DIFFERENTIATION STRATEGIES USED BY THE FORMAL PRIVATE SECURITY INDUSTRY IN KENYA

By

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DECLARATION

This Management Research Project is my original work and has not been submitted for a degree in any other University.

Signed ..... Date 25/10/2005

Jackson Mbui Muchira

This management Research Project has been submitted for examination with my approval as the University Supervisor.

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DEDICATION

To my Late Dad Michael Muchira Mbui
Whose love for Education was beyond reach!
Who believed so much in education and spent his entire life educating his family and others in society.

and

To, The rest of my family
And in particular my son Michael Muchira
who constantly encouraged me to finish this research Project.

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To God Almighty, Thank you very much.

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ABSTRACT

The private security industry in Kenya is slightly in excess of forty years old. Securicor, one of the member firms of the Kenya Security Industry Association was the pioneer firm followed closely by others to develop the young Kenya Security Industry to become what it is today, With about 2000 firms in operation. Competition in the industry has increased considerably and in such a crowded market, firms need to stand out and draw customer attention to themselves and create repeat buying patterns leading to loyal customers. Differentiation strategies are essential for firms to be able to distinguish themselves from their competitors services. As the security industry becomes more sophisticated, with technology also taking a center stage in its progress, firms need to offer differentatiated security products which will enable them retain their market share and growth. This study was to determine the extent to which differentiation strategies are used by the formal private security industry in Kenya to develop and sustain competitive advantage. To establish whether there are differences in strategies used by small, medium and large firms and finally to determine the factors that influence the choice of differentiation used.

There was a census survey targeting the 20 firms which form the Kenya Security Industry Association. Survey data was collected with the aid of semi structured questionnaires. The questionnaires were dropped and picked later from the respondents. To assist in the tabulation of the large amount of data, computer software was used to collate percentages, frequencies mean, variances, standard deviation and coefficient of variation,. The findings of the study were that all the thirty five differentiation strategies are used to a very large extent. While there are relatively minor differences between large, medium and small firms, large and medium firms on average had a higher extent of usage of the differentiation strategies than small firms. This was on account of resource limitation experienced by small firms. As is generally known, firms undergo higher costs in an effort to differentiate themselves.

Factors including the choice of strategies used included the need for professionalism, retention and growth of market stance, business growth, customer satisfaction, brand differentiation, legal and legislative compliance, technology and risk minimization.

The limitations of this research were that the research applied to the 20 firms who are members of the Kenya Security Industry Association while the industry is estimated to have about 2000 registered and unreported firms. The study did not make consideration for factors influencing the use of individual strategies. Account of these two factors would have yielded a more conclusive result.

It is suggested that a research to determine the extent of differentiation strategies used by all security firms in Kenya be done. It would also be valuable to determine the factors that influence the choice of each individual strategy.

CHAPTER ONE
INTRODUCTION

1.1 Background

The environment is constantly changing and so it makes it imperative for organizations to constantly adapt their activities in order to succeed (Ansoff, 1987). Globalisation of the world economy has become of concern to marketers since the 1990s (Mubiru, 2003). The trend is towards increased trade in goods and services, increased capital mobility and increased faster cheaper communication and transportation.

The fast-changing global business environment has led to more competition, increased choice for consumers, lower prices, lower margins, replacement of tangible assets with information, dramatically changing global infrastructures, from dependence to independence to interdependence, boundaries collapsing, market economies expanding i.e. deregulation and privatization, telecommunications infrastructure, investment from analog to digital (World Economic Outlook, 1997). Globalisations defining technologies, computerisation, miniaturization, digitalization, satellite communications, fibre optics and the internet reinforce its defining perspective of intergration (Nzioka 2001). On the wider prespective, globalisation embraces political, economic, cultural and social change and is responsible for transforming the world into a village. It continues to grow in importance relating to more international customers, competitors, suppliers, employees or sources of finance (Johnson and Scholes, 2002).

As countries adopt trade preferences through regional trading blocks, pressure on developing countries such as Kenya reinforces the need to align and identify with blocks like COMESA, PTA and the East African Community. Most organizations in Kenya have adopted various strategies in dealing with the challenges brought about by globalisation and liberalization (Kibera and Waruingi, 1998). Such strategies are exporting, joint ventures and foreign direct investment (Pearce and Robison, 1991).

For example Group 4 Securicor has invested in a local wholly owned subsidiary. Securicor Security Services Kenya Limited which trades under the international brand name of "Securicor". It offers the same security products and services in line with the worldwide group (Underwood, 1997). Strategic alliances are formed through which organizations are able to exploit the strengths and competences of each other in order to develop competitive advantage. DHL Worldwide Express and Securicor have a strategic alliance through which DHL utilizes Securicor domestic courier network within Kenya and Securicor is able to utilize DHL International Courier Network overseas. The scope of this alliance is limited to the Kenyan operations of the two Global companies. Acquisition is increasingly becoming a competitive strategy where firms acquire a competitor and create larger market share and cost reduction through synergy. In 2005 for instance Securicor Security Kenya Limited acquired Falcon Security Services Limited and increased its market share by 5%, (Abrahamsen and Williams, 2005).

1.1.1 Concept Of Differentiation

Scatton and Zakacco (1990), argue that from a strategic point of view, product differentiation is securing a measure of control over demand for a product or service by advertising or promoting differences between a product or service and that of competing sellers. Companies which adopt efficient differentiation of their product and services often gain competitive advantage over their rivals (Mac millon and Mc Grath, 1999). According to Hlavacka et al (2000), strategies based on differentiation seek to establish fundamental differences in a variety of dimensions so that buyers perceive a marked contrast between the product or services of one firm and its rivals. Firms that successfully differentiate themselves are rewarded for their uniqueness with loyalty and a premium price (Porter, 1990). The economies inherent in this generic strategy require that the premium exceeds the extra cost incurred in being unique. Differentiation cannot ignore cost issues, because premium prices will be nullified by inordinately high costs.

Uniqueness can go beyond both physical characteristics and service attributes to encompass everything that impacts customers perception of value. Differentiation offers an opportunity for non-price competition which at firm level can be met by creating certain product or service attributes and or variations so that differentiation can take place. Porter (1985), suggests that a firm differentiates itself from its competitors by being unique at something that is valuable to buyers. According to Bassington and Fellilt (1997), in highly competitive and crowded markets it is absolutely essential that firms differentiate their offering in order to draw customers towards their services/products.

1.1.2 The Security Industry In Kenya

Security is about the pursuit of freedom from threat. A threat to national security is a situation in which some of the nation's most important values are drastically degraded by internal or external action. Security is the absence of fear that acquired values will be attacked. In the context of the international system, security is about the ability of states and societies to maintain their independent identity and their functional integrity. In human experience, no unit, whether individual or group can ever be wholly secure. Security is always relative, the degree of it increases to the extent that threats are more numerous and potentially serious in consequences if challenged. Security is therefore a result of the interplay between the vulnerability of the unit and threat that it faces. Ole (1998), describes the concept of security as broadly defining freedom from danger. That is protection from physical or direct violence and freedom from fear, that is a sense of safety and well being in political, legal socio-economic and cultural terms.

Personal or human security can be understood to mean the freedom at the individual level from fear and danger, meaning protection from direct or indirect violence, and a sense of safety and relative well being by individuals. It entails the safety of material possessions of individuals from any danger, whether loss or destruction and the feeling that one self, family, friends and possessions are safe.

Private security can be defined as the purchase of personal and physical protection from threats either at individual or group level. Determining what they want to pay for as a guarantee of security for themselves, their families and their properties and who is to provide the service. The major characteristics about private security is that one makes a choice about what services to procure. Secondly one determines who is to provide the service, when and where the service will be provided and at what cost. Finally one must pay for the service.

Since inception of the Private Security Industry in America and Western Europe there has been a significant evolution of private security companies particularly over the last 20 years resulting from the contracting out of previously publicly provided services, the establishment of new areas of activities and the rapid developments in security technology (Weber 2002). Private security companies are also increasingly taking on roles previously provided in-house by in-sourcing in an attempt to achieve greater efficiency and a higher degree of effectiveness through specialization and privatization. Private security companies today provide a wide range of services including the guarding of domestic buildings, industrial, commercial and military installations, the guarding of persons, fire services, airport security, security at public and private events, the transportation of cash and valuables, together with kidnap prevention which is now being offered with special insurance packages. Defense is becoming privatized and international private military firms are proliferating (Ann Vranckx, 2004).

The private security industry in Kenya has been in existence for slightly in excess of forty years. A significant development in the local security industry occurred when Securicor, the 65 year old British multinational firm decided to venture overseas and commenced business operations in Kenya in 1965 (Underwood, 1997). The firm's entry strategy was through the acquisition of three small security firms. Since then the industry has prospered and is currently estimated to employ 48,881 employees and supports indirectly about 244, 205 people in Kenya (Wairagu, Kamenju and Singo, 2004).

Up to 1992, when the liberalization of the Kenyan economy took place entry barriers exemplified by difficulties in importation of security equipment such as alarm transmitters and control room equipment, the government requirement that entrepreneurs who needed to start-up new security businesses had to be vetted by the special branch (now National Security Intelligence) had slowed the pace of new entrants. The liberalization of the economy resulted into removal of these entry barriers and the rate of new entrants accelerated with the number of industry players increasing to the current estimate of about 2000 (Abrahamsen and Williams, 2005).

The market for private security services is presently serviced by a range of companies majority of whom are very informal, others very modest to large multinational business groups. Many Kenyans own most of the firms (Kamenju et al, 2004). With the increasing threat from new entrants, incumbent firms that form the formal private security industry and who have been operating in Kenya's weak economic environment have been under serious competitive pressure. According to Abrahamsen and Williams (2005), the factors influencing the proliferation of new entrants have been high crime rates combined with the inability of public security services to provide adequate protection.

Others are low capital required for start-up, increasing knowledge and application of entrepreneurial skills together with increasing globalisation on the part of multinational firms. Over the last decade the increasing threat from competitors in a very price sensitive market, led the large security services providers to develop a strategic response and form the "Kenya Security Industry Association". They set self imposed baseline standards through which the quality of service delivery could be assured. Service providers were subjected to the same minimum requirements without watering down higher standards. The Kenya Security Industry Association used the high self imposed standards to enlist recognition from the insurance industry. This preferred status has also created rivalry from other smaller domestic players who have registered a rival association "The Protective Security Industry Association" which has not set clear standards of performance.

The Protective Security Industry Association confirms that they are unable to comply specially with the payment of minimum wages as stipulated in the law and seek a liberalized wage environment for the industry, (Daily Nation, September 22nd 2004). The Kenya Security Industry Association has been active in lobbying government to enact legislation to regulate the industry. A bill to regulate the industry is expected to be tabled in parliament this year (Sunday Standard, August 29th 2004).

Security or lack of it is the challenge facing almost all governments in the world and their citizens. In Africa, the challenge is specially acute. Kenya's Security problem has grown from bad to worse in the last fifteen years with rampant crimes whose execution has been made easy by the proliferation of illicit small firearms. The situation has been exacerbated by the steady deteriotation of state security services. The result has been an increasing preference for private security services among citizens and resident foreigners who can afford it (Makokha, 2004).

There are no entry barriers in the private security industry. It was observed that "anybody, absolutely anybody can register a security company, set up shop, advertise and start charging customers. They can do so without any skill, or expertise in security matters, without vetting of the integrity or credentials of the management without any substantive investment and then operate largely outside any monitoring or control mechanism" (Makokha, 2004).

Many firms provide similar services and products. The fight for customers is intense and firms must improve their competitiveness in order to attract and retain customers. Guarding remains the bread and butter of most firms which calls for intensive competitive rivalry as all company's can bid for the same contracts (Abrahamsen and William, 2005).

As the sector becomes more sophisticated quality demands are growing, differentiation is becoming increasingly important as a guarantor for ensuring customer loyalty and development of greater professionalism in the sector.

1.2 Statement of the Problem

The role of the Private Security Industry has increased significantly in recent years. These firms make an individual and indisputable contribution to the internal security of the country by providing a secure environment in which businesses can conduct their affairs, foreigners and citizens can live securely in their homes and work safely in their official premises without fear.

With the liberalization of the Kenyan economy, new firms have entered into the Private Security Industry at an alarming rate. The entry has also been intensified by increased entrepreneurial capacity as well as opportunities posed by the increased level of crime. This has resulted into declining market share and profitability of existing firms. Customers on the other hand have found it difficult to make a choice on the firm to render them services.

Customers according to Abrahamsen and Williams (2005), choose on the basis of certain criteria that would enable them discriminate one firm from the other. In the long run interest of the Private Security firms, they must provide a basis on which to stand out in the market place and draw customers' attention as well as offer them an opportunity to try out their products and subsequently create repeat purchase and brand loyalty (Haarla, 2000).

Product and service differentiation according to Kotler (2000) is a major way in which firms can improve their competitiveness in a crowded market place as they can draw customers towards their offers. Through differentiation, buyers can perceive significant contrasts between the products or services of one firm and those of the others (Cravlers, 2000).

Studies on differentiation by Hlaracka et al (2000), and Kibiru (1999), mainly focused on hospitals in Slovak and on chemical fertilizer importing companies in Kenya. While appreciating the role of differentiation in achieving competitive advantage, the former study was based in the developed country with different socio-economic, legal as well as technological environment from Kenya. The latter was in a different industry. Their findings may not therefore be applied in the security industry in Kenya

Given the role played by the Private Security firms, as well as the need to grow and prosper, there is need for management to formulate more effective differentiation strategies. It is not known however which differentiation strategies the incumbent firms use to enhance their competitiveness in the Kenyan market. The proposed study therefore sought to fill the gap by providing answers to the following research questions.

i) What differentiation strategies do firms in the Private Security Industry use to enhance their competitiveness?

ii) Are there differences in the strategies used by small, medium and large firms?

iii) What factors influence the choice of strategies used?

1.3 Objectives of the Study

The objectives of this study were to:-

i) Determine the extent to which differentiation strategies are used by firms operating in the formal private security industry to develop and sustain competitive advantage.

ii) Establish whether there are differences in strategies used by small, medium and large firms.

iii) Determine factors that influence the choice of differentiation used.

1.4 Importance of the Study

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

i) All existing firms in the private security industry in Kenya as it may assist them put in place effective differentiation strategies to enable players to develop and sustain competitive advantage in a changing environment characterized by cutthroat competition and an influx of new entrants. Push and pull factors of entrepreneurship have contributed significantly in the growth of security companies in Kenya, the findings will assist the major security providers to identify competitive strategy gaps which they could exploit in order to improve on their competitiveness.

ii) The study may also help potential investors in forming a better understanding of the Kenya Private Security Industry and enable them to make well-informed investment decisions.

iii) Government agencies and policy makers may use the results to formulate positive National policies based on a framework that is relevant and sensitive to the forces influencing the private security industry in Kenya.

iv) The academicians and researchers may use the results as a source of reference.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The objectives of the study were to determine the extend to which differentiation strategies are used by firms operating in the formal private security industry to develop and sustain competitive advantage, and to establish whether there are differences in the strategies used by large, medium and small firms. Lastly, to determine factors that influence the choice of differentiation used. The literature review in this section helped to highlight the knowledge gaps. In addition it helped in the development of conceptual framework summary of the study and in determining the methodology together with the choice of variables used in the study. The topics covered in the literature review include: concept of strategy, nature of services, competitive advantage, position strategy and differentiation strategy.

2.2 The Concept Of Strategy

Pearce and Robinson (1991), define strategy as large scale, future-oriented plans for interacting with the competitive environment to optimize achievement of organizational objectives. Strategy is the direction and scope of an organization over the long term which achieves advantage for the organization through its configuration of resources within a changing environment to meet the needs of markets and fulfil stakeholder expectations (Johnson and Scholes, 2003).

According to Mintzberg (1994), strategy is presented as a plan, ploy, pattern, position and perspective and some of their interrelationships are then considered. The corporate strategy should be the marketing strategy, for without a market there is no purpose for the corporation and no role for a corporate strategy, which would not deny any claim that the corporate strategy takes a broader view than the firms activities in the market place (Baker, 1993). Since strategic decisions influence the way organizations respond to their environment, strategy is a fundamental planning process. Porter (1985), defines strategy as positioning a business to maximize the value of the capabilities that distinguishes it from competitors.

Thompson and Stickland (1987), define strategy as the game plan management has for positioning the company in its chosen market arena, competing successfully, pleasing customers and achieving good performance. Strategy can be defined as the approach, grand design, plan, policy, procedure or program of action deliberately taken in order to achieve a specific goal. Juach and Glueck (1988) assert that strategy is a unified comprehensive and integrated plan that relates the strategic advantages of the firm to challenges of the environment and that is designed to ensure that the basic objectives of the enterprise are achieved through proper execution by the organization.

Strategy selects the businesses the organization is to be in or is in, determines and reveals the organizational purpose in terms of long-term objectives, action programs and resource allocation priorities, attempts to achieve long –term sustainable advantage in each of its businesses by responding properly to the opportunities and threats in the firm's environment and the strength and weaknesses of the organization, is a coherent, unifying and integrative pattern of decisions, engages all the hierarchical levels of the firm (corporate, business, functional), and defines the nature of the economic contributions it intends to make to its stakeholders.

According to Walkersands (2004), a strategy is a description of the manner in which a company or enterprise intends to gain a competitive advantage. Strategies should allow the enterprise to gain a relative advantage through measures its competitors will find hard to follow and allow the advantage to be extended even further. Organizations operating in a highly competitive market must be able to develop and operationalize business strategy incorporating product and service differentiation or other alternatives of generic competitive strategies to gain a competitive advantage in the market place.

2.3 The Nature of Services

Kotler (2000) defines a service as any act of performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may be or may not be tied to a physical product. This is exemplified by The Private Security Industry in Kenya which is largely service driven. The provision of electronic security equipment involves product support services (Abrahamsen and Williams, 2005). Services have four main characteristics, these are:- *Intangibility:* services are intangible unlike products they can not be seen, tasted, felt, heard or smelt before they are bought. To reduce uncertainty, buyers will look for sign or evidence of service quality. They will draw inferences about quality from the place, people, equipment, communication material, symbols and price that they see. *Inseparability:* services are typically produced and consumed simultaneously.

If a person renders the service, then the provider is part of the service because the client is also present as the service is produced, provider, client interaction is a special feature of services marketing. *Variability:* because they depend on who provides them and when and where they are provided, services are highly variable. *Perishability*, services cannot be stored. Companies also demonstrate their service quality through physical evidence and presentation. For example, a security firm will develop a look and observable proposition whether it is cleanliness, through presentation of its vehicles and staff turn out, speed of response, or some other benefit. Service firms can also choose among different processes to deliver their service. Service companies face three tasks, increasing differentiation, service quality and productivity. The alternative to price competition is to develop a differentiated service offering. The offer can include innovative features, what the customer expects is referred to as "primary service package" and to this can be added secondary service features. In the airline industry for instance, various carriers, have introduced such secondary service features as movies, mechandise for sale, air to ground telephone service and frequent flyer award programs. Many companies are using the internet to offer secondary features.

