a mean score of 4.33 and a standard deviation of 1.118 that showed that it was used to a very large extent. Adaptability to clients' views was moderate at mean score of 3.666 and a standard deviation of 1.608. Price reduction or under cutting was the least attractive as it scored the least mean of 1.916 and showed a low deviation of 1.441. The over all mean was high at 4.209 with a fairly low standard deviation of 1.358 that showed a very close competition practice with most of the firms making similar positioning moves to a very large extent.

4.3.6 Price Positioning Strategy

The respondents were asked to indicate the extent to which the firms use their subscription fees to differentiate themselves from their competitors the results are shown in the summary in Table 7

Table 7: Price Positioning Strategy

Price strategy	Mean score	Standard deviation
Lower than competition	2.0	1.914
Premium price for quality of service	3.41	1.189
Based on service cost	3.666	1.1044
Flexible to market needs	3.667	1.1044
Depends on negotiations	2.166	1.519
Differentiated regions	1.75	1.479
Based on client category	2.166	1.344
Based on the size of buying group	2.33	1.495
Price reflect value	3.0	1.290
Overall	2.518	0.625

Source: Research data

In regards to price positioning strategy, least of the price variability was regions that scored a mean of 1.75 and standard deviation of 1.479. From the above table, low price had a mean score of 2.0 and a standard deviation of 1.914 thus low price position was used to a small extent. Variability of price based of premium quality had a high mean of 3.41 and standard deviation of 1.189 that showed it was used to a large extent. Cost and market needs had similar mean and standard deviation of 3.66 and 1.104 respectively. These were moderately used by the firms to differentiate themselves. Price was used to reflect the situation in the industry to an extent that scored a mean of 3.0 and a standard deviation of 1.290. There was some extent of negotiable price with a mean score of 2.166 and standard deviation of 1.519. Categories of users give pricing strategy to some extent with a mean of 2.166 and standard deviation of 1.344. Quality was also an influencing factor to discounted price with a mean score of 2.33 and standard deviation of 1.495. The overall mean of 2.518 and a small standard deviation of 0.625 showed that price strategy were used to similar extent by the firms and thus positioned them very closely a like.

4.3.7 Promotion Media Strategy

Promotion is one of the major strategies of telling the market about a firm's offer and how it differs from the rest in the market. The respondents were thus asked to indicate the extent to which they have used the different promotion media to communicate their offers to the market.

The summary of the results was shown in Table 8

Table 8: Promotion Media Strategy

Promotion methods	Mean score	Small standard deviation
Radio to advertise service brands and the organisation	2.166	1.57
Television	3.167	2.191
Newspaper	3.5	0.282
Newsletters	4.169	1.272
Magazines	3.25	2.86
Word of mouth	4.8	0.678
Large salesforce	3.8	1.57
Outdoor posters	3.0	1.52
Overall	3.58	0.597

Source: Research data

From the above table, it is evident that all respondents largely used word of mouth to promote their services as it scored the highest mean of 4.8 and low standard deviation of 0.678. Newsletters were second popular with a mean of 4.169. There was moderate use of sales forces, newspapers magazines, television and outdoor posters which scored a mean of 3.8, 3.5, 3.25, 3.167 and 3.0 respectively. The overall mean was 3.58 with standard deviation of 0.597, which showed close similarity in media usage among the firms. Radio was used to the least extent with mean score 2.166 which means that these firms did not consider the advantage of wide reach provided by radio.

4.3.8 Image Building Strategies

The respondent provided information on their strategies of image building. The data was summarised in Table 9.

Table 9: Image Building Strategy For Positioning

ACTIVITIES	Mean score	Standard deviation
We donate to charity	2.5	1.154
We educate the community on health	2.58	1.558
We sponsor various sports	2.75	1.588
We sponsor health camps to needy groups	2.58	1.558
We provide news items to media	2.916	1.116
We give special offers	2.67	1.790
Display our symbols in all our functions	4.25	0.804
We give variety of gifts	3.5	1.5
We allow media to tell us about	2.67	1.427
Educate other firms	2.416	1.38
Select credible sales force	3.66	1.507
Well trained and supervised sales force, involve employees, use Internet services to connect with clients	3.6	1.790
Overall	3.007	0.565