Services are generally high in experience and credence qualities, there is more risk in purchase which has several consequences. First the service consumers generally rely on word of mouth rather than advertising. Second they rely heavily on price, personnel and physical cues to judge quality. Third they are highly loyal to service providers who satisfy them (Johnson and Scholes, 2002).

According to Kotler (2000), various studies have shown that excellently managed service companies share the following common practices; a strategic concept, a history of top management commitment to quality, high standards, systems for monitoring service performance, customer complaints and an emphasis on employee satisfaction. The service outcome and whether or not customers will remain loyal to a particular service provider is influenced by a host of variables. In view of this complexity service marketing requires not only external marketing but also internal and interactive marketing. External marketing describes the normal work to prepare price, distribute and promote the service to customers and internal marketing refers to the work of training and motivating employees to serve customers well. Kotler (2000), has argued that the most important contribution the marketing department can make is to be exceptionally clever in getting everyone else in the organization to practice marketing.

2.4 Competitive Advantage

According to Hill and Jones (2000), competitive advantage is the ability of a company to out-perform competitors within the same industry. They go on to say that innovation, efficiency and customer responsiveness "can be regarded as three of the main building blocks of competitive advantage. Quality is the 4th. Superior efficiency enables a company to lower its costs; superior customer responsiveness allows it charge a higher price and superior innovation can lead to higher prices or unit costs. Together these four factors help a company create more value by lowering costs or differentiating its products from those of competitors. Hill and Jones (2001) observed that successful innovation can revolutionalize industry structure.

He went further to state that one of the most common consequences of innovation has been to lower fixed costs of production thereby reducing barrier to entry and allowing new and smaller enterprises to compete with larger established operations. Writing on the market dynamics of the Private Security Industry Abrahamsen and Williams (2005), indicated that there is a general sense that the top tier of the security industry in Kenya will undergo a period of consolidation which is already underway in that K.K Guards has recently acquired EARS and Securicor has acquired Falcon Security.

Rivalry among existing competitors takes the various forms of jockeying for position using tactics like price competition, advertising battles, product introduction and increased customer service, either feel the pressure or see the opportunity to improve their position. The factors that determine the intensity of competitive rivalry can and do change. A very common example is the industry growth brought about by industry maturity. As the industry matures its growth rate declines resulting in intensified rivalry, declining profits and (often) a shake out Porter, (1980). Aosa (1992), concluded that the fact that companies strive to maintain an edge over their competitors was an indication of the desires of the companies to survive. Aosa further held that as complexity increased the companies reacted differently to maintain their competitive edge. Writing on the future competition Praharad and Hamel (1990), wrote "is management fully alert of the dangers posed by the new unconventional rivals"? Are potential threats to the current business model widely understood? This collaborates with the situation pertaining in the Kenyan security industry whose environment has become more competitive due to low barriers to entry.

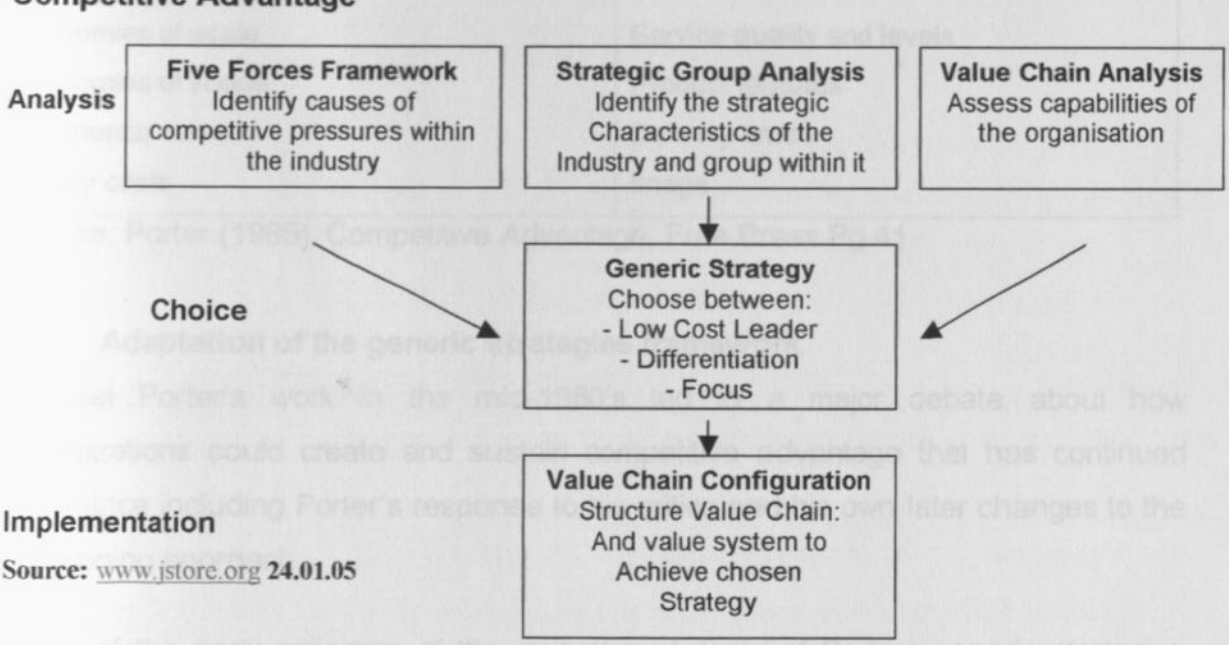
Aosa (1992), found that for the competitive strategy model to be applicable in Kenya, it required the inclusion of additional strategic forces when compared to similar models put forward in developed country's context. This new model had the following forces, customers, suppliers, competitors, logistics, power play and government. The essence of formulating competitive strategy is relating a company to its environment.

The emerging critique of positioning during the 1990s led to the development of alternative views. These views form the basis of what has become known as the **resource-based approaches** that take a largely **inside-out approach** to the creation of sustainable competitive advantage which depends on; hard to imitate organizational capabilities based on business processes which distinguish a company from its competitors in the eyes of the customers (Stalk, 1992). It also depends on core competences based on skills and technologies – the collective learning of the organization (Prahalad & Hamel, 1990). Writing on the same Hall (1994), records that sustainable competitive advantage also depends on possession of capability differentials which are fed from a feedstock of intangible resources. Further, depending on distinctive capabilities which are a feature of its relationships and which others lack or cannot easily reproduce (Kay, 1995).

Looking at the resource based view Hill and Jones (2001), hold that the primary objective of strategy is to achieve a competitive advantage. Attaining this goal demands a two prolonged effort; a company needs to pursue strategies that build on its existing resources and capabilities i.e. its competences as well as strategies that build additional resources and capabilities i.e. developing new competences and thus enhance the company's long run competitive position. The strengths of an organization are grounded in its resources, capabilities and competences. Over the long term, companies must avoid competitive failure and sustain competitive advantage. Positioning depends upon exploiting the **sources of competitive advantage** that exist as a result of the underlying economic structure of the industry. Competitive advantage can be divided into **two types – low cost** or **differentiation**. A further dimension to be considered is the **scope** of activities over which advantage is to be sought – **many segments** of the industry or **just one or two**. Porter (1998), argues that it requires organizations to make a **choice** between the various generic strategies.

2.5 Positioning Strategy

Michael Porter (1985), outlined the main features of this positioning approach, he brought together a series of tools and models some of which he had outlined in his earlier work. The analysis-choice –implementation framework can be used to highlight how the tools and models come together within the positioning approach.



Source: www.jstore.org **24.01.05**

Finally, the company needs to consider how to **implement** the chosen strategy. Porter (1985), argues that the activities that the organization undertakes and the ways in which they are linked, as highlighted by the **value chain** and **value system**, can all contribute to the strategy if they exploit the sources of **cost efficiency** or **value added** available.

LOW COST STRATEGY	DIFFERENTIATION STRATEGY
Critical Activities	**Critical Activities**
Efficient operations	Product design – innovative products
Low cost logistics & distribution	Marketing – brand image promotion
Process Design – efficient processes	Service – quality customer service
Product Design – easy to make products	Human Resources Management – staff training
HRM – good labour supervision	Operations – quality assurance
Cost Drivers	**Differentiation Driver**
Economies of scale	Service quality and levels
Economies of scope	Product features
Experience curve	Delivery times
Supply costs	Image

Source: Porter (1985), Competitive Advantage, Free Press Pg 41.

2.6 Adaptation of the generic strategies framework

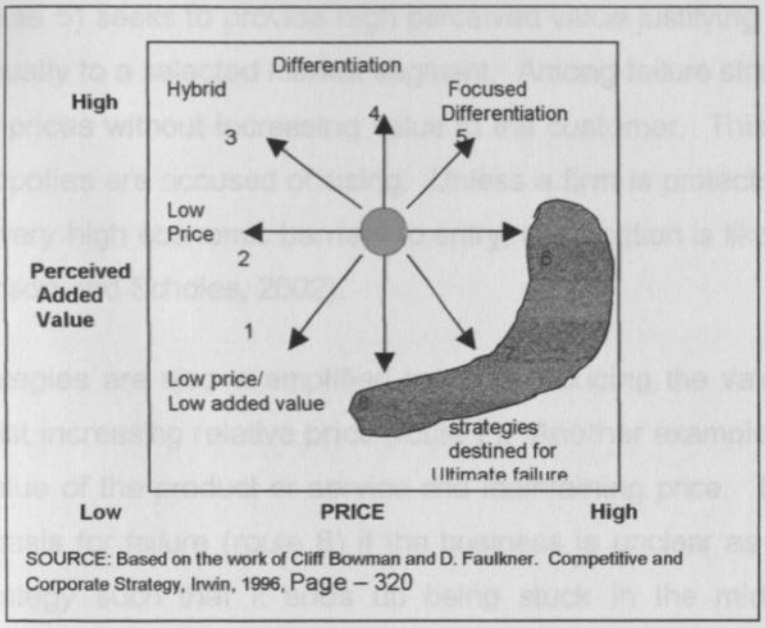
Michael Porter's work in the mid-1980's led to a major debate about how organizations could create and sustain competitive advantage that has continued ever since including Porter's response to his critics and his own later changes to the positioning approach.

Many of the early criticisms of the mutual exclusivity of Porters generic strategies came from among others Karnani (1984), Miller and Fresen (1986), Hill (1988), Miller (1988), and Johnson and Scholes (1993).

Did a low cost strategy mean selling at low prices and did a differentiation strategy require selling at a price premium. Later work, that has offered some clarity on these questions, whilst still being consistent with the overall positioning approach, is the **"Strategy Clock"** developed by Cliff Bowman.

In this adaptation of the generic strategies framework, Bowman and Faulkner (1996), argue that the key variables as far as positioning is concerned are those seen by the customer – **price** and **perceived quality**.

Using these two dimensions a range of generic options (routes) can be identified for an organization within an industry. Using the analogy of a clock there are broadly five potentially successful routes (combinations of price and perceived quality) and three routes ultimately likely to fail. These are illustrated below.



SOURCE: Based on the work of Cliff Bowman and D. Faulkner. Competitive and Corporate Strategy, Irwin, 1996, Page – 320

According to Johnson & Scholes (2002), "no frills strategy (route 1) combines a low price, low perceived added value and a focus on a price sensitive market segment. A business may choose this strategy for market entry, and use it as a bridge lead to build volume and then move on to adopt other strategies. The low priced strategy (route 2) seeks to achieve a lower price than competitors whilst trying to maintain similar value of product or service to that offered by competitors. The firm must also strive to lower its cost base in order to sustain the low price strategy. The firm must reduce the cost base in a way competitors will find difficult to match. The hybrid strategy (route 3) requires that success depend on the firm's ability both to understand and deliver enhanced value in terms of customer needs whilst also having a cost base that permits low prices and is sufficient for reinvestment to maintain and develop bases for differentiation. The success of the strategy requires consistent innovative thinking (Bowman and Faulkner, 1996)

Broad differentiation strategies (route 4) seek to provide products or services unique or different from those of competitors in terms of dimensions widely valued by buyers. The hybrid strategy seeks to simultaneously achieve differentiation and a price lower than that of competitors this is best exemplified by the Japanese car makers entry into the European markets during the 1980s and 1990s. Focused differentiation strategy (route 5) seeks to provide high perceived value justifying a substantial price premium usually to a selected market segment. Among failure strategies (route 6) is to increase prices without increasing value to the customer. This strategy is one in which monopolies are accused of using. Unless a firm is protected by legislation or there exist very high economic barriers to entry, competition is likely to erode market share (Johnson and Scholes, 2002).

Failure strategies are also exemplified by firms reducing the value of a product or service whilst increasing relative price (route 7). Another example is of a strategy of reducing value of the product or service and maintaining price. There also exist an additional basis for failure (route 8) if the business is unclear as to its fundamental generic strategy such that it ends up being stuck in the middle (Johnson and Scholes, 2002).

2.7 Differentiation Strategy

Haarla (2000) defines differentiation as is a position in which the offer of a given competitor has some valuable distinctive characteristics for the customer. Those characteristics must be perceived as adding value by customers, defensible from imitation by competitors and valuable for the supplier either through higher market share and/or margin. To benefit from differentiation, a firm must be able to identify customers who benefit from differentiation and are willing to pay for it. Writing on the same subject, Trout (2000), claims, differentiate or die. Scarborough and Zimmerer (1996), define differentiation as existing when a firm strives to be better than competitors at something customers value. They argue that the concept is to be special at something important to the customer. Differentiation is the act of designing a set of meaningful differences to distinguish the companies offering from competitors offering Kotler, (2000).

For effective differentiation customer centred organizations should study what customers value and then prepare an offering that exceeds their expectations. Writing on differentiation as a strategy to achieve competitive advantage Porter (1985), confirms that, firms throughout the world face slower growth as a result of domestic and global competition. Writing on the same issue, Porter (1997), defines differentiation of market offerings as the art of designing a set of meaningful differences to distinguish company offerings from those competition.

Porter (1985), Levitt (1980) and Kotler (1997) agree that the adoption of a differentiation strategy allows the firm to command premium prices, enables it to sell more of its products at a given price or given equivalent benefits such as greater buyer loyalty during cyclical or seasonal downturns, facilitates achievement of superior performance. If the premium price exceeds any added cost of being unique and enables a firm to appeal to a broad group of buyers in the industry or to appeal to a subset of buyers with particular needs. Uniqueness can go beyond the physical characteristics and service attributes to encompass everything that impacts customers' perception of value. From his study, Kibiru (1999), concludes that adoption of a differentiation strategy greatly influences a firms competitiveness.

According to Kotler (2000), companies need to constantly differentiate their market offering from competition. To achieve this, they dream up new services and guarantees, special rewards for loyal customers, new conveniences and enjoyments. When they succeed, competitive advantage lasts only for a short time. Companies must therefore constantly keep thinking of new value adding features and benefits to win the attention and interest of choice rich, price prone consumers. Companies differ in their potential to differentiate along five dimensions; target market, product, place (channels) promotion and price. The company's freedom to maneuver is affected by industry structure and the firm's position in the industry. In a differentiation strategy a firm seeks to be unique in its industry along some dimensions that are widely valued by buyers. It selects one or more attributes that many buyers perceive as important and uniquely positions itself to meet those needs. It is rewarded for its uniqueness with loyalty and a price premium Porter, (1990).

Product Differentiation

According to Kotler (2000), physical products vary in their potential for differentiation. Parameters for differentiation include form, referring to the size, shape or physical structure and differentiation by features which are characteristics that suppliment the products basic function. Performance quality refers to the level at which the products primary characteristics operate, performance quality can be low, average, high or superior. Kotler (2000), confirms that the strategic planning institute studied the impact of high relative product quality and found a significantly positive correlation between relative product quality and return on investment. High conformance, which is the degree to which all the parts produced are identical and meet the promised specifications is expected by customers. Durability which is measure of the expected operating life of a product is of significant value to buyers. Reliability which is a measure of the probability that products will perform without malfunction or fail within a specified time period is of special interest to buyers. Repairability which is a measure of the ease of fixing a product when it malfunctions or fail is desired by buyers. Mund and d'Amico (1995), infer that what differentiates a firms product from others need not be a scientifically demonstrate improvement. Buyers are normally willing to pay a premium for products which are attractively styled. Style produces distinctiveness and good design enhanced by packaging especially in cosmetics, and small consumer appliances enhances this value. Design is the totality of features that affect how a product looks and functions in terms of customer requirements.

Product Support Service differentiation

Kotler (2000) indicates that when the physical product can not be easily differentiated, the key to competitive success may lie in added value services and improving quality. The main service differentiators are ordering ease, delivery, installation, customer training, customer consulting together with maintenance and repair. Ordering ease refers to how easy it is for the customer to place an order with the company. Delivery refers to how well the product or service is delivered to the customer, it includes speed, accuracy, and care attending to the delivery process.

Installation has reference to the work done to make a product operational in its planned location. Customer training refers to training customers to use the vendors equipment properly and efficiently. Customer consulting refers to data information systems, and advising services that the firm offers to buyers.

Manufacturers and their agents who are responsible for selling products all have to provide product support services. Product support service differentiation is becoming a major competitive battle ground for competitive advantage. Some firms are deriving significant profit contribution from these services. Customers look upon such firms to provide assurance of reliability with low service failure, reduced down-time due to good service dependability and low cost of maintenance and repair of such equipment.

In the case of expensive equipment, manufacturers can offer differentiating product support services such as installation, staff training, maintenance and repair service and financing. They can also offer value augmenting services such as product warranties, quality audits after project installation and trade-in opportunities.

Personnel differentiation

Companies can gain a strong competitive advantage through better trained people. Better trained staff display competence by displaying required skills and knowledge. They display courtesy by being friendly, respectful and considerate. They are credible by being trustworthy and are reliable by providing the service consistently and accurately.They are responsive, being quick to respond to customers needs and communicate clearly. People need to be well selected trained and motivated in order to make a high contribution to customer satisfaction ideally employees should exhibit competence, a caring attitude, responsiveness, initiative, a problem solving ability and goodwill.

Channel differentiation

Companies can achieve competitive advantage through the way they design their distribution channels, their geographical coverage and performance. Due to the entry in the market by many local entrepreneurs the security services industry is no longer influenced by oligopolistic behaviour by the established firms and this situation has lead to genuine competition and extensive coverage of Kenya with network of operations into small towns and rural areas (Abrahamsen and William, 2005).

Sales and Marketing Differentiation

Rothschild (1984), paused the question, does a company have a strong or unique distribution or sales approach that drives its strategy? This may be the barrier to the entry of others and the difference between success and failure. The uniqueness of a value activity may stem from sharing a sales force Porter (1990). A sales team for a security company can sell both guarding services and security equipment such as alarms or CCTV as some security firms are beginning to do. This may allow the sales people to offer the buyer better service (Porter, 1990).

Price Premium

Differentiation is usually costly. A firm must often incur cost to be unique because it requires that the firm performs value activities better than competitors. For example a highly skilled sales force costs more than a less skilled one (Porter, 1990). Uniqueness does not lead to differentiation unless it is available to the customer. A successful differentiator must find ways of creating value for buyers that yield a price premium in excess of extra cost. The price premium from differentiation is a function of value of differentiation and its sustainability. A differentiated competitor will be abandoned by buyers if the premium gets too high.