Source: Research data

From the above table, display of symbols scored the highest mean of 4.25 and a standard deviation of 0.804. That showed that it was used by the firms to a very large extent. The extent of personal involvement such as sales force; other employees and technology scored a mean of 3.6 and a standard deviation of 1.790 use of gifts and selection of salesforce scored a mean of 3.5 and 3.6 respectively. Standard deviation

of 1.5 and 1.507 charity donations, community health education sports sponsors, health camps, news items to media and special offers had means of 2.5, 2.58, 2.75, 2.58, 2.916 and 2.67 respectively. The standard deviations were as follows, 1.154, 1.558, 1.588, 1.116, 1.790 and 1.5 respectively. Media interaction scored a mean of 2.67 and a standard deviation of 1.427. The overall mean was 3.007 with a standard deviation of 0.565. The least was education of other firms with a mean score of 2.416 and standard deviation of 1.38 that showed that image building was only used to some extent.

4.3.9 Positioning By Distribution Strategy

The respondents gave information on the extent to which they used distribution strategies. The data was summarised into mean score and standard deviation as shown in Table 10.

Table 10: Positioning By Distribution Strategies

Distribution	Mean score	Standard deviation
Use our network of clinics	3.0	1.683
Contract provider i.e. doctors and hospitals through out the country	2.0	1.354
Franchise our services	4.3	1.228
Contract only reputable provider	4.5	0.707
Less congested location	4	1.22
Easily locatable clients	3.416	1.188
Ample parking space	3	1.384
Near the users	2.3	1.646
Provide home care	1.75	1.233
Provide mobile clinics	3.16	1.296
Facilitating choice of other providers	4.6	0.916
Customers have direct access to consult-	4.3	1.475
Over all	3.361	0.999

Source: Research data

The firms provided the freedom for their clients to choose any provider to the largest extent. This is shown by the high mean of 4.6. The quality of outlets was based on the reputation of providers, which scored a mean of 4.5. The firms also franchised their services and encouraged direct access to consultation for the clients as showed by a high mean of 4.3. Congestion was avoided largely as it got a mean of 4.

The choice of delivery point was greatly influenced by ease of location by clients as this got a mean of 3.416. Mobile clinics were used to a moderate extent of a mean of 3.16 to spread the services to people. Parking space was important to a moderate extent of 3.0 mean score this was a similar case with spread of own network of clinics and nearness to users. The spread to all parts of the country was considered to be limited extend of 2.0 and 2.3 respectively. Least was home care with a mean score of only 1.75.

4.3.10 Positioning By Use of Quality of Personnel

The respondents were asked to indicate their extent of the usage of quality of people. The results are shown in the Table 11 below

Table 11: Positioning By Use Of Quality Of Personnel

Personnel quality	Mean score	Standard deviation
Highly qualified and service oriented, well trained	4.83	0.413
Very committed, always alert	4.5	0.645
Courteous to clients	4.9	0.489
Use good language and polite to clients	4.416	1.119
Highly competent and credible	5	0
Knowledgeable	4.75	1.07
Interact and communicate effectively to clients	4.75	0.595
Smartly dressed in pleasant uniform colours	3.916	1.526
Answers clients request promptly-spontaneous	4.75	0.595
Appreciate clients,	4.6	1.003
Motivate	4.75	0.595
They appreciate their colleagues	4.6	1.003
Team spirit	4.75	0.595
Caring attitude and empathy	4.75	0.595
Overall mean	4.6	0.242

Source: Research data

In order to determine the use of the personnel strategy in positioning the data was summarised in Table 11. High competence of workers scored a mean of 5 hence used to a very large extent by all the firms. Courtesy and qualifications to a very large by all firms scored high means of 4.9 and 4.83 standard deviations of 0.489 and 0.413 respectively. Prompt response, communication, motivation, team spirit, and caring attitudes tied in the mean of 4.75 and standard deviation of 0.595. Knowledgeable, commitment and good language had mean scores of 4.75, 4.57 and 4.416 respectively.

They had standard deviation of 1.07, 0.625, and 1.119 respectively. Appreciation of clients, and organisation had a mean score of 4.6 and a standard deviation of 1.003. The dressing code was least considered with a mean of 3.916 and a standard deviation of 1.526. The overall mean was 4.6 and very low standard deviations of 0.242 that showed that all the firms used personnel quality to a very large extent in positioning their services.

4.3.11 The Physical Evidence Strategy

A firm can use the physical environment to distinguish its offering and thus give it a distinctive place in the mind of the consumer. In this regard, the respondents were required to indicate their usage of this variable. The results were summarised in Table 12.