Demographic Imagery

According to Wickman (2001), differentiation can be achieved by demographic imagery. Largely referring to the up market versus down market, young vessels old and dynamic versus conservative. The sustainability of differentiation depends on two things, the continued perception of value by the buyers and the lack of imitation by competitors.

Image Differentiation

Image is the way the public perceives of the company or its service and products. Image is affected by many factors beyond the company's control. An effective image establishes the character of the product or service and also its value proposition. It as well conveys this character in a distinctive way so as not to be confused with competitors. It does deliver emotional power beyond a mental image it is necessary for the image to be conveyed through every conceivable means and brand contact (Kotler, 2001).

Aaker and Joachimshaler (2000) wrote that the identifying elements of a brand need to be prioritized with respect to their ability to differentiate the brand from competitors and resonate with customers. In addition to being able to create points of differentiation, a brand must also own those points of differentiation over time. There is little value in differentiation which is not sustainable. A brand has significant brand building potential by having an association. Aaker and Joachimshaler (2000), go on to say that an association that resonates with customers is one which has both relevance and is meaningful to them. Ultimately a brand needs to deliver a value proposition, functional benefits, emotional benefit and or expressive benefits.

According to Keller (1998), if two brands cannot be easily distinguished, it may be confusing for consumers to make choices between them. Aaker (1996), writes that Japanese firms believe that customers want to do business with successful well known firms, not only to be reassured about likely product service quality but also to be associated with the prestige of a successful firm. Images can be amplified by strong symbols the company can chose a symbol such as a lion, a famous person or even a colour or just a logo. A successful brand is a name, symbol, design or some combination which identifies the product or service of a particular organization as having a sustainable differential advantage. The importance of brands to consumers is that they help simplify buy decisions (Baker, 1992).

Atmosphere

The physical space occupied by a company is another powerful image generator for example a bank which wants to convey the image of a safe bank must communicate this through the buildings, architecture, interior design, layout colours, materials and furnishings.

Media

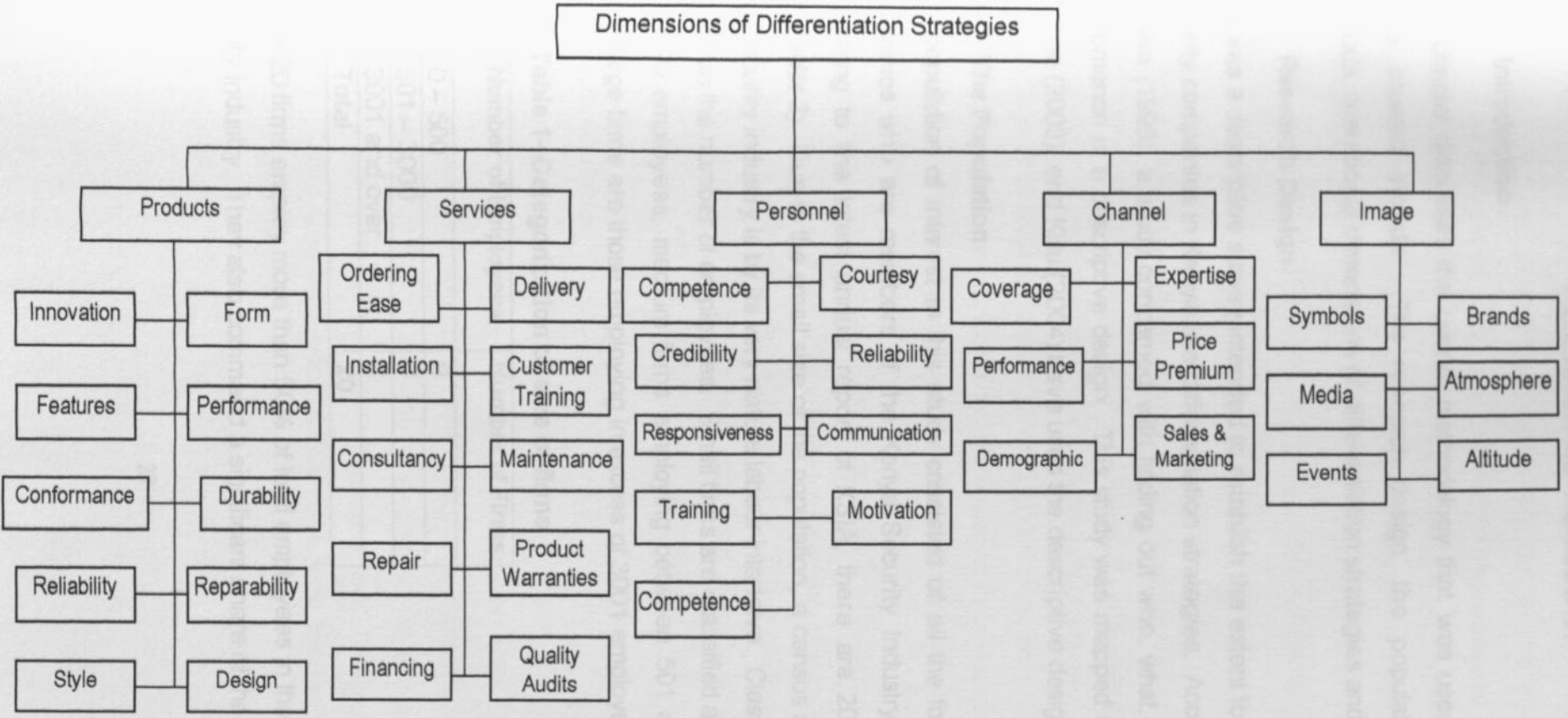
The chosen image is worked into advertisements and media that convey a story, a mood, a charm or something that is distinctive. It should appear in annual reports, brochures, catalogues, stationery and business cards.

Events

A company can build an identity through the events its sponsors. In regard to attitude towards suppliers Wickman (2001) infers that positive or negative associations gained from ethnical stance of supplier can be used as a differentiator. This appeals to the customer at an emotional level. The sustainability of differentiation depends on only two things: the continued perception of value by the buyers and the lack of imitation by competitors.

The differentiation strategies used by security firms in Kenya to improve on their competitiveness have not been studied before and this study will provide knowledge in this area.

2.8 Summary of the Conceptual Framework on Differentiation



CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the overall methodology that was used in the study. The topics covered include: The research design, the population, data collection methods, operational dimensions of differentiation strategies and data analysis.

3.2 Research Design

This was a descriptive survey intended to establish the extent to which formal Private Security companies in Kenya use differentiation strategies. According to Donald and Pamela (1998), a study concerned with finding out who, what, which and how of a phenomenon is a descriptive design. This study was mapped on a similar concern. Njoroge (2003), and Kiilu (2004) have used the descriptive design in related studies.

3.3 The Population

The population of interest in this study consisted of all the formal private security companies who are members of the Kenya Security Industry Association (KSIA). According to the latest annual report of KSIA, there are 20 security firms (***see appendix 2***). Due to the small size of the population, a census study was conducted. The security industry is by its very nature labour intensive. Classification of firms was based on the number of employees. Small firms are classified as employing between 0 – 500 employees, medium firms employing between 501 and 3000 employees while large firms are those employing in excess of 3001 employees, (Table 1).

Table 1- Categorization of size of firms

Number of Employees	Number of Firms
0 – 500	9
501 – 3000	8
3001 and over	3
Total	**20**

These 20 firms employ more than 50% of total employees in the formal private security industry. They also command a significant share of the market.

3.4 Data Collection Method

The primary data was collected using semi-structured questionnaires. The respondents persons that make strategic decision in the formal security industry firms. Only one person per firm preferably the General Manager, Marketing Manager, Operations Manager or equivalent was required to complete the questionnaire. Drop and pick later method was used to administer the questionnaire. Follow up was done via personal visits, telephone calls or e-mail to facilitate responses and also enhance the response rate. For companies outside Nairobi, questionnaires were mailed to them.

The questionnaire was divided into 3 parts. Part 1 contained questions on the general information of the firms. Part 11 contained questions on a likert scale aimed at determining the extent to which formal private security companies have adopted differentiation strategies in respect to product differentiation, services differentiation, personnel differentiation. Channel differentiation and image differentiation. Part 111 was focused on factors that influence the choice of strategies used.

3.5 Operational Dimensions of Differentiation Strategies

In order to operationalise the differentiation strategies used by the security firms, the variables were defined as shown in appendix 4. The 5 point likert scale was used to measure the strategies used. Semi structured questions were used to assess measure the factors, influencing the choice of strategies used.

3.6 Data Analysis

Descriptive statistics were used to analyse data. In part 1 of the questionnaire data was analysed using frequency distribution and percentages. Data in part II of the questionnaire was analysed using mean score and standard deviation to determine the extent of use of the differentiation strategies. Mean scores were used to determine if there were differences in strategies used between small, medium and large firms. Cross tabulation was used to determine the factors that influence the choice of strategies used.

CHAPTER FOUR
DATA ANALYSIS AND FINDINGS

4.1 Introduction

In this chapter, data pertaining to the extent to which formal private security firms use differentiation strategies to sustain their competitive advantage together with data to establish if there are differences in strategies used by small, medium and large firms and the factors that influence the choice of strategies used are hereby analyzed and integrated.

The target population was twenty firms who comprised the entire membership of the Kenya Security Industry Association as at 30th December 2004. Twenty questionnaires one for each firm were sent, filled and returned. The questionnaires were returned and all questions were answered. The response rate was 100%. The questionnaires were coded, edited and tabulated for completeness and accuracy.

Data pertaining to general information on the firms was analysed using frequency distribution and percentages, while data used to determine the extent of the application of differentiation strategies used was analysed using frequencies, mean scores, variances, standard deviations and coefficients of variation.

4.2 Profile of security firms

In this sector, data on the profile of security firms i.e age of the firms, number of employees, ownership is analysed using frequency, percentage, findings are summarized on table 2.

Table 2 - Profile of Security Firms

Age of firm in years	**No.**	**%**
Less than 8	5	25
9 – 17	5	25
18 – 24	3	15
25 to 33	4	20
Over 34	3	15
Total	**20**	**100**
Number of employees	**No.**	**%**
0 – 500	9	45
501 – 1000	3	15
1001 – 2000	2	10
2001 – 3000	1	5
Over – 3001	5	25
Totals	**20**	**100**
Ownership	**No.**	**%**
Locally owned companies	16	80
Hybrid between foreign and locally owned	3	15
Foreign	1	5
Totals	**20**	**100**

Source: Research Data

Large firms were those employing 3001 employees and over, medium firms were those employing between 501 and 3000 employees. Small firms were those employing between 0 and 500 employees.

From the research data shown on Table 2 the firms which employed between 0 and 500 employees were 9 which formed 45% of all firms. Those who employed between 501 to 1000 employees were recorded as 3 firms who comprised 15% of the total. One firm was recorded as between 2001 employees and 3000 employees comprising 5% of the population. Firms employing 3001 and over were 5 and these firms comprised of 25% of the population. The data indicated that the formal private security industry is an intensive labour employer. 55% of all firms employ in excess of 500 employees each.

The share holding profile of the formal private security firms was analyzed and 16 firms were established as locally owned. These 16 firms comprised 80% of the population under study. Ownership of 3 firms was a hybrid between local and foreign owned firms which comprised 15% of the population. Only one firm was recorded as being fully foreign owned. This firm represented 5% of the total population.

The operations of all the 20 companies were analyzed and it was noted that four firms out of the total twenty firms do not have a traditional security services business. They undertake roles as consultants who practice in the security business and double up as sales agents. They derive substantial business through association with the rest of the firms that form the formal private security industry in Kenya. These four firms have a very low number of employees and form 50% of those firms with less than five hundred employees.

As these four firms do not provide security services in the form of guarding, courier services, cash in transit, alarm monitoring and response and installation of electronic security equipment, they were therefore omitted from data analysis in part II of the questionnaire. The population of interest was therefore reduced for part II of the questionnaire from twenty to sixteen firms.

The implication of firms which have been in existence for many years is that these firms have used differentiated strategies for a long time and having operated for prolonged periods have a higher need to succeed in the future. They showed interest in providing data to the research assistants with many of them expressing a need to receive a copy of the final report which may assist them identify strategic gaps in differentiation strategies used by the industry for their advantage. Local ownership of firms in the formal private security industry is in excess of 80% with 16 firms fully owned by Kenyans. Only one firm was exclusively foreign owned with three firms having ownership spread between foreign and local ownership.

4.3 Differentiation Strategy

Differentiation strategies used by the formal private security industry were analyzed using five main categories of strategies whose dimensions include product strategies, service delivery strategies, personnel strategies, channel strategies and finally image strategies. The formulae used for calculating the means (M_e), variance(V_e), standard deviation (S_e) and coefficient of variation (C_r) of the data are as per attached ***appendix 5***. The various tables relating to the objectives of the study and indicating the frequency of the scores of the likert scale answers, the computed means of the extent of usage of differentiation strategies used, their extent of variance, standard deviation and coefficient of variation are shown in **appendix 8, 9, 10 and 11.**

Mean scores were extensively used to record the extent of usage of strategies by the firms. A mean score of equal or less than 1 denotes the external of usage as being to no extent. Scores equal to 2 or less but greater than 1 are to a small extent. Scores of less or equal to three but greater than 2 are to some extent. Scores equal to 4 or less but greater than 3 are to a large extent while those equal to 5 or less but greater than 4 are to a large extent.

The standard deviation was used to analyze data and a standard deviation of less than one was considered as low. Any standard deviation equal to or greater than one was considered high. The standard deviation was meant to confirm the agreement of respondents on the usage of differentiation strategies.

A low standard deviation less than one, implied a general agreement by respondents on the extent of usage of differentiation strategies. A high standard deviation of one and above implied general disagreement on the extent of strategies used. The extent of variation of scores were measured using the coefficient of variation a low value of below 20 implied a narrow variation of scores from the mean. A coefficient of variation in excess of 20 was considered high and implied a large variation of scores from the mean In order to compare the relative weight of each differentiation strategy used by the formal private security industry, the relative proportional importance of each dimension was computed as follows:-

$$\frac{\text{Means of particular differentiation strategy}}{\text{Total of all means of all differentiation strategies}} \times 100\%$$

These values are shown in ***appendix 6.*** The means of the scores are a relative measure of the importance in usage of each differentiation strategy. (Njoroge, 2003) and (Kiilu, 2004) have used similar decisions rules.

4.3.1 Product Strategy

Table 3 – Product Differentiation Strategy Broad Dimensions – All Firms

Broad dimension of strategy	Mean (M_e)	Variance (V_e)	Standard Deviation (S_e)	Coefficient of Variation (C_r)
Foam				
Security equipment blends with ambiance of customers premises	4.687	0.234	0.484	10.45
Features				
Ensure security equipment is upgradeable and Compatible with control room equipment	4.69	0.215	0.464	9.9
Educate customers on product features	4.25	0.563	0.75	17.6
Performance quality				
Customer perception on different quality levels of installed security equipment	4.625	0.234	0.484	10.5
Conformance				
Security equipment conforms to world class Specific standards	4.75	0.188	0.433	9
Durability				
Security equipment not victim to technological obsolescence and upgradeable with new changes and compatible with control room software	4.69	0.215	0.464	9.9
All security equipment conforms to required Specifications	4.75	0.188	0.433	9
Reliability				
Installed security equipment is able to serve without malfunction	4.312	0.535	0.732	16.9
Repairability				
Customer perception on security equipment ease of repair after failure or malfunction	4.1875	0.402	0.634	15
Customer perception on cost of equipment repair.	3.875	0.703	0.839	21.6
Style				
Establish customers emotional response to Equipment looks and style	4.125	0.484	0.696	16.8
Design				
Customers satisfaction with ease of full Functionality of security equipment	4.750	0.188	0.433	9
Customers satisfaction on security equipment Aesthetics providing ease and appeal of usage	4.50	0.938	0.968	21.5

Source: Research Data

Product Differentiation Strategy

The broad dimensions of product differentiation strategy included several strategies whose mean scores for all firms, their variances, standard deviations and coefficients of variation were analysed and summarized. The mean score for foam strategy reflecting the importance of security equipment blending with ambiance of customers premises was 4.687 with a variance of 0.234, a standard deviation of 0.484 and a low coefficient of variation of 10.45. There was general agreement among the firms on extensive use of this strategy as evidenced by the low value of standard deviation supported by low value of coefficient of variation.

Features strategy reflecting the importance of security equipment being technologically upgradeable and compatible with control room equipment recorded a mean score of 4.69, this high mean score which reflected extensive usage of the strategy had a corresponding variance of 0.215, a standard deviation of 0.464 and a low coefficient of variation of 9.9. Importance attached to educating customers on effective equipment features had a mean score of 4.25, variance of 0.563, a standard deviation of 0.464 and a coefficient of variation of 17.6 which tended towards the high cut off mark. These values supported use of the strategy to a very large extent. Performance quality reflecting the importance attributed to customers perception on the effective performance of different quality levels of installed equipment recorded a mean score of 4.625, a variance of 0.234, standard deviation of 0.484 and a low coefficient of variation of 10.5. This strategy was well adapted by firms to a very large extent.

Conformance strategy reflecting the importance attached to ensuring that all security equipment conforms to world class or required specifications obtained a high mean score of 4.76 and a variance of 0.188, a standard deviation of 0.433 and a low coefficient of variation of 9. These values all confirm usage of the strategy to a very large extent.

Durability which reflected on security equipment not being exposed to technical obsolescence and able to be upgraded and become compatible with modern technological changes recorded a mean score of 4.69, a variance of 0.125, a standard deviation of 0.464 and a coefficient of variation of 9.9. These values confirm usage of the strategy to a very large extent.

Repairability which reflected the importance of installed electronic security equipment being able to operate without malfunction recorded a mean score of 4.312, the corresponding variance of 0.535, standard deviation of 0.732 and a coefficient of variation of 16.9. These strategies were used to a large extent. Repairability which reflected importance on seeking customers perception on the impact of cost on equipment repair recorded a mean score of 3.875, a variance of 0.703, a standard deviation of 0.839 and high coefficient of variation of 21.6 reflecting lower relative usage. Overall this strategy was used to a large extent.

The importance of customers emotional satisfaction to style and aesthetics of security equipment recorded a mean score of 4.13, a variance of 0.484, a standard deviation of 0.696 and a coefficient of variation of 16.8. The low values of standard deviation and coefficient of variation imply agreement on the relatively high extent of usage of this strategy. Design which reflected the satisfaction of the customers with the ease of full functionality of the product had a mean score of 4.50, a variance of 0.484, standard deviation of 0.968 and a coefficient of variation of 16.80. High mean scores and low standard of deviation (s_e<1) and low coefficient of variation (c_r < 20) imply use of strategy to a very large extent.

The importance of all design features meeting required specification had a mean score of 4.75, a variance of 0.188, a standard deviation of 0.453 and a low coefficient of variation of 9. This strategy was applied to a very large extent. There was general agreement on the extent of strategies used by firms as evidenced by the low values of standard deviation and coefficient of variation (Table 3).