Table 12: Positioning by Physical Environment

Physical environment aspects	Mean score	Standard deviation
Low noise	4.3	1.417
Spacious rooms	4.416	1.189
Well aired rooms	3.58	1.56
Good fragrance	4.08	1.198
Cool temperatures	4.83	0.413
Attractive layout	4.83	0.581
Modern equipment outlook and decorations	4.66	0.885
High quality furniture	4.583	0.863
Attractive colours	4.5	0.957
Facilities and stationery bear our symbols	4.9	0.489
Use attractive symbols are our interior designs	5	0
Overall mean & standard deviation	4.5	0.382

Source: Research data

In determining the extent of the use of physical evidence in positioning, the information gathered from the respondents was summarised in Table 12. The use of attractive symbols and the interior designs were used by all the firms to a very large extent scoring a maximum mean of 5. Display of the symbols on facilities and stationery scored a mean of 4.9 with a standard deviation of 0.489. Attractive office layout, cool temperatures, modern equipment, quality of furniture and colours scored high means of 4.83, 4.66, 4.583, and 4.5 respectively. These had standard deviations of 0.581, 0.885,

0.863 and 0.957. Room space low noise and fragrance had mean score of 4.416, 4.3 and 4.8 respectively with standard deviation of 1.189, 1.417 respectively. Air conditioning had least mean score of 3.58 and standard deviation of 1.56, which means it, was used to a lesser extent by the firms. The overall mean was 4.5 and standard deviation was 0.382. That showed that the physical environment was used to a very large extent in positioning health services by the firms.

4.3.12 Service Process Strategy Position The Market Offering

The respondents indicated the extent to which service process was used to distinguish their services in the market. The result were summarised in Table 13

Table 13: Positioning By Use Of Service Process

Process	Mean score	Standard deviation
Health policies customer centre	4.33	1.323
Satisfy customers with accurate procedures	4.666	0.533
Services are flexible to clients	4.585	1.116
Cordinated and consist	4.833	1.679
Fast flow of services	4.583	0.642
Allow customer participation	4.333	1.190
Use modern equipment	4.833	1.679
Employers empowered make a decision	4.25	0.828
Overall	4.091	0.587

Source: Research data

In regards to the extent to which process strategies were used the responses were summarised in form of mean scores and standard deviation showed in Table 13. Customer health policies, accuracy of procedures flexible services and co-ordination of services scored high means of 4.33, 4.666, 4.583 and 4.833 respectively. These had standard deviations of 1.323, 0.533, 1.116 and 1.679 respectively. The speed of activities, customer participation, modern equipment and employee empowerment scored 4.583, 4.333, 4.833, and 4.25 respectively. The following were the standard deviations 0.642, 1.190, 1.679 and 0.828, respectively. The over all mean score was

4.091 with a low standard deviation of 0.587 that showed a very large extent of the use of the process strategy.

4.3.13 Summary Of The Strategies

The summary of the strategies used was presented as shown in Table 14. It contained the over all means of the various strategies analysed in the previous tables.

Table 14: Positioning Strategies by HMOs – Broad Dimensions

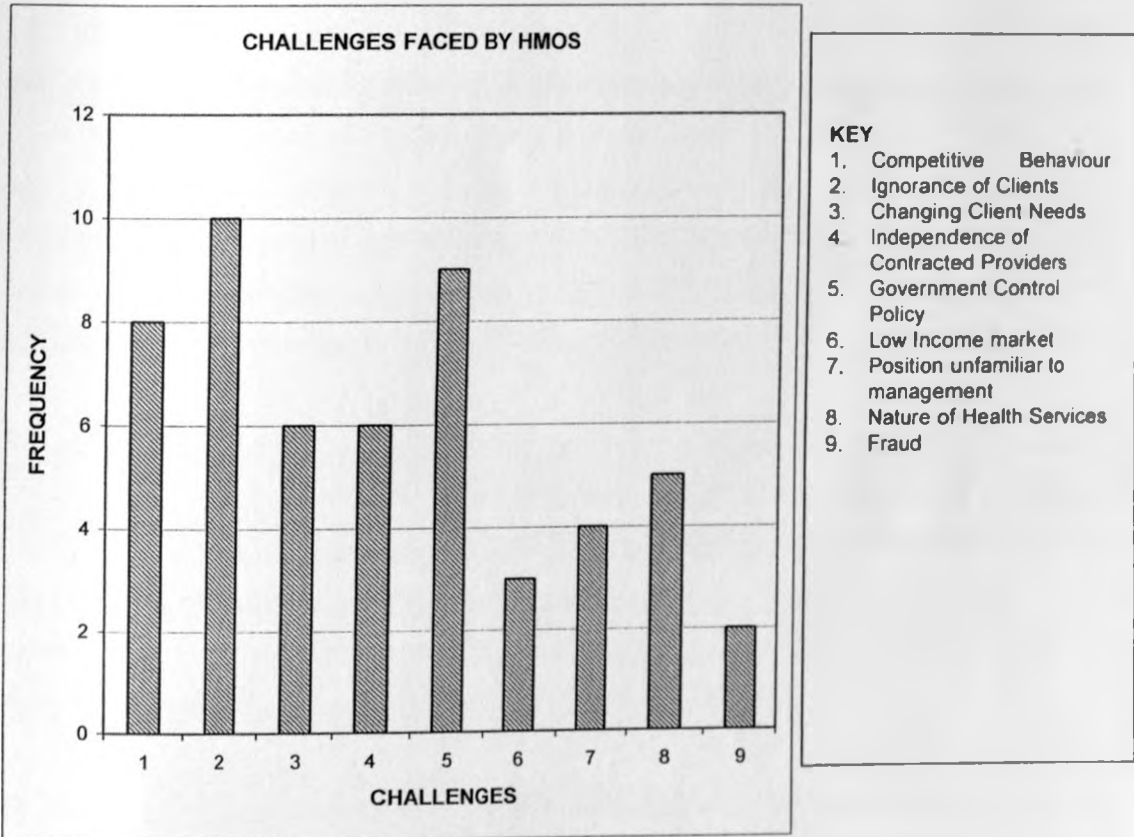
	Mean score	Standard deviation
Service quality	3.40	1.045
Benefits sought	3.795	0.663
Product category	2.928	0.647
User categories	3.251	1.705
Competitor approach	4.209	1.358
Promotion media	3.58	0.597
Image building	3.007	0.565
Prize services	2.518	0.625
Distribution	3.361	0.999
Personnel	4.6	0.242
Physical evidence	4.5	0.382
Process	4.091	0.587
Overall	3.636	0.665

From Table 14, the highest means were as follows, personnel with a mean of 4.6, physical environment 4.5, competitor differentiation 4.209 and service showed scores process 4.091. This is in agreement with Bitner and Zeithaml (2004) and Kotler (2003) that service providers can take advantage of personnel physical evidence, and process to position their market offerings. The lowest mean score was by price strategy that showed 2.518 and a low standard deviation of 0.625. Product category positioning that had a mean score of 2.928 and a standard deviation of 0.647 followed. This meant that price and product category strategies were used to the least extent.

4.3.14 Challenges faced by HMOs when positioning their services

In the process of positioning, the HMOs have their challenges like any other firms if not worse. The environment of business in the country is competitive. As each firm struggles to cut an edge for its services through positioning, a number of challenges were met. The responses in this regard were shown on Figure 5.

Fig 5 Positioning Challenges



Source: Research data

The most firms sighted customer ignorance about the existence of the Health Management Organisations and their offers in the market. Ten respondents out of the twelve showed this. Nine and eight respondents sighted unclear control policy by government and other related authorities as well as complex competitor behaviour respectively.

The complicated nature of services and the difficult of the positioning process were challenges to five and four firms respectively. Two respondents sighted fraud as a challenge to positioning, as they have to limit their information to the public.

CHAPTER FIVE DISCUSSION, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter gives a summary of the findings as well as conclusions drawn from the data analysis. The data was obtained from the population of HMOs in Kenya and findings summarised in the line with the objectives of the study. Recommendations were given to the relevant parties.

5.2 Discussion

The aim of the study was to determine the positioning strategies used by HMOs and the extent to which the firm use these strategies in provision of health care. HMOs offers various medical care services such as outpatient care, illness hospitalisation, accident hospitalisation, evacuation and rescue. From the data obtained, from the respondents all the firms offered these services with exception of only two that offered wellness and preventive health education in addition to all other services.