Table 4 - Product Strategy Mean Scores – All Firms

Broad dimension of strategy	M_e	V_e	S_e	C_r
Durability	4.719	0.2	0.448	9.45
Foam	4.687	0.234	0.484	10.45
Performance quality	4.625	0.234	0.448	10.5
Design	4.625	0.563	0.7	15.3
Features	4.468	0.389	0.607	13.75
Conformance	4.375	0.436	0.667	13.70
Reliability	4.312	0.535	0.732	16.9
Style	4.125	0.484	0.696	16.8
Reparability	4.031	0.552	0.737	16.8
	4.441	**0.403**	**0.613**	**13.739**

Source: Research Data

On the summary of the mean scores for the broad strategies, durability had the highest mean score of 4.7 implying use of strategies to a large extent. Variance of 0.2, a standard deviation of 0.44 and a coefficient of variation of 9.45.

Foam received a mean score of 4.687, a low variance of 0.234, standard deviation of 0.484 and a low coefficient of variation of 10.45. This implied very high extent of usage. Following closely was performance quality within a mean score of 4.625, a variance of 0.234 a standard deviation of 0.448 and a coefficient of variation of 10.45. There was general agreement on the usage of this strategy to a large extent.

Performance quality had a mean score of 4.625 and a variance of 0.234 a standard deviation of 0.448 and a coefficient of variation of 10.5. There was general agreement on the usage of this strategy to a large extent.

Design received mean score of 4.625 variance of 0.563, a standard deviation of 0.7 and a coefficient of variation of 15.3, features recorded a mean score of 4.468, a variance of 0.389, standard deviation of 0.6077 and a coefficient of variation of 13.75. These values imply usage of strategy to a very large extent (Table 4).

Conformance had a mean score of 4.375, a variance of 0.436, standard deviation of 0.667 and a coefficient of variation of 13.7. Followed closely by reliability which recorded a mean score of 4,312, a variance of 0.35 a standard deviation of 0.732, and a coefficient of variation of 16.9 which implied high usage of both strategies. Style had a mean score of 4.125, a variance of 0.484, a standard deviation of 0.696 and a coefficient of variation of 16.8. The last and lowest mean score for product strategy was repairability at 4.031, a variance of 0.552 and a standard deviation of 0.737 and a coefficient of variation of 16.8. All the values for standard deviation and those for coefficient of variation for both style and repairability were low. These values indicate a very large extent of usage of strategies.

Table 5 - Product Strategies used by Large, medium and small firms

	Mean (M_e): Variance (V_e): Standard Deviation (S_e) Coefficient of Variation (C_r)											
	Large Firms				Medium Firms				Small Firms			
Product Strategy	M_e	V_e	S_e	C_r	M_e	V_e	S_e	C_r	M_e	V_e	S_e	C_r
Foam	4.555	0.246	0.496	10.9	4.555	0.246	0.4969	10.92	5	0	0	0
Features	4.241	0.488	0.698	11.49	4.6913	0.284	0.5329	11.35	4.555	0.246	0.497	10.9
Performance Quality	4.294	0.201	0.449	10.45	4.675	0.224	0.473	10.11	5	0	0	0
Conformance	4.294	0.208	0.457	10.64	4.542	0.59	0.768	16.9	4.555	0.246	0.497	10.9
Durability	4.762	0.206	0.454	9.5	4.897	0.017	0.13	1.02	4.424	0.226	0.476	10.75
Reliability	4.555	0.858	0.926	20.03	4.555	0.246	0.4969	10.29	3.933	0.5315	0.729	18.55
Repairability	4.068	1.08	1.039	25.54	4.473	0.4945	0.703	9.98	3.966	0.364	0.633	16.1
Style	4.125	0.484	0.696	16.87	4.352	0.412	0.642	14.75	4.294	0.267	0.455	10.59
Design	4.552	0.497	0.705	15.5	4.754	0.2953	0.543	11.42	4.42	0.2265	0.476	10.75
	4.383	**0.474**	**0.658**	**14.547**	**4.610**	**0.312**	**0.532**	**10.749**	**4.461**	**0.234**	**0.418**	**9.838**

Source: Research Data

Product Strategy – Large, medium and small firms

With a view to determining whether there are differences in product strategy used by large, medium and small firms, the mean scores, variances, standard deviations and the coefficients of variation were analyzed and summarized as shown in table 5. A mean score for foam strategy referring to shape, colour and physical size of the security equipment blending with the ambiance of the customers premises recorded values of 4.555, 4.555 and 5 for large, medium and small firms respectively.

The computed values for variance were 0.246, 0.246 and 0 in the same order. Standard deviation was 0.496, 0.497 and 0 while the coefficient of variation was 10.9, 10.92 and 0 respectively. These high values of mean scores confirm large extent of usage of strategy while low values of standard deviation and coefficient of variation confirm general agreement on extent of usage of this strategy.

In regard to features, mean scores for large, medium and small firms were 4.24, 4.6913 and 4.555 respectively. Variances were 0.486, 0.284 and 0.246. Those for standard deviation were low at 0.698, .0533 and 0.497 respectively. The coefficients for variation were low at 11.49, 11.35 and 10.9 in the same order. Low values indicate general agreement by firms on very large extent of use of this strategy.

Performance quality mean scores were recorded as 4.294 for large firms, 4.675 for medium firms and 5 for small firms. Variances were 0.201, 0.224 and 0 respectively. The corresponding standard deviations were low at 0.449, 0.473 and 0. Coefficients of variation were all very low at 10.45, 10.11 and 0 respectively. The degree of agreement for the scores was high. This indicates agreement in strategies used as being to a large extent. The conformance strategy relatively high mean scores were also analysed and recorded as 4.294, 4.542 and 4.555 for large, medium and small firms respectively. Their variance scores were low at 0.457, 0.768 and 0.497 respectively while the coefficients of variation in the same order were low at 10.64, 16.9 and 10.9 respectively. These values imply general agreement on the high extent of usage of strategies.

Durability strategy mean scores were relatively high at 4.762, 4.817 and 4.424 for large, medium and small firms respectively. Their corresponding variances were low at 0.206, 0.017 and 0.226. The standard deviations were 0.454, 0.13 and 0.476. Coefficients of variation were low at 9.5, 1.02 and 10.75 respectively. There was a high degree of agreement based on the low standard deviation and low coefficients of variation on the large extent of usage of strategies.

Strategies on style scored mean values of 4.124, 4.352 and 4.294 for large medium and small firms. Coefficients of variation were low at 9.5, 1.02 and 10.75 respectively. There was a high degree of agreement based on the low coefficient of variation on the relatively high usage of this strategy. In regard to reliability, the mean scores for large, medium and small firms were 4.555, 4.555 and 3.933 respectively, the computed variances were 0.858, 0.247 and 0.532 respectively. Standard deviation was 0.926, 0.497 and 0.729 in similar order. The coefficients of variation were recorded as 20.03, 10.29 and 18.55 respectively. Large firms had a lower extent of usage of reliability strategy as the mean scores values are relatively lower and the coefficient of variation for large and small firms tended to be high. This implied a relatively low extent of disagreement among firms on the extent of application of this strategy.

Repairability of electronic security equipment received mean scores of 4.068, 4.473 and 3.966. Variances were noted as 1.080, 0.495 and 3.966. The corresponding values for coefficient of variation were 25.54, 9.98 and 16.1 respectively. Large firms recorded a high level of coefficient of variation. No difference in strategies used was indicated by the scores except the implied low level of disagreement on the extent of usage of the strategy as evidenced by the relatively higher values of coefficient of variation. Strategies on style received high mean scores of 4.125, 4.352 and 4.294 respectively meaning high extent of usage of the strategies. The computed variances were 0.484, 0.412 and 0.267 while standard deviation values were low at 0.696, 0.642 and 0.455 respectively. The coefficients of variation in the same order were 16.87, 14.75 and 10.59 respectively. The high mean scores imply large extent of usage of the strategies while the low standard deviation and coefficient of variation indicate general agreement by firms on the extent of usage of the strategies.

Design recorded mean scores for large, medium and small firms as follows: 4.555, 4.754 and 4.424 while the corresponding variances were 0.497, 0.295 and 0.227. The respective values of standard deviation were 0.705, 0.543 and 0.476 in the same order. The coefficient of variation scores were 15.50, 11.42 and 10.75. These standard deviation and coefficient of variation scores indicated a good agreement among all the firms on use of the strategies. The high mean scores imply extent of usage of the strategy was to a very large extent.

4.3.2 Service Differentiation Strategy

Table 6 - Service Differentiation Strategy – Broad Dimensions – All Firms

Broad Dimensions of Strategy	(M_e)	(V_e)	(S_e)	(C_r)
Quality audits				
Conduct periodic options (lease, hire, outright purchase, rental etc)	4.25	0.938	0.682	16
Adjust contract liability levels to match risk levels identified by quality audits	4.19	0.527	0.726	17
Installation				
Project management and formal commissioning of security equipment all electronic	4.4	0.504	0.71	15.9
Prompt installation and good quality of installation	4.25	0.938	0.968	22.79
Customer training				
Customer education on that scope of security equipment capacity, capability	4.25	0.563	0.75	17.6
Customer training upon the introduction of new features, products and services	4.19	1.027	1.014	24
Advising customer on full range of firms services and products	4.38	0.734	0.857	19.6
Review insurance liability limits and review customer contracts accordingly.	4.19	0.52	0.726	17
Product warranty				
Do different quality levels of security equipment hold different warranty terms	4.38	0.436	0.66	13.7
Are security products upgraded with modern technology to outlive the period of warranty	4.31	0.535	0.732	16.9
Posses and comply with a product warranty policy	4.3	0.715	0.845	19.6
Financing				
Provide financing options (leasehire, outright purchase, rental etc)	4.31	0.715	0.845	19.6
Maintenance and repair				
Customer perception on ability of electronic equipment to serve without malfunction	4.19	0.402	0.634	15
Customer perception on the impact of cost of repair of security equipment	3.88	0.703	0.839	21.6
Full functionality of a preventive maintenance programme	4.5	0.25	0.5	11
Adequacy of fully trained and skilled technical personnel	4.38	0.484	0.696	15.9
Adequacy of tool and transport for technicians use	4.4	0.371	0.609	13.7
Service delivery				
Alarm response crews to respond to crime incident within specified time	4.25	0.938	0.968	22.79
Holding of adequate stocks of electronic security equipment	4.13	0.359	0.599	14.5
Employee empowerment enhancing service delivery	4.44	0.496	0.704	15.8
Well dressed and presentable employees who are punctual at work station	4.44	0.371	0.609	13.7
Ordering ease				
In convenience of access to offices for product or service (e-mail, telephone, mobile internet, radio etc)	3.687	0.84	0.916	24.8
Are number of order taking locations adequate and open during hours convenient to customers	4.06	1.778	1.333	32.7
Customers can place orders 7 days a week, day or night	4.06	1.778	1.333	32.7
Convenience of offices via personal customer visits	4.13	0.859	0.927	22.4

Source: Research data

The various strategies under the service differentiation broad strategy dimension were analyzed and documented in line with Table 6. The details of the operationalised variables which comprise the strategy in the context of the security industry were itemized. These were derived from the details shown in ***appendix 4***, which has the full details of the operationalisation variables as seen from the perspective of the formal private security industry.

Holding the highest mean score, quality audits was identified to have two key issues. One was on the firm being able to conduct periodic quality audits on both installation works and on quality of service delivery. The mean score recorded was 4.25 with a variance of 0.938, a standard deviation of 0.682 and coefficient of variation of 16. This implied a large extent of usage. The other issue was on ability of firms to identify risk levels and adjust the contract liability limits to match risks identified through quality audits. The mean score of 4.19 variance of 0.527, a standard deviation of 0.726 and coefficient of variation of 17 were recorded. This strategy was used to a large extent.

Installation strategy was analyzed with 3 major attributes. The ability of firms to conduct a Project Management process and formal commissioning at the end of the installation process for all electronic security equipment was analyzed mean score of 4.40 a variance of 0.504 standard deviation of 0.710 and 15.9 were recorded. These values imply large extent of usage of strategy. In regard to prompt installation and good quality of installation, the mean score was 4.25, a variance of 0.938, standard deviation of 0.968 and a coefficient of variation of 22.79. These values suggested use of strategies to a very large extent by all firms. Availability of different quality levels of installation materials and security equipment had a mean score of 4.38, variance of 0.436, a standard deviation of 0.660 and a coefficient of variation of 13.7. This shows extent of usage of this strategy to be a large extent. Strategies were used to at least a large extent by all firms.

Customer training had 5 key issues which included firms approach to customer education on the score of 4.25, a variance of 0.563, a standard deviation of 0.75 and a coefficient of variation of 17.60. Customers being trained on the functionality of the features of installed security equipment had a mean score of 4.19, a variance of 1.027, a standard deviation of 1.016 and a coefficient of variation of 24 respectively. The values of high mean scores on both counts imply large extent of usage while the low values of standard deviation and coefficient of variation imply general agreement by all firms on the extent of use of the two strategies. Firms' ability to advise their customers on the introduction of new products and services recorded a mean score of 4.06, a variance of 0.934, a standard deviation of 0.966 and coefficient of variation of 23. Advising the customers on the full range of firm's security products and full service range recorded a mean score of 4.38, a variance of 0.734, a standard deviation of 0.857 and a coefficient of variation of 19.6. This strategy was used to a large extent. Training customers on the need to adjust their contract liability limits in line with perceived risk was recorded a mean score of 4.19, a variance of 0.52, standard deviation of 0.726 and a coefficient of variation of 17. These values show a large extent of use of these strategies.

Product warranty had three attributes. The first is to do with the firm offering different warranty terms to different levels of quality of equipment. Mean score for this issue was 4.38, a variance of 0.436, a standard deviation of 0.660 and a coefficient of variation of 13.7. The firms' ability to offer products that are upgradable with medium technology so as to outlive the warranty periods recorded a mean score of 4.31, a variance of 0.535, a standard deviation of 0.732 and a coefficient of variation of 16.9. Firms' ownership and compliance to a product warranty strategy scored 4.3 as mean score, a variance of 0.715, and a standard deviation of 0.845 and a coefficient of variation of 19.6. Strategies on product warranty were used to a large extent. Financing strategy of firms by offering different purchase options such as leasing outright purchase, rental of equipment among others recorded a mean score of 4.31 with a variance of 0.715, a standard deviation of 0.845 and a coefficient of variation of 19.6. The values indicate extent of usage of this strategy as being to a very large extent. Most firms were in general agreement about the extent of usage of the strategy.

Maintenance and repair strategy included five key issue which were recorded and analyzed. Firstly customers perception on the ability of electronic security equipment to function for long periods without malfunction received a mean score of 4.19, a variance of 0.402, a standard deviation of 0.634 and a coefficient of variation of 15. The customer perception on the cost of repair of electronic security equipment was recorded to a have a mean score of 3.88 with a variance of 0.703, a standard deviation of 0.839 and a coefficient of variation of 21.6. The aspect of maintaining a fully functioning preventive maintenance programme recorded a mean score of 4.50, a variance of 0.25, standard deviation of 0.5 and a coefficient of variation of 11. Strategies on maintenance and repair were used to a large extent and the reflected values of standard deviation and coefficient of variation imply that firms had slight disagreement on extent of application of this strategy.

In respect of firms having adequate number of fully trained and skilled technical personnel, the mean score was 4.38, a variance of 0.484, standard deviation of 0.696 and a coefficient of variation of 15.9. The final aspect of this strategy was the adequacy of tools, and transport facilities used by the technical personnel which recorded a mean score of 4.40, a variance of 0.37, a standard deviation of 0.609 and a coefficient of variation of 13.7. Strategies were used to at least a large extent by all firms. There was general agreement by most firms on the application of this strategy.

Service delivery included four major attributes with the ability of alarm crews to respond to crime incidents within a specified time receiving a mean score of 4.24, a variance of 0.938, a standard deviation of 0.968 and a coefficient of variation of 22.79. These high scores of coefficient of variation indicate disagreement on extent of use of strategy. Holding adequate stocks of electronic security equipment recorded mean score 4.13, a variance of 0.359, a standard deviation 0.599 and a coefficient of variation of 14.5. There was general agreement on the extent of use of the strategy. Empowering of employees to enhancing service delivery has a mean score of 4.44, a variance of 0.496, a standard deviation of 0.704 and coefficient of variation of 15.8. These values reflect extensive application of the strategy.

Finally the firm having well trained and presentable employees who were punctual at their work station had a mean score of 4.44, a variance of 0.371, a standard deviation of 0.609 and a coefficient of variation of 13.7. This strategy and all the others appear to be used to a very large extent.

The final strategy was ordering ease, which included four major issues. In regard to the convenience of access to offices in which customer can order for products and services, a mean score of 3.687 was recorded, a variance of 0.840, a standard deviation of 0.916 and a coefficient of variation of 24.8. The high coefficient of variation implies a general disagreement of the very large extent of usage of strategy. Adequacy of order taking locations and their ability to be open during hours that are convenient to customers received a measure of 4.06, a variance of 1.778, a standard deviation of 1.333 and coefficient of variation of 32.7. Again firms did not all generally agree on the large extent of usage of this strategy. Firms responded on the ability of customers to be able to place orders 7 days a week and the recorded mean score was 4.06, a variance of 1.778, a standard deviation of 1.333 and a coefficient of variation of 31.7. Firms generally disagreed on the large extent of usage. The convenience of office locations from the perspective of customers making personal visits received a mean score of 4.13 with a variance of 0.859, a standard deviation of 0.927 and a coefficient of variation of 22.4. The high values of standard deviation and coefficient of variations imply general disagreement on the extent of strategy application.

Table 7 - Service Differentiation Strategies – Mean Scores – All Firms

Service strategy	(M_e)	(V_e)	(S_e)	(C_r)
Quality audits	4.375	0.732	0.7	16.5
Installation	4.354	0.626	0.769	15.6
Customer training	4.35	0.757	0.863	20.3
Product warranty	4.333	0.562	0.5	16.73
Financing	4.3125	0.715	0.845	19.6
Maintenance and repair	4.275	0.442	0.66	15.44
Service delivery	4.2625	0.718	0.808	20.32
Ordering ease	4.125	0.954	0.939	23.1
Mean	**4.298**	**0.688**	**0.761**	**18.449**

Source: Research Data

Service differentiation strategy data for all firms was summarized in table 7 and represents the data analysed from the strategies falling within the service differentiation strategy broad dimension. The mean scores for these strategies were sorted in descending order. Quality audits strategy recorded the highest score of 4.375 with a variance of 0732, a standard deviation of 0.7 and a coefficient of variation of 16.5. meaning use of strategy was to a very large extent. The next was installation with a mean score of 4.357, a variance of 0.626, standard deviation of 0.769 and a coefficient of variation of 15.6, which confirms very large extent of usage. Customer training strategy followed next with a mean score of 4.35 a variance of 0.757, standard deviation of 0863 and a coefficient of variation of 20.3. A general disagreement on extent of use of strategy by firms. Product warranty strategy recorded a mean score of 4.333 and a variance of 0.562, a standard deviation of 0.500 and coefficient of variation of 16.73. This strategy was used to a very large extent.

Financing strategy had a mean score of 4.312 with a variance of 0.715, a standard deviation of 0.845 and a coefficient of variation of 19.6. Some firms did not agree with the very large extent of use of this strategy as demonstrated by high coefficient of variation. In respect to maintenance and repair strategy, the mean score was 4.275, a variance of 0.442, a standard deviation of 0.66 and a coefficient of variation of 15.46 very large extent of usage was implied by these values.