In regards to product quality, the highest mean score was efficiency in claims management in payment to providers with a mean of 4.75 and a standard deviation of 0.433. It was followed by efficient service delivery systems with a mean score of 4.66 and a standard deviation of 0.533. The least used strategy aspects was quality with a mean of 1.583 and a standard deviation of 0.999. The means that firms did not largely position themselves as premium quality providers.

Regarding benefits or attribute strategy, the highest mean score was affordability with or mean of 4.5 and a standard deviation of 1.118, followed by accessibility that has a mean of 4.416 and a standard deviation of 1.117. This means that these benefits were used to the largest extent. As far as product category was concerned for health and financing category had the highest mean score of 3.75 and a standard deviation of 1.639. That was followed by emergency care provision with a mean score of 3.5 and a standard deviation of 1.607. This means that to a large extent firms taunted themselves as both providers and financier of health care services. However, the least of mean was direct health care provision with a mean of 1.75 and standard deviation of 1.361.

For user category, the highest mean score was 4.33 for private companies and a standard deviation of 1.190. This was followed by the business individuals with mean score 3.6 and standard deviation of 1.694. As such the firms' clients were to a very large extent private companies. The least was government institutions with a mean of 3 and standard deviation of 1.290. Thus, government organisations are least targeted users. In regards to competitor strategy, cost efficiency had the highest mean score 4.916 while price had the lowest mean score of 1.916 and a standard deviation of 0.433. Other than the price adaptability, the other strategies had means scores 4 and over. This showed that the firms used most of competitive strategies to a very large extent.

While Kerin (2003) and Kotler (2003) consider price as an important indicator of quality, the firms seem to have taken the precaution from Zeithaml and Bitner (2004) that price competition in services may not pay. The price was based on cost as showed by a mean score of 3.66 and a standard deviation of 1.104. The lowest was regional differentiation with a mean of 1.75 and standard deviation of 1.479. This showed that the prices to a large extent was based on cost of service.

In regards to promotion media strategy, word of mouth had the highest mean score of 4.8 with a standard deviation of 0.678, a distant 2nd was personal selling with a mean of 3.8 and a standard deviation of 1.57. This showed a very large extent of using word of mouth by the firm to position, their services. The least mean score of 2.166 and SD of 1.57 was radio. This showed a small extent of use of radio as a media. It shows that the HMO services are not largely targeted to radio audience. As in regard to image building the display of symbols had highest mean score of 4.25 with standard deviation of 0.804. This was followed by sales force selection with a mean score of 3.66 and SD of 1.507. The lowest was educating other firms in the industry with 2.416 and SD 1.38. It was evident that symbols and word of mouth through sales force in image building were used to a very large extent.

Distribution strategies had free customer choice of place with the highest mean of 4.6 and a standard deviation of 0.916. It was followed by contract of only highly reputable private hospitals with a mean of 4.5 and a SD of 0.707. This showed the use of high

quality outlets to very large extent. The least strategy was home care services with a mean of 1.75 and a standard deviation of 1.233. This meant that it was least used in positioning services by distribution strategies.

In service positioning the quality of personnel is a very important strategy. In this regard, the personnel competence scored a full scale of 5 followed by courtesy, mean score 4.9 and SD of 0.489. This means that these aspects were used to a very large extent. The lowest was dressing mode with mean score of 3.916 and standard deviation of 1.526. This was still high as it represent a large extent of importance. The use of physical environment was highest in attractive symbols and interior designs with a mean score of 5. This was followed by quality of facilities like stationery with mean score of 4.9 and SD of 0.489. This reflected the importance of beauty to the firms in their positioning strategy. Of least importance was airing conditions of the rooms with a mean score of 3.58 and SD of 1.56. As health providers, this could be one point of major difference for those firms that use it. In regards to process strategies co-ordination of services had the highest mean score of 4.833 with a standard deviation of 1.679 this tied with modern equipments in process. The lowest mean score was employee empowerment in the process but this was at the level of 4.2, which showed a very large extent. The process strategy showed to have been used to a very large extent by the HMOs in positioning their services the overall mean score was 4.491 with SD of 0.587 which should limited distinction among the HMOs.