Service delivery strategy had a mean score of 4.263 with a variance of 0.718, a standard deviation of 0.808 and a coefficient of variation of 20.32. Use of strategy to a very large extent was implied with some disagreement from some firms. The last strategy was ordering ease with a mean score of 4.125 a variance of 0.954 a standard deviation of 0.939 and a coefficient of variation of 23.1. The high coefficient of variation implied some disagreement on the large extent of use of this strategy. The coefficient of variation for financing strategy, service delivery strategy and ordering ease strategy were relatively high at 19.6, 20.32 and 23.1 respectively. This indicates a general disagreement on the extent of use of these strategies by some firms.

Table 8 - Service Differentiation Strategies used by Large, medium and small firms

Service Strategy	Means (M_e): Variance (V_e): Standard deviation (S_e) Coefficient of variation (C_r)											
	Large Firms				Medium Firms				Small Firms			
	M_e	V_e	S_e	C_r	M_e	V_e	S_e	C_r	M_e	V_e	S_e	C_r
Ordering ease	4.596	0.671	0.819	17.8	4.51	0.51	0.714	15.84	3.55	0.397	0.63	17.74
Service delivery	4.427	0.716	0.846	19.11	4.36	0.388	0.622	14.28	4.044	0.68	0.825	20.4
Installation	4.653	0.254	0.504	10.8	4.57	0.4	0.639	13.99	4.095	0.691	0.831	20.3
Customer training	4.202	0.828	0.909	21.65	4.53	0.332	0.576	12.72	3.31	0.737	0.858	25.94
Maintenance & Repair	4.374	0.619	0.787	17.99	4.44	0.368	0.606	0.136	4.13	0.345	0.59	14.3
Product warranty	4.42	0.55	0.742	16.79	4.57	0.41	0.641	14.03	4.14	0.502	0.708	17.12
Financing	5	0	0	0	4.25	0.518	0.719	16.91	4.294	0.267	0.455	10.59
Quality audits	4.58	0.761	0.872	19.05	4.36	0.383	0.619	14.2	3.74	0.77	0.88	23.57
	4.532	**0.55**	**0.685**	**15.4**	**4.45**	**0.414**	**0.642**	**12.763**	**3.913**	**0.549**	**0.722**	**18.745**

Source: Research Data

In determining whether there are differences in strategies used by large, medium and small firms, data received from the questionnaires was analysed and tabulated as summarized in Table 8. The mean scores for the various strategies, their corresponding variances, standard deviations and coefficients of variation were also recorded. The strategy of quality audits mean scores for large firms, medium firms and small firms were 4.58, 4.359 and 3.74. These values implied large extent of usage of these strategies. Their variances were 0.761, 0.619 and 0.77 in the same order. Standard deviation for large, medium and small firms was 0.872, 0.619 and 0.88 and the coefficients of variation were 19.5, 14.2 and 23.57. The high values of coefficient of variation and standard deviation implied some disagreement on extent of use of the strategies. Installation had means scores for large, medium and small firms as 4.653, 4.568 and 4.095 respectively, reflecting a very large extent of use of strategy. The corresponding variances were 0.254, 0.4 and 0.691. Standard deviations were 0.504, 0.639 and 0.831, the coefficient of variations were 10.8, 13.99 and 20.3 respectively. There was general agreement on the very large extent of usage of this strategy.

Customer training had mean scores for large, medium and small firms as 4.202, 4.53 and 3.31 respectively. This implied a large extent of use of the strategy. Variance were 0.828, 0.332, 0737 and standard deviations of 0.909, 0.576 and 0.858. The coefficients of variation were 21.65, 12.72 and 25.94 in the same order.

The high standard deviations and coefficients of variation implied general disagreement by some firms on the extent of use of the strategies.

Product warranty had high mean scores of 4.42, 4.57, 4.14 for large, medium and small firms respectively, implying high use of extent of strategies. In the same order the variances were 0.55, 041 and 0.502. Standard deviations were 0.742, 0.641 and 0.708. The coefficients of variation were 16.79, 14.03 and 17.12 respectively. Firms generally agreed on the very large extent of strategy use. Financing strategy for large, medium and small firms had a mean score of 5, 4.25, and 4.294 implying the use of strategy to a very large extent, while in the same order, the variances were 0, 0.518 and 0.267, standard deviations were 0, 0.719, 0.455. The coefficients of variation were 16.79, 14.03 and 17.12 respectively. Firms generally agreed on use of strategy to a very large extent.

Maintenance and repair for large, medium and small firms recorded mean scores of 4.374, 4.44 and 4.13, implying very large extent of usage of this strategy. In the same order variances were 0.619, 0.368 and 0.345. The standard deviations were 0.787, 0.606 and 0.59. Coefficients of variation were 17.99, 13.60 and 14.3 respectively. A reflection of general agreement on the very large extent of use of strategy. Service delivery recorded their scores for large, medium and small firms as 4.27, 4.357 and 4.044 implying large extent of use of strategy. Their corresponding variances were 0.716, 0.388, and 0.68 with standard deviations of 0.846, 0.622 and 0.825. The coefficients of variation in the same order were 19.11, 14.28 and 20.4. There was some relative disagreement on the extent of use of strategy as implied by the higher values of standard deviation and coefficient of variation.

Ordering ease had mean scores for large firms, medium firms and small firms of 4.596, 4.51 and 3.55 respectively. High extent of use of strategy has implied, while in the same order the variances were recorded as 0.819, 0.51 and 0.397, standard deviations were 0.671, 0.714 and 0.63 while coefficient of variation in the same order were 17.8, 15.84 and 17.74 respectively. Small firms had a lower extent of usage of strategies but no differences in the strategies used were noted.

4.3.3 Personnel Differentiation Strategies

Table 9 - Personnel Differentiation Strategies – Broad Dimensions – All Firms

Broad Dimension of Strategy	(M_e)	(V_e)	(S_e)	(C_r)
Credibility				
Customer trust, believability in Company employees	4.88	0.11	0.33	6.8
Caring and understanding by staff when dealing with customers	4.81	0.16	0.39	8
Willingness to help customers	4.81	0.16	0.39	8
Courtesy				
Staff showing friendliness to customers	4.81	0.16	0.39	8
courteous, friendly and polite employees	4.63	0.24	0.49	10.5
Show of respect and care when solving customers problems	4.81	0.16	0.39	8
Responsiveness				
Staff responding promptly to any customer issues.	4.25	0.94	0.6	14.5
Staff willingness to resolve invoicing and billing problem.	4.81	0.16	0.39	8
Willingness and promptness to solve customer complaints	4.5	0.25	0.5	11
Reliability				
Alarm response crews responding correctly and effectively after alarm activation	4.4	0.5	0.7	15.8
Staff having adequate facilities and empowered to conduct repairs of all equipment.	4.4	0.38	0.61	13.7
Staff providing dependable services by meeting100% of contractual obligations to customers	4.63	0.24	0.49	10.5
Competence				
Ability of staff to resolve incidents of breach of security correctly.	4.25	0.94	0.97	22.7
Ability of staff to solve incidents of equipment malfunction correctly first time	4.19	0.4	0.63	15
Ability to generate and forward correct invoices to customers	4.38	0.59	0.6	13.7
Staff well trained to customer service	4.46	0.37	0.61	13.7
Field staff trained in security matters	4	0.36	0.6	15
Technical staff trained on emerging technology	4	0.63	0.79	19.8
Attract best employees in job market	4.19	0.53	0.73	17.3
Training Customers				
Ability to train staff on functionality of security equipment	4.19	1.03	1.01	24
Ability of staff to operationalise details of preventive maintenance on all equipment.	4.5	0.25	0.5	11
Staff empowered with adequate resources to do the job excellently.	4.4	0.37	0.61	13.7
Communication				
Accessibility of offices via Email, Internet, landlines, mobile phones, fax etc	4.69	0.34	0.58	12.4
Accessibility of offices by customer in person	4.13	0.86	0.93	22.4
Advising customer on introduction of new products and services.	4.06	0.93	0.97	23
Advising customers on full range of Company products and services.	4.38	0.73	0.86	19.6
Feedback to customers on queries, complaints and other corrections.	4.19	0.28	0.53	12.6
Training				
Adequate number of fully trained and skilled staff	4.38	0.48	0.7	15.9
Staff well trained to customer service	4.44	0.37	0.61	13.7
Staff in field trained in security matters and terrorism	4	0.36	0.6	15
Technical staff trained on specific technology and equipment	4	0.63	0.79	19.8
Motivation				
Conduct regular survey to identify employee needs	3.81	1.09	1.04	27.4
Carry out internal staff satisfaction surveys	4.31	0.72	0.85	19.6
Recognizing and rewarding employees for service excellence	3.36	1.43	1.2	35.6

Source: Research Data

Personnel differentiation strategies were analysed in the operationalised context of the private security industry in Kenya. Credibility referring to the ability of customers to trust and believe in the staff employed by the firm had a high mean score of 4.88, a variance of 0.109, a standard deviation of 0.331 and a coefficient of variation of 6.8. These values implied agreement on extent of strategy to a very large extent. Caring and understanding by these employees when dealing with customers had a men score of 4.81, the corresponding variance was 0.155, a standard deviation of 0.394 and a coefficient of variation of 8. Usage of this strategy to a large extent was implied.

Willingness to help customers had a high mean score of 4.81, variance of 0.155, a standard deviation of 0.394 and a coefficient of variation of 8. The values implied a very large extent of use of strategy. Courtesy, which reflected the ability of employees to show friendliness to customers scored a coefficient of variation of 8. In regard to courteous, friendly, and polite employees, the mean score was a high of 4.63, a variance of 0.24, a standard deviation of 0.49 and coefficient variation of 10.5. Implying high extent of usage.

Show of respect and care when solving customers' problems recorded a mean score of 4.81, a variance of 0.155, a standard deviation of 0.394 and a coefficient of variation of 8. This is a very high extent of usage of strategy. The dimension of responsiveness had 3 key issues on staff responding promptly to any customer issues, the high mean score was 4.25, a variance of 0.938, standard deviation of 0.599 and a coefficient of variation of 14.5. These values indicated a high extent of usage of strategy. On the willingness of staff to resolve invoicing and billing problems for customers, the recorded score was 4.81 a variance of 0.155, a standard deviation of 0.394 and a coefficient if variation of 8.0. Implying the extent of use of strategy to be to a very high extent.

In regard to willingness and promptness in resolving customer complaints the mean score was high at 4.50, a variance of 0.25, a standard deviation of 0.500 and a coefficient of variation of 11. All values indicated very large extent of usage of strategy by all firms.

Reliability which reflected the importance of alarms response crews responding correctly and effectively after an alarm activation had a mean score of 4.40, a variance of 0.496 and a standard deviation of 0.704. The coefficient of variation was 15.8. This implied a large extent of use of strategy. The 2nd issue in regard to reliability was in staff having adequate facilities and being empowered to conduct repairs of all electronic security equipment. The mean score was 4.40 a variance of 0.371, a standard deviation of 0.609 and a coefficient of variation of 13.7. The high value of mean score and low values of standard deviation and coefficient of variation imply a great use of strategy to a very large extent.

The last issue or reliability was on staff providing dependable services by meeting 100% of the firm contractual obligations to customers, which recorded a high mean score of 4.63, a variance of 0.235 and a standard deviation of 0.485 and a coefficient of variation of 10.5. Very large extent of usage was implied by these firms.

Competence had several issues that included staff being able to resolve issues arising out of incidents of breach of security correctly. The mean score was 4.25, variance of 0.938 standard deviation of 0.968 and a coefficient of variation of 22.7. High values of standard deviation and coefficient of variation indicated some disagreement on extent of use of the strategy. The ability of staff to resolve incidents of equipment malfunction correctly first time received a mean score of 4.19, a variance of 0.402, a standard deviation of 0.634 and a coefficient of variation of 15.

These values implied use of strategy to a large extent. The firms' ability to generate and forward correct invoices to customers scored 4.38, a variance of 0.59, a standard deviation of 0.599 and a coefficient of variation of 13.7. All firms had very large extent of usage of the differentiation strategy.

The staff being able to train customers on the full functionality of security equipment had a mean score of 4.19, a variance of 1.027, standard deviation of 1.014 and a coefficient variation of 24. The coefficient of variation and standard deviation were high, indicating a higher extent of usage by some firms by lower extent by others.

The need for an effectively operationalised preventive maintenance programme received a mean score of 4.5, variance of 0.250, a standard deviation of 0.l5 and a coefficient of variation of 11, an indication of use of strategy to a very large extent. Staff being empowered with adequate resources to enable them do an excellent job had a mean score of 4.40, variance of 0.371, a standard deviation of 0.609 and a coefficient of variation of 13.7. Still in regard to competence staff being well trained in customer service recorded a mean score of 4.44, a variance of 0.371, a standard deviation of 0.609 and a coefficient of variation of 13.7. These values for both strategies imply use of strategies to a large extent.

The importance attached to the ability of training staff well in security matters recorded a mean score of 4.0, a variance of 0.359, a standard deviation of 0.599 and a coefficient of variation of 15. This strategy was used to a large extent. Importance attached to training technical staff on emerging technology had a mean score of 4.19, a variance of 0.527, a standard deviation of 0.726 and a coefficient of variation of 17.3. This strategy is extensively used by all firms.

Communication had various issues: the importance attached to customers having unhindered accessibility to offices via email, fixed telephones, mobile phones etc. had a mean score of 4.69, a variance of 0.340, a standard deviation of 0.583 and a coefficient variation of 12.4. All values implied a large extent of use of strategy. The importance of office accessibility by customers in person recorded a mean score of 4.13, a variance of 0.859, a standard deviation of 0.927 and a coefficient of variation of 22.4. The high value of standard deviation and coefficient of variation indicate some disagreement on the large extent of use of strategy. The coefficient of variation was noted as high. In regard to advising customers on the introduction of new products and services, the mean score was 4.06, a variance of 0.934, a standard deviation of 0.966 and a coefficient of variation of 23. The coefficient of variation was high. An implication of some relative disagreement on the large extent of use of this strategy. The extent of usage by some firms was lower but overall the mean score implies the strategy is used to a large extent.

In connection with feedback to customers on queries, complaints and through other communication systems, the mean score was 4.19, a variance of 0.277, a standard deviation of 0.527 and a coefficient variation of 12.6. All values imply use of strategy to a large extent. Training had issues which included importance attached to having an adequate team of fully trained and skilled staff in all areas, the mean score was high at 4.38, a variance of 0.484, a standard deviation of 0.696 and a coefficient of variation of 15.9. This strategy was used to a very large extent.

Staff being well trained in customer service recorded a high mean score of 4.44, a variance of 0.371 a standard deviation of 0.609 and coefficient of variation of 13.7. The strategy was used to a large extent. In connection with the field staff being trained regularly on security matters and on terrorism, the mean score was 4.0, a variance of 0.359, a standard deviation of 0.599 and a coefficient of variation of 15. This implied high extent of usage. On technical staff being trained on specific technology and equipment, the mean score was 4, a variance of 0.625, a standard deviation of 0.791 and a coefficient of variation of 19.8 use of these strategies were to a large extent.

Motivation was lastly analysed and the importance to conduct survey to identify employee needs was recorded to have a mean score of 3.81, a high coefficient of variation of 1.089, a high standard deviation of 1.0144 and a relatively high coefficient of variation of 27.4. These values implied relatively high disagreement on the large extent of use of strategy. In connection with the importance of carrying out internal staff satisfaction surveys, the mean score was 4.31, a variance of 0.715, a standard deviation of 0.845 and a coefficient of variation of 19.6. Some relative disagreement on large extent of use of the strategy was implied. The importance of recognizing and rewarding employees for service excellence had mean scores of 3.36, a high variance of 1.428, a standard deviation of 1.195 and a high coefficient variation of 35.6. There was a high degree of disagreement on the large extent of usage of this strategy.

Table 10 - Personnel differentiation strategies mean scores – All Firms

Broad dimension of strategy	Mean (M_e)	Variance (V_e)	Standard deviation (S_e)	Coefficient of Variation (C_r)
Credibility	4.833	0.139	0.219	7.6
Courtesy	4.75	0.18	0.424	8.94
Responsiveness	4.52	0.447	0.533	8.96
Reliability	4.396	0.527	0.447	16.37
Competence	4.343	0.495	0.636	16.5
Communication	4.325	0.628	0.772	14.08
Training	4.203	0.439	0.674	12.68
Motivation	3.835	1.072	1.028	27.5
	4.401	0.491	0.592	14.079

Source: Research Data

The various scores in strategies under the broad personnel differentiation strategies dimension were summarized in table 8. The mean scores were sorted in descending order and credibility recorded a mean score of 4.833, a variance of 0.139, standard deviation of 2.19 and a coefficient of variation of 7.6. These values implied a very large extent of usage of strategy.

Courtesy came second with a mean score of 4.75, a variance of 0.18, a standard deviation of 0.422 and a coefficient of variation of 8.94, implying a very large extent of usage of strategy. Next was responsiveness which came third with a mean score of 4.52 a variance of 0.447 and standard deviation of 0.533 and a coefficient of variation of 8.96. These values imply a relatively high extent of usage of the strategy. Reliability was fourth with a mean score of 4.396, a variance of 0.527, standard deviation of 0.447 and a coefficient of variation of 16.37. This strategy had also a relatively high extent of usage. Competence followed thereafter with a mean score of 4.343, a variance of 0.495, a standard deviation of 0.636 and a coefficient of variation of 16.5. The sixth was communication with a mean score of 4.325, a variance of 0.439, a standard deviation of 0.674 and a coefficient of variation of 12.68. The values also imply a relatively large extent of usage of strategy. Lastly motivation recorded a mean score of 3.835, a variance of 1.072, a standard deviation of 1.028 and a coefficient of variation of 27.5. A large variance and standard deviation for motivation was noted which was further confirmed by the high value of coefficient of variation. These values implied a disagreement on extent of use of strategy. The extent of usage was the only relative difference noted but all strategies were used to a large extent.

Table 11 - Personnel differentiation strategies used by large, medium & small firms

Personnel Strategies	Means (M_e): Variance (V_e): Standard deviation (S_e) Coefficient of variation (C_r)											
	Large Firms				Medium Firms				Small Firms			
	M_e	V_e	S_e	C_r	M_e	V_e	S_e	C_r	M_e	V_e	S_e	C_r
Competence	4.53	0.728	3.896	0.4	0.633	16.24	0.567	12.85	3.896	0.4	0.633	16.24
Courtesy	4.711	0.393	4.546	0.431	0.657	14.45	0.245	5	4.546	0.431	0.657	14.45
Credibility	4.789	0.161	4.541	0.431	0.657	14.45	0.07	1.4	4.541	0.431	0.657	14.45
Reliability	4.781	0.339	4.279	0.488	0.699	16.32	0.641	14.48	4.279	0.488	0.699	16.32
Responsiveness	4.67	0.524	4.133	0.506	0.711	17.21	0.364	7.6	4.133	0.506	0.711	17.21
Communication	4.33	0.623	4	0.457	0.676	16.9	0.538	11.71	4	0.457	0.676	16.9
Training	4.524	0.746	3.79	0.608	0.779	20.57	0.58	13.52	3.79	0.608	0.779	20.57
Motivation	4.182	1.197	4.169	0.9	0.949	22.76	0.703	17.41	4.169	0.9	0.949	22.76
	0.589	**4.169**	**0.528**	**0.720**	**17.363**	**0.464**	**10.496**	**4.169**	**0.528**	**0.720**	**17.363**	**0.589**

Source: Research Data

Personal strategies – large, medium and small firms

In an effort to determine if there are strategies used by the large firms, medium firms and small firms, the mean scores, variances standard deviation and coefficient of variations for the various personnel strategies were analysed and summarized in table 9. The mean score of large, medium and small firm for credibility strategy were recorded as 4.789, 4.966 and 4.541. All values implied agreement to the very large extent of usage of strategy and in the same order, the variance were 0.161, 0.05 and 0.431. Coefficients of variation for large, medium and small firms were 8.37, 1.4 and 14.45 respectively.