5.3 Conclusion

From the findings discussed, the following conclusions were drawn: 50% of the HMOs had operated in Kenya for more than six years. 50% of the firm were locally owned and 50% serve only Kenya. Of all the 12 firms, eight had less that 30,000 clients and only one had over 90,000 clients. These facts showed that with the dominant target market of over Ksh 40,000-of income, there is a lot of untapped market in the country. The overall mean scores for the firm in respect to personnel, positioning strategies was 4.6 physical evident strategies was 4.5, process positioning strategy was 4.091 and positioning in respect to competitor was 4.209. The study confirmed that personnel, physical environment and process are extensively used positioning strategies by the HMOs. The second place was taken by benefits sought, distribution and service quality strategies with overall means score of 3.795, 3.361, and

3.40 respectively. Although promotion media strategies have an over all mean score of 3.58, the very high mean score of word of mouth reduced the impact of the other media positioning strategies. It failed to provide expansive reach and, clear position. The limited use of radio, in promotion media strategies limits the reach to the potential market for HMOs. That showed an element of under positioning. Ten out of the twelve firms attributed the relatively small clientele to ignorance of the market. The low over all standard deviations that range from 0.242 for personnel strategies to 1.358 for competitor strategies show tight competition among the HMOs, this was confirmed by eight firms in all. Image building strategies had a moderate mean of 3.007. That was confirmed by the challenges of familiarity in the positioning process as sighted by four firms, and that of complexity of nature of services as agreed to by five firms.

The HMOs have to the largest large used personnel, physical evidence, and process to position their services. However, the small standard deviation values showed that most of their activities have no significant different and it is possible that clients cannot see much difference other than the firms names. The mix of services leaves the firms not clearly known with which product category they could be associated. This presented a problem of confused positioning.

5.4 Recommendation

The HMO sub sector in health care sector is very important for the improvement of health care provision in this country. It therefore means that these organisations have a chance, and a place to grow and do business in Kenya. They should use positioning strategies to distinguish themselves from the poorly managed public health sector, the expensive private health care providers and the mistrusted insurance industry.

Each HMO should come up with a more distinctive difference from its competitors. As it was revealed most of these firms used similar strategies. That does not make them out standing. Positioning would also help each of the HMOs cut out its market edge, by giving itself a distinctive identity from the other HMOs. This will make the customer not to see any one HMOs as just one of the many with nothing new to offer. Each firm should carefully assess its management capability, resource capacity, individual objectives, strength and weakness in order to come up with a more meaningful positioning strategy.

The government should come up with clear guidelines that would clear the way for the HMOs especially in the line of service designs and promotion that tend to be unclear. This may require the clarification of the roles of the NHIF, the KMA, Insurance companies and the MOH. The field of positioning need also more attention from scholar to add more insight to those in manufacturing, service industries as well as the micro-small enterprises.

5.5 Limitations of the study

The time of study coincided with the time the sub-sector was being scrutinised following the collapse of several of the HMOs. The situation made respondents quite unwilling to give information.

The study was only limited to positioning strategies used, it did not consider the factors affecting the choice of those strategies.

Most of the respondents were simply not willing to give out information sighting management policy.

5.6 Suggestions for further research

This study only dealt on positioning strategies among HMOs sub section of the health sector. Further studies can be done on risk management, and maintenance of financial stability among the HMOs, since several of them have collapsed in the recent past.

A study should also be carried out to determine the positioning strategies used in other service sectors like the supermarkets, and beauty salons.

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NDINDA P K
C/o University of Nairobi,
Lower Kabete Campus,
P. O Box 30197,
Nairobi.

28 May 2005.

Dear Sir / Madam,

I am postgraduate Student in the Faculty of Commerce, University of Nairobi. I am conducting a Management Research on "The Service Positioning Strategies Used by Health Maintenance Organisations in Kenya (HMOs).

Your organisation has been selected to form part of the study. This is therefore to request your assistance in filling the attached questionnaire. The information you give will be treated with strict confidentiality and is needed purely for academic purposes. Even when a name has been provided, it will not under any circumstances appear in the final report.

A copy of the final report will be made available to you upon request.

Your assistance and co-operation will be greatly appreciated.