In order of large, medium and small firms, the mean scores for courtesy were 4.711, 4.895 and 4.546 while the variation were 0.393, 0.006 and 0.431, standard deviation were 0.627, 0.245 and 0.657. The coefficients of variation in the same order were 13.31, 5 and 14.45 respectively. All values indicated use of strategy to be to a very large extent.

Mean scores for responsiveness for large, medium and small firms were 4.67, 4.787 and 4.133, the respective variances were 0.72, 0.133 and 0.506. Standard deviations recorded were 0.72, 0.364 and 0.506 respectively. The coefficients of variation in the same order were 15.5, 7.6 and 17.21. All values implied use of strategies to a very large extent.

Reliability recorded mean scores of 4.781, 4.428 and 4.279, scores for variance were 0.339, 0.641, 0.488, standard deviations were 0.58, 0.641 and 0.699, and the coefficients of variation were 12.1, 14.48 and 16.32 respectively. All values reflected agreement to use of strategy to a very large extent.

Next in line were mean scores for communications, which were recorded as 4.33, 4.596, and 4 respectively for large, medium and small firms. Also computed were the respective variances at 0.623, 0289 and 0.457. The standard deviations were 0.789, 0.538 and 0.676. The coefficients of variation in the same order were 18.22, 11.71 and 16.9 respectively. In all cases, there was no difference in strategies used by either large, medium or small firms.

Training recorded mean scores of 4.524, 4.284 and 3.75 for large, medium and small firms respectively. The corresponding variances were 0.746, 0.337 and 0.608 while the standard deviations computed were 0.864, 0.58 and 0.779. Coefficients of variation in the same order were 19, 13.52 and 20.57 respectively. These values indicate use of strategy to be a large extent.

The final strategy was motivation which recorded mean scores of 4.182, 4.0038, 4.169 for large, medium and small firms respectively. It also recorded variances of 1.197, 0.494 and 0.9. Standard deviations in the same order were 1.09, .0703 and 0.949. The coefficients of variation in the same order were 26.17, 17.41 and 22.76. These coefficients of variations were relatively high and in the case of large firms and small firms exceed the low limit of 20 implying that there was disagreement by firms on this strategy. The relative scores compared to other strategies were low. However no significant difference in strategies used was recorded.

4.3.4 Channel Differentiation Strategy

Strategies that relate to the broad dimension of channel differentiation had their scores analysed and summarized as shown in table 12. The strategies were perceived in the context of their relevance to the formal private security industry in Kenya.

Table 12 - Channel Differentiation Strategy Broad Dimension – All Firms

Broad Dimension of Strategy	(M_e)	(V_e)	(S_e)	(C_r)
Coverage				
Convenience of offices to serve customers in all parts of the country	3.69	0.84	0.916	21.5
Provide attractive timing option so as to extend reach of security equipment and services upcountry	4.31	0.715	0.845	19.6
Importance in expanding firm branch network outside of the (Nairobi, Kisumu & Mombasa) cities	3.56	0.746	0.864	24.3
Expertise				
Advising and educating customers on introduction of all new products and services	4.06	0.934	0.966	23
Customers educated on full scope and extent of electronic security products and security services offered by firm	4.38	0.734	0.857	19.6
Willing and ability to resolve all technical, and administrative and security matters	4.5	0.25	0.5	11
Customer perception that the firm is fully competent in security field	4.13	0.359	0.599	14.5
Performance				
Prompt delivery to meet service level agreements	4.25	0.938	0.968	22
Employees are empowered to delivery service contractual to meet obligations with customers	4.4	0.496	0.704	15.8
Agree service levels agreement with all customers	4	0.785	0.886	21
Monitoring firms compliance with agreed service levels.	3.94	0.809	0.899	22.8
Attract best available employees to the firm	4.19	0.527	0.726	17.3
Sales & Marketing				
Ensure shape, size and physical profile of electronic security equipment blends with ambiance of customer premises	4.63	0.234	0.484	10.45
Staff are well turned out and trained in security matters	4	0.359	0.599	15
Development of a customer oriented culture	4.44	0.996	0.998	22.5
Conduct survey to identify customer needs for market and product development	4	0.75	0.866	21.7
Presence of an effective customer service	3.81	1.152	1.073	28.2
Caring and individualized customer attention for large customers	4.5	0.938	0.968	21.5
Communicating of firms mission and vision to staff and other stakeholders	4.38	0.484	0.696	15.89
Price premium				
Ability of firm to charge a premium for differentiated products and services	3.94	0.934	0.966	24.51

Source: Research Data

Mean scores regarding the convenience of office locations to serve customers nationwide received a mean score value of 3.69. A variance of 0.840 was computed, a standard deviation of 0.9616 and a coefficient of variation of 21.5. The coefficient of variation was relatively high. Implying general disagreement on the use of strategy to some extent.

In regard to providing attractive financing options to customers such as rental of security equipment, lease of security equipment outright purchase, among others, the mean score was 4.31 with a variance of 0.715 a standard deviation of 0.846 the coefficient of variation was 19.6 which is tending towards a high level. This implies some degree of disagreement to a large extent of use of this strategy. Importance in expanding the firms branch network outside of the cities had a mean score of 3.56, and a variance at a high value of 24.3. In connection with performance issues, the prompt delivery to meet service level agreements obtained a mean score of 4.25, a variance of 0.938 and 0.968 as standard deviation. The coefficient of variation was relatively high at 22. The high value of coefficient of variation implies disagreement to a large extent on the use of this strategy.

In response to employees being empowered to deliver service to meet all contractual obligations, a high mean score of 4.40 with a variance of 0.496, a standard deviation of 0.704 and coefficient of variation at 21 were recorded. The relatively high coefficient of variation of 21 was noted. This implied some firms disagreed on the very large extent of usage of strategy. Monitoring firms' compliance with agreed service levels with customers a mean score of 3.94, a variance of 0.809, a standard deviation of 0.899 and a coefficient variation of variation 22.8 were computed. The coefficient of variation was relatively high at 22.8. These values denote a relative disagreement on large extent of use of strategy.

In an effort to attract the best employees a mean score of 4.19, a variance of 0.527, a standard deviation of 0.726 and a coefficient of variation of 17.3 were computed. These high scores generally reflected a very large extent of usage of these differentiation strategies.

In regard to advising and educating customers on the introduction of new security services, the mean score was 4.06, variance of 0.934 a standard deviation of 0.9666 and relatively high coefficient of variation at 23 were computed. Firms did not generally agree on extent of use of this strategy to a large extent. On the aspect of educating customers on the full scope and extent of electronic security equipment and security services offered by the firm, a mean score of 4.38 was computed.

A corresponding variance of 0.734, a standard deviation of 0.857 and a coefficient of variation were also computed. The values indicate general agreement of use of strategy to be to a very large extent.

On the aspect of staff willingness and their ability to resolve all technical, administrative and security matters, the mean score was 4.50. The variance was 0.250, standard deviation of 0.50 and coefficient of variation of 11. Firms generally agree on the use of strategy to a very large extent. Customers perception that the firm is fully competent recorded mean score 4.13 and a variance of 0.359 a standard deviation 0.599 and coefficient of variation of 14.5. The extent of usage of differentiation strategies is implied as being to a large extent by these values.

For the sales and marketing broad dimensions, mean scores for firms ability to ensure that the shape, color and physical size of electronic security equipment blends with the ambiance of the customers premises was 4.63, a variance of 0.234, a standard deviation of 0.484 and a coefficient of variation of 10.45. Firms agreed the extent of usage of strategy was to a large extent. Staff being well turned out and trained in security matters recording a mean score of 4.0, a variance of 0.359, a standard deviation of 0.599 and a coefficient of variation of 15. This implied strategy was used to a large extent. The development of a customer oriented culture's mean score was 4.44 with computed variance of 0.996 a standard deviation of 0.998 and high coefficient variation of 22.5. Some firms disagreed on extent of use of strategy to a very large extent. On response to ability of firm to conduct surveys with a view to identifying customers needs, the mean was 4.0 with a variance of 0.750, a standard of 0.866 and a relatively high coefficient of variation of 21.7. The coefficient of variation implied some relative disagreement of strategy use to a very large extent.

In response to the need for firms to operate and monitor performance of an effective customer service center, the mean score was 3.81 with a variance of 1.152, a standard deviation of 1.073 and coefficient of variation noted as relatively high of 28.2. The standard deviation noted was also high an indication of significant disagreement on the extend of use of this strategy. Overall values indicated a large extent of usage of these strategies.

Caring and individualized attention for large customers had a mean score of 4.50, a variance 0.938, a standard deviation of 0.968 and a coefficient of variation of 21.5 the coefficient of variation was relatively high at 21.5. The high values imply some relative disagreement on the very large extent of use of this strategy.

In connection with firms communicating their mission and vision to staff and customers, mean score recorded was 4.38, a variance of 0.484 a standard deviation of 0.696 and a coefficient of variation of 15.89. This strategy is used to a very large extent. Referring to the ability of firms to charge a price premium for differentiated security services and products the mean score was 3.94 with a variance of 0.934, a standard deviation of 0.996 and a relatively high coefficient of variation of 24.51. Disagreement on the extent of use of strategies was noted but the overall of usage was to a large extent.

Table 13 - Channel Differentiation Strategy - Mean Score - All firms

Broad dimension of strategy	Mean (M_e)	Variance (V_e)	Standard deviation (S_e)	Coefficient of variation (C_r)
Sales & Marketing	4.33	0.65	0.806	18.62
Price Premium	3.938	0.934	0.966	24.51
Performance	4.2	0.731	0.855	20.36
Expertise	4.328	0.569	0.750	17.4
Coverage	3.896	0.767	0.875	22.9
Mean	**4.138**	**0.7302**	**0.8504**	**20.758**

Source: Research Data

The broad dimension of channel strategy scores were analysed and summarized in table 13. The highest score was for sales and marketing at 4.33, a variance of 0.65 and a standard deviation of 0.806 were computed. The coefficient of variation was tending towards the higher level of 18.62. This implied some slight relative disagreement to very large extent of use of this strategy.

Next followed the scores of price premium at 3.938 with a variance of 0.934, a standard deviation of 0.966 and a coefficient of variation of 24.51. Again firms were not all in agreement on the extent of usage of this strategy to some extent. Performance had a mean score of 4.2, a variance of 0.731 a standard deviation of 0.855 and a coefficient on variation of 20.36. The coefficient of variation was high. Extent of usage of strategies varied from large extent to a very large extent.

Expertise recorded a mean score of 4.328 a variance of 0.569 a standard deviation of 0.750 and a coefficient of variation of 17.4. Use of strategy was to a very large extent. The last mean score was for coverage strategy at 3.896, a variance of 0.767, a standard deviation o f 0.875 and a coefficient of variation of 22.9. High values of standard deviation and coefficient of variation imply disagreement of extent of use of strategy. The values of coefficient of variation across all strategies range from 17.4 to 22. 9, an indication of reasonable disagreements on the extent of use of these strategies. Most firms used the strategies to a very large extent.

Table 14 - Channel Differentiation strategies used by large, medium and small firms

	Means (M_e): Variance (V_e): Standard deviation (S_e) Coefficient of variation (C_r)											
	Large Firms				Medium Firms				Small Firms			
Strategy	M_e	V_e	S_e	C_r	M_e	V_e	S_e	C_r	M_e	V_e	S_e	C_r
Coverage	4.512	0.752	0.867	19.2	4.12	0.752	0.867	21.07	3.534	0.158	0.397	11.24
Expertise	4.218	0.739	0.859	20.37	4	0.751	0.867	21.67	4.119	0.481	0.694	16.83
Performance	4.523	0.654	0.808	17.88	4.46	0.343	0.586	13.07	3.83	0.634	0.796	20.79
Sales & Marketing	4.525	0.465	0.682	15.07	4.47	0.264	0.513	11.49	3.8	0.827	0.909	23.93
Price Premium	4.375	0.984	0.992	22.67	3.82	0.888	0.942	24.65	4.45	0.631	0.794	17.83
	4.431	**0.719**	**0.842**	**19.038**	**4.174**	**0.600**	**0.755**	**18.39**	**3.947**	**0.546**	**0.718**	**18.124**

Source: Research Data

Scores for channel differentiation strategies were analysed and tabulated as shown on table 14. The mean scores for large, medium and small firms were 4.512, 4.115 and 3.534 respectively. These values implied large extent of usage by large and medium firms and lower extent of usage by small firms. Variances were computed as 0.752, 0.751 and 0.158 respectively. The standard deviations were 0.867, 0.867 and 0.397 while those for coefficients of variation were 19.20, 21.07 and 11.21.

The values for coefficient of variation for large and medium firms tended to be high while the score for small firms was low. These values implied high disagreement of usage for large and medium firms while lower usage by smaller firms. Expertise had mean scores for large, medium and small firms at 4.218, 4.0 and 4.119 in that order. The variances were 0.739, 0.757 and 0.634 while the computed standard deviations were 0.859, 0.867 and 0.694 respectively. The use of this strategy was to a very large extent by all categories of firms.

The coefficients of variation for large and medium firms were high at 20.37 and 21.67. This may indicate a disagreement on the extent of usage of strategies by firms. Performance had a mean score of 4.523, 4.458 and 3.83 for large, medium and small firms respectively. The variances were 0.654, 0.343 and 0.634 in that order. The standard deviations were computed as 0.808, 0.586 and 0.796 respectively while the coefficients of variation were 17.88, 13.07 and 20.7, the coefficients of variation for small firms were high at 20.7. This implies some disagreement on extent of use of this strategy. The relative mean scores for small firms were lower. This implied smaller firms used the strategy to a lower extent. There was no significant difference in strategies used.

Sales and marketing high mean scores were 4.525, 4.471 and 3.80 for large, medium and small firms respectively implying high usage by large and medium firms and use to some extent by smaller firms. Their corresponding values for variances were 0.465, 0.264 and 0.0827, the standard deviations were 0.682, 0.513 and 0.909 with the coefficients of variation recorded as 15.07, 11.49 and 23 respectively. The high coefficients of variation for small firms were observed. This implied smaller firms had a relatively higher disagreement on extent of use of this strategy. Price premium had mean scores of 4.375, 3.82 and 4.45 for large, medium and small firms. The variances were 0.984, 0.888 and 0.631 while their standard deviations were 0.992, 0.942 and 0.794.

Coefficients of variation were high at 22.67, 24.65 and 17 respectively. These values of standard deviation and coefficient of variations imply relatively high disagreement on the large extent of usage by medium and large firms and usage of some extent by small firms. Relatively lower mean scores for small firms are recorded which indicate the extent of usage being lower. No differences are implied by strategies used.

4.3.5 Image Differentiation Strategy

Table 15 - Image Differentiation Strategy Broad Dimension – All Firms

Broad Dimension of Strategy	(M_e)	(V_e)	(S_e)	(C_r)
Atmosphere				
Do customers feel safe while handling the firm security equipment	4.13	0.734	0.857	20.8
Attractiveness of offices and safety of surrounding areas of perceived by customers	4.5	0.5	0.707	15.7
Appearance and cleanliness of vehicles	4.25	0.438	0.661	15.6
Appearance of guards and uniform	4.63	0.734	0.857	18.5
Image projected by firms office location symbols/brands	4.63	0.922	0.96	20.7
Customers emotional response to the style and looks of firms symbols	4.13	0.484	0.696	16.8
Attach firm symbols/brands on clean good uniforms	4.41	0.504	0.71	15.9
Importance attached to the distinctiveness of firms symbols/brands	4.38	0.734	0.857	19.6
Customers perception on value adding role of firms symbols/brands	3.94	0.309	0.556	0.556
Importance in extensive display of the firms brand/symbols	4.5	0.25	0.5	14.1
Uniformed staff display firms brand while on duty	4.31	0.465	0.682	15.8
Ethical Stance				
Customer perception of the ethical posture projected by firm	4.38	0.359	0.599	13.7
Events				
Firms known to sponsors specific events importance that majority of customers associate with sponsored events	3.94	0.559	0.747	19
Firms ethical stand on appreciated in the events sponsored	4.38	0.359	0.599	13.7
Media				
Attach importance to use of press, TV or other advertising media	3.56	0.996	0.998	28
Importance attached to having an advertising – strategy and budget	3.5	0.75	0.866	24.7
Importance in use of public relations	3.63	1.297	1.139	31.4

Source: Research data

Data on the broad dimensions of image differentiation strategies was analyzed and summarized as shown in table 15. The image strategies namely: atmosphere, was analyzed in light of its operational relevance to the formal private security industry.

The aspect of customers feeling safe while handling the firms security equipment was recorded to have a mean score of 4.13, a variance of 0.734, standard deviation of 0857 and a coefficient of variation of 20.8. The coefficient of variation was noted as high indicating a general disagreement by firms on the extent of usage of this strategy.

The mean score associated with the attractiveness of offices combined with the security customers felt while in the surrounding areas, had a mean score of 4.50, a variance of 0.5 was computed together with a standard deviation of 0.707 and a coefficient of variation of 15.7. These values implied agreement on the high extent of use of the strategy. Appearance and cleanliness of vehicles had a mean score of 4.25 with a variance of 0.438, a standard deviation of 0.661 and a coefficient of variation of 15.6. Use of strategy was to a large extent.

The mean score for appearance of guards while in their uniforms was 4.63 with a variance of 0.734, standard deviation of 0.857 and a coefficient of variation of 18.5. Use of strategy was to a very large extent. Image projected by the firms' office locations had a mean score of 4.63, a variance of 0.922, standard deviation of 0.960 and a high coefficient of variation of 20.7. This strategy was faced with some disagreement on extent of application due to high values of coefficient of variation, (C_r 720)

Analysis of data relating to the use of symbols and brands was summarized with a mean score of 4.13, a variance of 0.484, a standard deviation of 0.696 and a coefficient of variation of 16.8. Use of strategy was to a large extent.

The importance attached to symbols and brands to uniforms received a mean score of 4.44 and a computed variance of 0.504. The relevant standard deviation was 0.710 and a coefficient variation of 15.9. These high values of mean scores and low standard deviation imply a very large extent of usage of the strategies.

Importance attributed to the distinctiveness of the firms symbols and brands had a mean score of 4.38, a variance of 0.734, a standard deviation of 0.857 and a coefficient of variation of 19.6. There was slight relative disagreement on the extent of use of this strategy. The need for firms to seek customers' perception on the value adding role of the firms symbols and brands had a mean score of 3.94, a variance of 0.309, a standard deviation of 0.556 and a coefficient of variation of 14.11. These values imply use of strategy to a large extent. The customer perception on the ethical stand projected by the firms had a mean score of 4.28 a corresponding variance of 0.359, a standard deviation of 0.559 and a coefficient of variation of 13.7. This strategy was used to a very large extent.

In regard to events, attributes to do with the customers' knowledge of the events sponsored by the firms recorded a mean score of 3.94 a variance of 0746, a standard deviation of 0.864 and a high coefficient variation of 24.3. The mean scores of events strategy were relatively lower. This implied use of strategy to a large extent. Overall the strategies were used to a large extent.

The ethical stand taken by the firms in regard to the events the firm sponsors had a mean score of 4.38 a variance of 0359 a standard deviation of 0.599 and a coefficient of variation of 13.7. This strategy was used to a very large extent. Importance attached to the choice of media used recorded a mean score of 3.56 variance of 0.996, a standard deviation of 0.998 and relatively high coefficient of variation of 28. The high value of standard deviation and coefficient of variation implied disagreement of extent of use of strategy. This indicated a relatively large disagreement on the large extent of usage of the strategy.

In regard to the importance attached to possessing an advertising strategy and budget, mean score recorded was 3.50 with a variance of 0.750, a standard deviation of 0.866 and coefficient of variation of 24.7. This level of coefficient variation is relatively high. This strategy was used to a large extent and not all firms were in agreement.

Use of public relations recorded a mean score of 3.63 a variance of 1.297, standard deviation of 1.139 and a coefficient of variation of 31.4%. The variance, standard deviation and coefficient of variation were quite high. The extent of usage of public relations and use of media strategy were relatively low and there was some relative disagreement on extent of their use though overall they are used to a large extent.

Table 16 - Image Differentiation Strategy – Mean Scores - All Firms

Strategy	Means (M_e)	Variance (V_e)	Standard deviation(S_e)	Coefficient of Variation (C_r)
Atmosphere	4.475	0.666	0.816	18.23
Symbol/brands	4.396	0.4355	0.659	15
Ethical stance	4.375	0.359	0.599	13.7
Events	3.96	0.555	0.745	18.8
Media	3.555	1.004	1.002	28.19
	4.152	**0.604**	**0.764**	**18.784**

Source: Research Data

The summary of mean scores, variances, standard deviation and coefficient of variation for the broad image strategies for all firms were summaries in table 16. The highest service strategy was atmosphere with a mean score of 4.475, a variance of 0.666, a standard deviation of 0.816 and coefficient of variation of 18.23. These values indicate that the strategy was used to a large extent. Symbols and brands recorded a mean score of 0.659 and a coefficient of variation of 15. These values all represent use of this strategy to a large extent. Ethical stance had a mean score of 4.375, a variance of 0.359, a standard deviation of 0.599 and a coefficient of variation of 13.7. All these values reflect agreement on extent of usage of strategy to be a to a very large extent. Events had a mean score of 3.96, a variance of 0.555, a standard deviation of 0.748 and coefficient of variation of 18.8. This strategy was used to a large extent.

Lastly was media with a mean score of 3.555 and a variance of 1.004 a standard deviation of 1.002 and a coefficient of variation of 28.19. The variance, standard deviation and coefficient of variation were all high and these scores indicate disagreement in the extent of use of media strategy. The values indicate extent of usage as varying from large to a very large extent.

Table 17 - Image differentiation Strategies used by large, medium and small firms

Strategy	Means (M_e): Variance (V_e): Standard deviation (S_e) Coefficient of variation (C_r)											
	Large Firms				Medium Firms				Small Firms			
	M_e	V_e	S_e	C_r	M_e	V_e	S_e	C_r	M_e	V_e	S_e	C_r
Symbols/brands	4.486	0.529	0.728	16.22	4.45	0.341	0.543	13.11	4.211	0.239	0.489	11.6
Media	3.893	1.711	1.308	33.6	3.79	0.567	0.753	19.87	3.927	0.331	0.575	14.65
Atmosphere	4.756	0.42	0.649	13.56	4.64	0.259	0.509	10.97	3.965	0.437	0.66	16.67
Events	4.481	0.58	0.762	17	4.14	0.516	0.716	17.3	4.185	0.286	0.535	12.78
Ethical Stance	4.309	0.774	0.88	20.42	3.94	0.561	0.749	19	4.555	0.858	0.926	20.03
	4.385	**0.803**	**0.865**	**20.160**	**4.192**	**0.448**	**0.654**	**16.05**	**4.169**	**0.430**	**0.637**	**15.146**

Source: Research Data

Image differentiation strategies mean scores for large, medium and small firms were recorded and analysed. Thereafter they were summarized and are shown in table 16. They were classified in the categories of large, medium and small firms. Mean scores of 4.486, 4.451 and 4.211 were recorded for use of symbols and brands in the above order. These high mean scores imply use of strategy to a very large extent.

The variances computed were 0.529, 0.341 and 0.239 respectively. The standard deviations were computed as 0.728, 0.543 and 0.489 while the coefficients of variation were 16.23, 12.20 and 11.61. The values for standard deviation and coefficients of variation support agreement on very large extent of use of strategy. Strategies relating to the importance of choice of media used for advertising had mean scores of 3.893, 3.79 and 3.927 for large, medium and small firms.

These values support use of strategy to be to a large extent. Variances of 1.711, 0.567 and 0.331 were noted. The corresponding standard deviation values were 0.649, 0.509 and 0.66 respectively. The low standard deviation values indicate agreement in large extent of use of strategy.

The events sponsored by the firm received mean scores of 4.481, 4.137 and 4.185 for large, medium and small firms. These high values imply very large extent of use of strategy. The standard deviations were 0.762, .0716 and 0.555 while the coefficients of variation were 17, 17.3 and 12.78 respectively. These low values of standard of deviation and coefficient of variation represent agreement that the strategies are used to a very large extent.

Ethical stance had mean scores of 4.309, 3.94 and 4.555 for large, medium and small firms respectively. These values imply that large and small firms use the strategy to a very large extent while medium firms use to a large extent. Variances were 0.774, 0.561 and 0.858. Standard deviations were 0.888, 0.749 and 0.926 while the coefficients of variations were 20.42, 19 and 20.03 respectively. High standard deviation and coefficient of variation values indicate some disagreement on use of strategy.

Relatively lower scores for small firms in all categories of image strategies were recorded while medium firms had specifically lower scores for ethical stance. There was no significant difference noted for differences in differentiations strategies used by large, medium and small firms.

4.3 Factors influencing the choice of strategies used

In part three of the questionnaire the study sought answers to identify the factors influencing the choice of strategies used. The information received was edited and summarized as shown in table 18.

Table 18 - Factors influencing the choice of strategies used

Item	Factor	Frequency
1	Professionalism	16
2	Customer satisfaction	15
3	Competition	13
4	Brand differentiation	12
5	Market share	11
6	Business growth	10
7	Guarantee future survival	9
8	Better technology	8
9	Legal and legislation compliance	6
10	Risk minimization	6

Source: Research Data

From the results it can be deduced that there was a high frequency of firms who needed to be perceived as professional security services provider with the highest score of 16. Firms expressed a need for customer satisfaction with a score of 15 followed by a need to remain competitive and out perform competitors with a score of 13. The need to retain and grow market share was also sighted as important and received a frequency score of 11. Business growth factors had a score of 10, while 8 firms expressed a need to be seen as offering better technology. The least factors were those of respondents needs to comply with legal and government legislation together with minimizing their risks.

CHAPTER FIVE

DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The economy of any nation can only grow and prosper if business is conducted in a secure environment. In Kenya for instance, the formal private security industry plays an important and indisputable contribution towards providing security for business premises, individual residences and diplomatic missions (Abrahamsen, 2005). The objectives of this study were to:- determine the extent to which differentiation strategies are used by the firms operating in the formal private security industry in Kenya to develop and sustain competitive advantage; establish whether there are differences in strategies used by small, medium and large firms and determine factors that influence the choice of strategies used.

5.2 Discussions

Regarding the use of product strategies for differentiation by all firms, the strategy with the highest mean score of 4.718 was durability followed by foam strategy with a mean score of 4.687. The lowest mean score was reliability strategy at 4.03. These values for mean scores are very high and the corresponding values for coefficient of variations are relatively low. There is generally good agreement by formal private security firms on the extent of usage of product differentiation. The high values of mean score confirm that product differentiation strategies are used to a very large extent.

While determining whether there are differences in product strategies used by large, medium and small firms, the large firms had the highest mean score for durability and the lowest mean score for repairability while the medium firms had higher scores for durability and the lowest mean score for style. Small firms recorded the highest mean score for foam strategy together with performance quality and the lowest mean score for reliability. From the relatively high scores for all the categories of firms it can be concluded that there is not much difference in the product differentiation strategies used by large, medium or small firms.

The scores analyzed and summarized on service differentiation for all firms indicated that the strategy with the highest score for all firms was quality audits with a mean score of 4.375 and the lowest value was for ordering ease at 4.125. From these relatively high values of mean score, it can be concluded that formal private security firms use service differentiation strategies to a very large extent.

In reference to whether there are differences in service differentiation strategies used by large, medium and small firms. The values for mean score recorded for large firms were the highest for financing strategy and the lowest score for customer training. For medium firms the highest score was for installation strategy and the lowest score for financing strategy. Small firms had a highest score for financing strategy and a lowest score for customer training. Values from mean scores attributed above conclude that there is an agreement on the extent of usage of service differentiation strategies to be to a very large extent. There is a clear observation that small firms have a slightly lower relative mean scores than the large and medium firms. This can be attributed to the high level of resources required to operationalise the differentiation strategies. As is generally known, small firms usually have less resources, than large firms. Once the firms become bigger, they are better able to spend more resources to differentiate themselves. It can also be concluded that the relatively low difference in mean scores between the large and medium firms on one hand and small firms on the other, notwithstanding, there is no significant difference between the strategies used by large, medium or small firms in service differentiation. The minor difference on the extent of usage observed may be explained by the resources based view of strategy.

Data on personnel differentiation strategies for all firms confirms the highest score for all firms was credibility strategy with a mean score of 4.833. The lowest mean scores was 4.129 for motivation strategy. In regard to the standard deviation and coefficient of variation firms had a general disagreement on the extent of usage of motivation strategy. As is generally known, the industry is not a high paying industry and poor remuneration is a factor.

In regard as to whether there are differences in personnel differentiation strategies used by large, medium and small firms, the large firms had a highest mean score of 4.789 and lowest mean score of 4.182. The medium firms had a highest mean score of 4.966 and the lowest mean score was 4.038. Small firms had the highest mean score of 4.546 and the lowest mean scores has 3.796. These scores confirm that personnel strategies are used to a significant extent. It can be concluded that smaller firms had a slightly lower extent of usage of personnel differentiation strategies which can be explained by the existence of constraints of resources identified earlier.

From summary of data regarding the extent of usage of channel differentiation strategies for all firms, the highest mean score for the firms was 4.33 and the lowest mean score was 3.896. These mean scores confirm that these strategies are used to a significant extent in the formal private security industry.

In relation to whether there are the differences in channel strategies used by large, medium, and small firms, the highest mean score for large firms was 4.512 and the lowest mean score was 4.218. Medium firms had the highest mean score at 4.471 and the lowest mean score was 3.82. Small firms had the highest mean score of 4.45 and the lowest mean score of 3.80. In relative terms, it can be concluded that yet again, there is no significant difference between the strategies used by large, medium and small firms. They are slightly lower for small firms which again indicate resource limitations to support differentiation.

Image differentiation data for all firms confirmed that the highest mean score for all firms was 4.475. The lowest corresponding mean score was 3.55. The lowest score was on the importance attached to the choice of media strategy and the importance attached to having an advertising strategy and budget. These mean scores confirm that in general, image differentiation strategies are widely practical by firms in the formal private security industry.

In regard to determining whether there are differences in image strategies used by large, medium and small firms, the mean scores for each category were summarized and large firms had a highest score of 4.756 and a lowest mean score of 3.893. Medium firms had a highest score of 4.451 and lowest score of 3.79. The small firms had a highest mean score of 4.551 and a lowest score of 3.927.

From these mean scores it can be concluded that all firms appear to ultilize image differentiation strategies to a significant extent. It can be concluded that large, medium or small firms do not have any significant differences in the image strategies they use to differentiate themselves.

Regarding the extent to which all differentiation strategies are used by all firms the grand mean score value of 4.4 (***Appendix 9)*** was obtained from the likert scale answers of the respondents. This means that firms use most of the differentiations strategies to a very large extent. The grand mean value of standard deviation of 0.822 indicates that there is a relatively high agreement by most firms that the extent of usage of the various strategies is extensively practiced. This also indicates that most firms recognize the need to adopt the differentiation strategies to a large extent. This conclusion is also confirmed by the relatively low value of the coefficient of variation (C_r) for all strategies at 18.71%. This study confirms that indeed all the thirty-five differentiation strategies are viewed by the firms as vital. The low value of coefficient of variation confirms agreement by most firms on the extent of use of differentiation strategies.

The differentiation strategies with the highest mean scores for all firms in descending order are credibility, courtesy, installation of very durable equipment, use of symbols and strong brands, good performance quality and foam of products offered to customers and design of good products. These were followed closely by providing a good office atmosphere. The differentiation strategies used to the least extent are use of media and public relations to promote brand image at 3.55, use of coverage and branch network expansion as part of channel differentiation at 3.896 and motivation at 3.84.

These scores are explained by the fact that the security industry is media shy with low press and TV advertising activity. Many firms also operate only in the cities and at this current time have no need to expand outside of the main cities geographical borders. Analysis of mean scores for product differentiation strategies for large firms, medium firms and small firms indicates that on average, medium size firms recorded a higher mean score compared to large firms.

This is explained by the extensive competition in the industry in which medium firms are striving hard to out-perform the larger firms. The need to retain customers and growth as recorded from the factors influencing choice of strategies used is most practiced by the medium size firms. The grand mean score on extent and frequency of differentiation strategies used by small firms is lower compared to that of large firms and medium firms. The small firms have limited resources and this may explain the slight difference in extent of application of differentiation strategies.

The lowest mean score of individual strategies 2.5 in the small firms category is attributed to ordering ease which is pegged to the convenience of official opening hours. Small firms scored lowly in this differentiation strategy. This is explained by the fact that most businesses are owned by entrepreneurs who run several businesses concurrently. They therefore do not dedicate their entire time to ensuring that their security businesses receive 100% of their time. As the businesses become bigger and fall into the medium size category, independent management dedicated to the running of the business is deployed and the scores in this category increase drastically and increased even further for large firms.

The grand mean score of all strategies for large firms, medium firms and small firms at 4.29, 4.34 and 3.98 respectively are all above average which further confirms the large extent to which firms are willing to use differentiation strategies, in order to remain competitive in the industry.

5.3 Conclusion

The following conclusions are pertinent to the findings of this study.

The firms comprising the formal private security industry in Kenya are firms that have been in existence for a long time with 55% having been in existence for more than 8 years. The formal private security industry is by nature an intensive labour employer as 55% of all firms employ more than 500 employees.

Four firms out of the twenty firms that formed the population do not provide formal security services but offer consultancy and sales of security products. Their source of livelihood is dependent on their association with the formal private security firms. To cement this association, they have become members of the Kenya Security Industry Association. There is to a large extent usage of all the thirty five differentiation strategies by all firms as can be concluded by the grand mean score of 4.4 calculated from the mean score and of frequency on the extent of usage of the differentiation strategies.

The average relative mean score for all firms in respect to product differentiation strategies was 4.40, service differentiation strategies 4.298, personnel differentiation strategies at 4.437, channel differentiation strategies at 4.138 and image differentiation strategies recorded at 4.152. This study confirms that in the formal private security industry in Kenya, product strategies are the most extensively used followed by personnel differentiation strategies in 2nd position. The third most extensively used strategies are image differentiation strategies and in fourth place are channel differentiation strategies.

Medium size firms are relatively more effective in extent of usage of product strategies followed by large firms and least used by small firms.

In broad relative terms large firms use service differentiation strategies the most followed by medium firms and lastly by small firms.

Personnel differentiation strategies are in relative terms used to the largest extent by large firms followed by medium firms and least used by small firms. Large firms relatively use channel differentiation strategies to the largest extent followed by medium firms and lastly small firms. In a similar manner, large firms use image differentiation strategies to the largest extent followed by medium firms and lastly by small firms.

Small firms are lagging behind large and medium firms in extent of adoption of differentiation strategies largely due to resource constraints and extent of availability of entrepreneurs time dedicated to their businesses. This is consistent with the resource based view of strategy advanced by Bowman Faulkner (2000).

Respondent firms confirmed that factors influencing their choice of strategies used were; a great need to be seen as profession security firms, there was need to keep their customers satisfied and they were concerned about competition and the need to have brand differentiation so as to stand out in the market place. Firms needed to protect their current market share and expressed interest to grow their businesses. Concern for survival was recorded while some firms expressed desire to achieve better technology. Some firms identified risk minimization as influencing the choice of strategies used.

5.4 Recommendations

In a crowded market place, the sure way of remaining competitive by firms is by out-forming competitors in many ways. The use of differentiation strategies enables firms to attract customers to themselves. Once customers try their services, find the services satisfying and their needs met, they then remain loyal to the firm which in turn guarantees the future survival of the firm. The study confirmed that the medium size firms are more aggressive in the extent they adopt product differentiation strategies than large firms. This indicates that if the trend were to be allowed to continue the medium size firms will be able with time to out perform the current group of large firms. It is desirable therefore that all large firms take cognizance of this fact and improve further on increasing the extent of usage of product differentiation strategies.

The need for survival, growth and technological advancement explains the aggressive stance adopted by all firms in the various categories large, medium and small and it is recommended highly that these firms do not slacken in this effort. Aspects of extent of adoption of differentiation strategy where the mean score especially for small firms was 3.5 and below (Appendix 8) require that small firms focus on these areas and improve on the extent of differentiation strategies used.

On the extent of adoption of public relations as a differentiation strategy all categories of firms large, medium and small scored lowly at 3.5, 3.75 and 3.75 respectively. All firms would benefit greatly if use of public relations was more widely adopted. Overall industry scores on the adoption of recognition and reward for employees based on service excellence were low. There is need for the industry to implement service excellence performance based reward systems.

Most firms in the industry have recorded low mean score on the importance in expanding their branch network as a competitive advantage. It may be desirable to have a presence in many parts of the country.

LIMITATIONS OF THE STUDY

The results of this study should be interpreted in the context of a number of study limitations namely:-

The study was restricted to the members of the Kenya Security Industry Association which has a membership of only twenty firms.

Though the findings of the study are broadly relevant to the formal private security industry in Kenya, other factors such as the high level of crime as reported in the press on a daily basis may affect the level of sensitivity of managers creating exaggeration of perception of extent of usage of differentiation strategies. This may reflect slight variation on the optimism of extent of usage of differentiation strategies by managers. The study did not make any consideration for factors influencing the choice of individual strategies.