Yours Sincerely,

.....
NDINDA P K

(Student)

.....
Margaret A. Ombok

Lecturer Dept of Business

Administration (Supervisor)

APPEDIX 2: QUESTIONNAIRE

SECTION A

1. Please indicate your functional responsibility in the company (please tick accordingly)

Marketing Manager () Operations Manager () Sales Representative ()

2. What is the ownership of your company?

a) Local () b) Foreign () c) Mixed ()

3. How many years has your organisation been in the health care provision business?

a) Less than one year () b) 1---5 years ()

c) 6---9 years () d) over 10 years ()

4. Do you have a marketing department in your organisation?

Yes() No ()

5. What-income group constitutes most of your clients? (Tick as applicable)

Kshs

0 - 19,999 ()

20,000 - 39,999 ()

40,000 - 59,999 ()

60,000 and above ()

6. Which of the following age groups constitutes the major part of your client? (Tick as is applicable)

0 - 19 ()

20 - 39 ()

40 - 59 ()

60 - above ()

7. What is the estimated size of your enrolled members?

0 -30,000 () 30,001-60,000 ()

60,001 -90,000 () 90,001 -120,000 ()

More than 120,000 ()

8. What is the coverage area of your service provision? (Please tick as applicable)

a) Only in Kenya ()

b) Only in East African countries ()

c) All parts of the world ()

9. List the type of Health services you provide to your clients

a)-----

- b)-----
- c)-----
- d)-----
- e)-----
- f)-----

Section B

Service differentiation is the process of creating a distinct image of a service to give it a clear picture in the mind of the consumer in relation to alternative services offered by the competition. This is the essence of positioning. In answering the questions in this section you are given a scale of 1-5 to indicate to help you respond easily.

Where **5=a very large extent**,

4 = large extent,

3 = some extent

2 = small extent

1 = no extent

10. To what extent does your organisation use the following quality indicators to distinguish its services (tick as applicable)

	5	4	3	2	1
a) Responsive to customers	()	()	()	()	()
b) Competent workers	()	()	()	()	()
c) Using efficient processes	()	()	()	()	()
d) Quality assurance to clients	()	()	()	()	()
e) Simple enrolment procedures	()	()	()	()	()
f) Provider variety for clients	()	()	()	()	()
i) Empathy to clients	()	()	()	()	()
j) Privacy and confidentiality of client	()	()	()	()	()
k) Efficient management of claims	()	()	()	()	()
l) Customer education	()	()	()	()	()
m) Reliability from credible workers	()	()	()	()	()

11. Indicate the extent to which your organisation considers the following consumer benefits when making its service packages, on a scale of 1-5

	5	4	3	2	1
a) Convenient mode of payment					
b) Customers visit facilities any time	()	()	()	()	()
c) Our location is easily accessible	()	()	()	()	()
d) Affordable mode of payment	()	()	()	()	()
e) Offer premium quality	()	()	()	()	()
f) Accurate responses to clients	()	()	()	()	()
g) Competent error handling service	()	()	()	()	()
h) Assurance communication	()	()	()	()	()
i) Availability when needed	()	()	()	()	()
j) Confident customers care	()	()	()	()	()

12. Indicate the extent to which the services you offer are in the following product categories listed below on the scale of 1—5.

	5	4	3	2	1
a) Health service brokers	()	()	()	()	()
b) Health financing only	()	()	()	()	()
c) Direct health care provider only	()	()	()	()	()
d) Health care & Financing	()	()	()	()	()
e) Provide selected care	()	()	()	()	()
f) Provide emergency health care	()	()	()	()	()
i) Insurance services	()	()	()	()	()

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

	5	4	3	2	1
a) Private companies	()	()	()	()	()
b) Non-Governmental organisations	()	()	()	()	()
c) Business individual	()	()	()	()	()
d) Family households	()	()	()	()	()
e) Government institutions	()	()	()	()	()

d) Any other, specify,

.....

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

	5	4	3	2	1
a) Price compares to competitor	()	()	()	()	()
b) Have wider network	()	()	()	()	()
c) Better facilities	()	()	()	()	()
d) We are cost efficient	()	()	()	()	()
e) Our services are superior	()	()	()	()	()
f) We are well advertised	()	()	()	()	()
g) Others specify					
.....					

15. To what extent do the following statements apply to the nature of your subscription fee? Indicate, on scale of 1—5

	5	4	3	2	1
a) Our fees are low	()	()	()	()	()
b) Our fees are at premium level	()	()	()	()	()
c) We vary our fees/based on;					
Service brand & Service package	()	()	()	()	()
Different regions	()	()	()	()	()
Client category	()	()	()	()	()
d) Competition					
Flexible fee	()	()	()	()	()
Our fee is similar for better value	()	()	()	()	()
Our fee is discounted	()	()	()	()	()

16. In making your services to known in the market, indicate the extent to which the following promotion media strategies are used by your organisation rating on a scale of 1—5

We advertise our services through;

	5	4	3	2	1
a) Radio	()	()	()	()	()
b) Television	()	()	()	()	()
c) Newspapers	()	()	()	()	()

d) Newsletters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Magazines	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Word of mouth	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) Sales people	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h) Outdoor posters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

	5	4	3	2	1
a) Organises health camps	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Donate to charity work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Educate the community, on health	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Sponsor various sports events	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Allow media to tell about us	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Provide news items to media	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) Give items with corporate symbols	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h) Use items with product brand names	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i) Give special offers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
j) Participate in exhibitions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
k) Give variety of gifts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
l) Have large sales force	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
m) Train sales force well	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
n) Have committed sales force	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
o) Supervise our sales force	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
p) Involve other employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
q) Observe good work ethics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

18. In selecting the number of outlets to reach your customers, indicate the extent to which the following aspects are considered.

Distribution	5	4	3	2	1
a) Use our network of clinics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Control the contracted providers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) We franchise our services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Use any health facility nearby	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

e) Use private hospitals	()	()	()	()	()
f) Contract reputable providers	()	()	()	()	()
Accessibility	5	4	3	2	1
e) Less congested location	()	()	()	()	()
f) Easily locatable by clients	()	()	()	()	()
g) Ample parking space	()	()	()	()	()
h) Near the users	()	()	()	()	()
i) Provide home care	()	()	()	()	()
j) Provide mobile clinics	()	()	()	()	()
k) Facilitating choice of other providers	()	()	()	()	()

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

	5	4	3	2	1
a) Highly qualified	()	()	()	()	()
b) Very committed	()	()	()	()	()
c) Always alert	()	()	()	()	()
d) Highly competent	()	()	()	()	()
e) Knowledgeable	()	()	()	()	()
Appearance					
f) Smartly dressed	()	()	()	()	()
g) Pleasant uniform colours	()	()	()	()	()
h) Positives towards clients	()	()	()	()	()
i) Positive to organisation	()	()	()	()	()
j) Positive to colleagues	()	()	()	()	()
k) Highly motivated	()	()	()	()	()
l) Interact with clients well	()	()	()	()	()
m) Courteous to clients	()	()	()	()	()
n) Answers client requests promptly	()	()	()	()	()
o) Use good language to clients	()	()	()	()	()

20. To what extent do the following conditions distinguish your health facilities from those of the other HMOs in the country?

Ambience	5	4	3	2	1
a) Keep noise level low	()	()	()	()	()
b) Rooms are spacious	()	()	()	()	()
c) Well aired conditions	()	()	()	()	()
d) Good frangence	()	()	()	()	()
e) Cool temperatures	()	()	()	()	()

Physical conditions	5	4	3	2	1
f) Attractive lay out	()	()	()	()	()
g) Modern equipment	()	()	()	()	()
h) High quality furniture	()	()	()	()	()
i) Attractive colours	()	()	()	()	()
j) Attractive decorations	()	()	()	()	()
k) Attractive symbols	()	()	()	()	()

21. Indicate the extent to which the following statements describe the quality of your services of your service delivery processes on a scale of 1—5.

	5	4	3	2	1
a) Our health policies are customer centred	()	()	()	()	()
b) We serve to satisfy customers	()	()	()	()	()
c) Procedures are accurate	()	()	()	()	()
d) Our processes are simple to follow	()	()	()	()	()
e) Our services are flexible to suite clients needs	()	()	()	()	()
f) We use modern machines	()	()	()	()	()
g) Our services are well co-ordinated activities	()	()	()	()	()
h) We allow customer participation	()	()	()	()	()
i) Flow of our service activities is fast.	()	()	()	()	()
j) Our employee can make decisions	()	()	()	()	()

22. List the challenges that you face when positioning your services.

Thank you for your cooperation.

NDINDA P. K.

APPENDIX 3: LIST OF COMPANIES

- a) AAR Health Services
- b) Alexander Forbes brokers ltd.
- c) Avenue Health Care
- d) BUPA International
- e) Clarkson NotCutt
- f) Health Access Ltd
- g) Health First International
- h) Health Management Agencies
- i) Health Management Solutions
- j) Kenya Alliance Health Care
- k) Maximed
- l) Medex
- m) Medi plan
- n) Managed Health Group (K) Ltd
- o) Resolution Health East Africa

Source : Kenya Medical Directory 2003 and 2004