SUGGESTIONS FOR FURTHER RESEARCH

The aim of the study was to determine the extent to which differentiation strategies are used by the formal private security industry in Kenya and also determine whether there are differences in strategies used by large, medium and small firms. Additionally the study aimed to determine the factors influencing the choice of strategies used. In the context of the limitations of the study cited above, it is suggested that:-

Further research could be conducted in future which will cover the security firms which are not members of the Kenya Security Industry Association in Kenya. The private security market place is estimated to have about 2000 registered and unregistered firms in operation (Abrahamsen and Williams, 2005).

Another field for future research would be a study to seek the customers perception on the extent of use of differentiation strategies by their respective private security services providers. Such a study would confirm if there is a perception gap between the firms and their customers on the extent of usage of differentiation strategies.

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Appendix 1

Introductory Letter

Jackson M. M. Muchira
Faculty of Commerce
C/O MBA Office
Department of Business Administration
University of Nairobi
P. O. Box 30197
NAIROBI

May 2005

Dear Respondent,

RE: COLLECTION OF SURVEY DATA

I am a postgraduate student at the University of Nairobi, at the faculty of Commerce. In order to fulfill the degree requirement, I am undertaking a management research project on the application of "Differentiation strategies used by the formal private security industry in Kenya".

You have been selected to form part of this study. This is to kindly request you to assist me collect the data by filing out the accompanying questionnaire which I will collect from your premises.

The information you provide will be used exclusively for academic purposes. My supervisor and I assure you that the information you give will be treated with strict confidence. At no time will you or your organization's name appear in my report. A copy of the final paper will be availed to you upon request.

Your co-operation will be highly appreciated.

Thank you in advance.

Yours faithfully,

JACKSON M. M. MUCHIRA
MBA STUDENT
UNIVERSITY OF NAIROBI

M. OMBOK
LECTURE/SUPERVISOR
UNIVERSITY OF NAIROBI

APPENDIX 2

List of Members of Kenya Security Industry Association at December 2004

1. Securicor Security Services Kenya Limited
2. Security Group Limited
3. K. K. Guards
4. Bob Morgan Security Services
5. Wells Fargo
6. EARS Group (K.K.)
7. Ultimate Security
8. Tracker Group
9. Securex Agencies Kenya Limited
10. Falcon Security
11. Riley Services
12. Fidelity Security Services
13. Collindale Security
14. Pinkerton's
15. Radar
16. Instarect
17. Tanar Technical Consultants
18. Knight Support
19. Magnum Alert
20. Glen Edmon

Source: Kenya Security Industry Association, Financial Report 2004

APPENDIX 3

Questionnaire

PART I

General Information

i. You Name .....(Optional)

ii. Job Title .....(Optional)

iii. Name of your Security Company
.....

iv. Using the categories below, please indicate the age bracket in which your company falls. (Please tick one)

Less than 8 years ( ) 9 – 17 years ( )

18 – 24 years ( ) 25 – 33 years ( )

More than 34 years ( )

v. Using the categories below, please indicate the ownership of your security company (Please tick one)

Foreign owned ( ) Locally owned ( )

Hybrid of local and foreign ( )

vi. Using the categories below, please indicate the number of staff you employ (Please tick one)

Less than 0 – 500 ( ) Between 501 – 1000 ( )

Between 1001 – 2000 ( ) Between 2001 – 3000 ( )

More than 3001 ( )

PART II

Please indicate the extent to which your organization practices the following, on a scale of 1-5 where,

5 is - to a very large extent

4 is - to a large extent

3 is - to some extent

2 is - a small extent

1 is - to no extent

No	Issue	(5) Very large extent	(4) large extent	(3) same extent	(2) small	(1) No extent
1.	Ensure that electronic security equipment instaled blends well with the embience of customers premises					
2.	Ensure that electronic security features are upgradeable with modern versions of new technology and control room equipment.					
3.	Educate the customers. On the full scope of product features and confirm their appreciation.					
4.	Educate the customers. On the full scope of product features and confirm their appreciation.					
5.	Provide a range of differently price quality levels of products and services					
6.	Conduct checks to ensure that all equipment installed conforms to required specifications.					
7.	Research to ensure that electronic security equipment installed is upgradeable with later day versions and comfortable with enerping control room equipment technology					
8.	Seek customer perception on the firms security equipments ability to serve without malfunction.					
9.	Seek customer perception on impact of cost of repair of electronic security equipment.					
10.	Seek to understand customers emotional response to the style and looks of equipment					

No	Issue	(5) Very large extent	(4) large extent	(3) same extent	(2) small	(1) No extent
11.	Seek to know customer's satisfaction on ease of full functionally of electronic equipment.					
12.	Convenience of location of offices					
13.	Convenience of official opening hours					
14.	Accessibility of offices though E-mail, telephone and fax.					
15.	Accessibility of companies offices via personal visit by customers.					
16.	Provision of prompt service.					
17.	Holding adequate stocks of electronic security products.					
18.	Employee empowerment enhancing service delivery.					
19.	Staffs are well dressed in firms uniform.					
20.	Conducting a formal installation and commissioning process for all installation work.					
21.	Training customers on full functionally of installed equipment.					
22.	Advising, customers on the introduction of new products and services.					
23.	Advising customers on full range and extent of your firms products and services.					
24.	Full functionality of a preventive maintenance programme					
25.	Adequate number of fully skilled staff in all departments.					
26.	Adequate tools and transport for technical staff.					
27.	Posses and comply with a product warranty policy.					
28.	Provide lease hire, outright purchase rental or other financing options.					
29.	Conduct periodic quality audit.					
30.	Review insurance liability limits periodically.					
31.	Ability of operations staff to resolve incidents of bleach of security correctly.					

No	Issue	(5) Very large extent	(4) large extent	(3) same extent	(2) small	(1) No extent
32.	Ability of technical staff to solve equipment malfunction problems correctly first time.					
33.	Ability to give and send correct invoices.					
34.	Willingness to help customers.					
35.	Courteous, friendly and polite employees.					
36.	Caring and understanding by staff when dealing with customers.					
37.	Trustworthy, believability and honesty of employees.					
38.	Ability to offer dependable services.					
39.	Willingness and promptness in solving complaints.					
40.	Prompt and accurate feedback to customers on their queries by your staff.					
41.	Training staff in customer service.					
42.	Training field staff in security matters					
43.	Training staff on specific equipment					
44.	Carrying out regular surveys to identify employee needs.					
45.	Focus on employee satisfaction.					
46.	Recognizing and rewarding employees based on the contribution to service excellence.					
47.	Importance in expanding branch network.					
48.	Importance in expanding presence in all parts of the country.					
49.	Seeking customer perception on the view that the firm is competent in security services delivery.					
50.	Agree service level delivery with customers.					
51.	Monitoring compliance to service level delivery as agreed with customers.					
52.	Developing a customer oriented culture.					
53.	Conduct survey to identify customer needs.					
54.	Setup customer service desk and monitor performance.					

No	Issue	(5) Very large extent	(4) large extent	(3) same extent	(2) small	(1) No extent
55.	Caring and individualized customer attention for large customers					
56.	Setting a price premium for distinctive services.					
57.	Attach importance to the distinctiveness of the company brand or symbol.					
58.	Communicate company vision and mission to staff.					
59.	Seek customer perception on value adding status of brand or symbols.					
60.	All company facilities, brochures and vehicles carry the brand.					
61.	All company uniformed staff display the firms brand at all times while on duty.					
62.	Attract best employees in job market.					
63.	Attach great importance to the choice of advertising media used.					
64.	Importance attached to having an advertising strategy and budget.					
65.	Use of public relations.					
66.	Safety and appearance of firm facilities and equipment.					
67.	Perception of customers about attractiveness of offices and safety of surrounding areas.					
68.	Appearance and cleanliness of vehicles.					
69.	Appearance and good turnout by staff.					
70.	Office locations project a good image for the firm.					
71.	The firm sponsors specific events.					
72.	Attach importance that a large number of customers associate with events sponsored by firm.					
73.	Project an excellent ethical stand by the firm					

PART III

Please indicate the factors that influence the choice of differentiation strategies used by your firm

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____

Thank you very much for your cooperation.

APPENDIX 4

Operational Dimensions of Differentiation Strategies

1. Product differentiation strategy

Dimension required to identify the operationalisation of the strategy.

Broad dimension of product strategy	Dimensions of differentiation	Relevant issues	Relevant questions
Form	Size, shape, physical structure	Does size and shape of CCT/, Alarm panels fit in customer's premises	1
Features	• Internet compatibility, • Control room compatibility • Customer buy in.	• Are features integrated online with changes in modern electronic technology? • Are CCTV/ alarm panels compatible with other control room equipment • Is there Customers appreciation of features and acceptance of usage.	2,3
Performance quality	• Low, average, high or superior performance.	• Is customer perception on quality of equipment okay • Is profitability associated with available quality rewarding to supplier.	4
Conformance	• Uniformity of products conformance to specifications. • Compliance with world class standards.	• Products to be identical in all respects. • Products to perform to required specifications.	5
Durability	• Life of product • Exposure to technical obsolescence.	• Products serve customer for a reasonably long time before replacement. • Technological changes making product useless.	2,6
Reliability	• Probability of product serving without malfunction.	• Is perception of customers on reliability of firm' products good?	7
Reparability	• Ease of repair of product after failure or malfunction.	• Is customers perception of cost impact after failure or malfunction of equipment agreeable.	8,9

Broad dimension of product strategy	Dimensions of differentiation	Relevant issues	Relevant questions
		• Is customers perception of down time after failure or malfunction. • Is availability of a diagnostic feature of repair to equipment available?	
Style	• Distinctiveness of style of the products. • Emotional attribute for product.	• Do customers notice the distinctiveness and style of the firm's brand • Is customer emotional response to style and looks of product good?	10
Design	• Technological capacity. • Aesthetics of products • Cost effectiveness.	• Is customer level of satisfaction with ease of full functionality of products high? • Does the products aesthetics provide ease and appeal of usage? • Does the customer see value for money through the products design?	6,11

2. Service differentiation strategy

Dimensions required to indentify the operationalization of the strategy

Broad dimension of differentiation	Relevant issues	Relevant Questions
Ordering ease	• How easy is it for customers to order for services or product? • Is number of ordering points adequate? • Can customers place orders 7 days a week, day or night? • Are company offices accessible to customer easily?	12,13,14,15
Service delivery	• Are alarm response crews able to respond within specified time? • Are security staff prompt in reporting on duty? • Are electronic security equipments kept available in stock and available immediately after order is place? • Are security staff well dressed and look presentable?	16,17,18,19,46
Installation	• Is installation of electronic security and other equipment done promptly? • Is quality of installation acceptable to customer? • Is there a formal commissioning process for all installation work done?	5,16,20
Customer Training	• Are customers fully, trained on the use of electronic security equipment? • Are customers fully briefed on the liability and insurance limitation of security services provide?	3,21,22,23,30
Maintenance and Repair	• Are there scheduled preventive maintenance programmes for all equipment in customers provider? • Does the firm have an adequate number of qualified technical staff? • Does the firm have adequate transport and tools for technical staff?	8,9,24,25,26

Broad dimension of differentiation	Relevant issues	Relevant Questions
Product warranty	• Is there a refund policy to customers for services not rendered or poorly rendered? • Are faulty products replaced free of charge. If failure occurs within the period of warranty?	5 , 7, 27
Financing	• Is electronic security equipment sold on lease and hire purchase options? • How important is it for the firm to extended credit to customers.	28
Quality Audits	• Are security surveys on customer premises done periodically? • Are insurance or liability limits for specific customers contracts reviewed periodically?	29, 30

3. Personnel differentiation

Dimensions required to identify the operationalization of the strategy

Broad dimension of differentiation	Relevant issues	Relevant questions
Competence	• Do technical staff in the field install and repair equipment correctly? • Do security staff respond to incidents of breach of security correctly? • Do office staff respond to customers complaints correctly?	41,42,43,33, 62,21,24 26,31, 32
Courtesy	• Do security staff in the field show respect when they visit customers? • Do office staff show respect to customers when solving their problems? • Do all company employees display friendliness when interfacing with customers at all times?	34, 35, 36
Credibility	• Do customers trust all company employees? • Are all company transactions supported with honesty?	34, 36, 37
Reliability	• Do alarm response crews respond correctly to the customers after an alarm activation? • Are guards alert and on duty all the time? • Does firm meet 100% contractual obligation to customers?	18, 26, 28
Responsiveness	• Do company field staff responds to customer issues very promptly? • Do campany staff in offices respond instantly to customer issues following complaints? • Are office staff able to quickly and accurately resolve billing problems? • Are customer claims resolved promptly?	16, 34, 39
Communication	• When customers have problems are all company staff willing to listen? • When customers request for complaint resolution, is there effective feedback? • When technical staff can not effectively repair security equipment are customers kept informed?	14, 15, 22, 23, 40

Broad dimension of differentiation	Relevant issues	Relevant questions
Training	• Are staff trained on customer service? • Are technical staff trained on specific equipment? • Are security personnel trained effectively on security matters?	25, 41, 42, 43
Motivation	• Are internal staff satisfaction surveys conducted to access the level of internal staff morale?	44, 45 and 46

4. Channel differentiation strategy

Dimensions required to indentify the operationalization of strategy

Broad dimension of Differentiation	Relevant Issues	Relevant question
Coverage	5. Does the company own an extensive branch network? 6. Does the firm operate in most parts of the country?	12, 47, 28
Expertise	• Are all company staff skilled in delivery of service to customers? • Do customers believe that the company is competent in security service delivery?	22,23,39, 49
Performance	• Does the firm agree to service delivery levels with customers? • Are service delivery levels monitored periodically?	16, 18, 50, 51, 62
Sales & Marketing	• Is the firm marketing focused? • Are customer needs well understood? • Does the firm have a formal marketing strategy? • Do sales staff sell a wide range of products to customers? • Are sales personnel well trained and competent?	41, 52, 1, 53, 54, 55, 58
Price Premium	Does the firm charge a premium price for its services?	56

5. **Image differentiation strategy**

Dimensions required to identify the operationalization of the strategy.

Broad dimension of Differentiation	Relevant Issues	Relevant question
Symbols/Brands	• Does the firm have symbols to represent its identify? • Does senior management believe that the company brand resonates with customers? • Does the brand have an association? • Does the brand represent a value proposition to customers? • Is the brand distinctive? • Do all company facilities and vehicles carry the firms' brand?	10,19,57,59, 60, 61
Media	• Is management keen to use TV, Newspapers or brochures to advertise the brand? • Does the company have a formal advertising strategy? • Does the company have an advertising budget?	63,64, 65
Atmosphere	• Are facilities and offices of the company attractive? • Are staff well dressed? • Do vehicles look well serviced? • Does the location project a good image? • Are all firms facilities and premises customer friendly and secure?	66,67,68,69, 70
Events	• Does the company sponsor or identify with specific events? • What is the broad customer perception of these image building events?	70,71,72, 73
Ethical stance	• How do customer perceive the ethical posture of the firm?	73

Appendix 5

Formulae for the various variables

Part II of Questionnaire: Measures of extent of use of differentiation strategies.

F_e - denotes, frequencies of scores obtained from the likert scale

X_e - denotes the actual scores on likert scale Continuum (i.e 1 to 5)

Means, $Me = \frac{\sum F_e X_e}{\sum F_e}$

Variance, $V_e = \frac{\sum F_e X_e^2}{\sum F_e} - = \left(\frac{\sum F_e X_e}{\sum F_e}\right)^2$

Standard Deviation, $S_e = \sqrt{V_e}$ or SQRT of V_e

Coefficient of Variation, $C_r = \frac{S_e}{M_e} \times 100\%$

Appendix 6 –Schedule of Relative Proportional Importance of Strategies Used – All Firms

Broad dimension of strategy	Weighted mean	Relative Proportional Importance (%)
Credibility	4.833	3.21
Courtesy	4.75	3.15
Durability	4.7187	3.133
Foam	4.687	3.11
Performance quality	4.625	3.07
Design	4.625	3.07
Responsiveness	4.52	3
Atmosphere	4.475	2.97
Features	4.46875	2.966
Reliability	4.3958	2.92
Symbol/brands	4.3958	2.918
Ethical stance	4.375	2.904
Conformance	4.375	2.9
Quality audits	4.375	2.9
Installation	4.354	2.89
Customer training	4.35	2.888
Product warranty	4.333	2.886
Competence	4.343	2.883
Communication	4.325	2.871
Sales & Marketing	4.33	2.87
Expertise	4.328	2.87
Reliability	4.3125	2.863
Financing	4.3125	2.862
Maintenance and repair	4.275	2.838
Service delivery	4.2625	2.829
Training	4.203	2.79
Performance	4.2	2.79
Style	4.125	2.738
Ordering ease	4.125	2.738
Events	4.125	2.738
Reparability	4.0312	2.67
Price Premium	3.9375	2.61
Coverage	3.896	2.586
Motivation	3.835	2.545
Media	3.5545	2.359
	4.4	**2.857**

Appendix 7

Product Strategy

Broad dimension of strategy	Question Number	Mean Score	Weighted mean	Variance	Standard Deviation	Coefficient of Variation
Durability	2 6	4.6875 4.750	4.7187	0.2	0.448	9.45
Foam	1	4.687	4.687	0.234	0.484	10.45
Performance quality	4	4.625	4.625	0.234	0.448	10.5
Design	6 11	4.750 4.50	4.625	0.563	0.7	15.3
Features	2 3	4.6875 4.250	4.46875	0.389	0.607	13.75
Conformance	6	4.375	4.375	0.436	0.667	13.70
Reliability	7	4.3125	4.3125	0.535	0.732	16.9
Style	10	4.125	4.125	0.484	0.696	16.8
Reparability	8 9	4.1875 3.875	4.0312	0.552	0.737	16.8

.../Continuation of Appendix 7

Service Differentiation

Broad dimension of strategy	Question number	Mean score	Weighted mean	Variance	Standard Deviation	Coefficient of Variation
Quality audits	29	4.250	4.375	0.732	0.7	16.5
	30	4.50				
Installation	5	4.375	4.354	0.626	0.769	15.6
	16	4.250				
	20	4.4375				
Customer training	3	4.250	4.35	0.757	0.863	20.3
	21	4.3125				
	22	4.0625				
	23	4.625				
	30	4.50				
Product warranty	5	4.375	4.333	0.562	0.5	16.73
	7	4.3125				
	27	4.3125				
Financing	28	4.3125	4.3125	0.715	0.845	19.6
Maintenance and repair	8	4.1875	4.275	0.442	0.66	15.44
	9	3.875				
	24	4.50				
	25	4.375				
	26	4.4375				
Service delivery	16	4.25	4.2625	0.718	0.808	20.32
	17	4.8125				
	18	4.4375				
	19	4.4375				
	46	3.3750				
Ordering ease	12	3.6875	4.125	0.954	0.939	23.1
	13	4.0625				
	14	4.6875				
	15	4.0625				

.../Continuation of Appendix 7

Personnel differentiation

Broad dimension of strategy	Question number	Mean score	Weighted mean	Variance	Standard Deviation	Coefficient of Variation
Credibility	34	4.8125	4.833	0.139	0.219	7.6
	36	4.8125				
	37	4.8125				
Courtesy	34	4.8125	4.75	0.18	0.424	8.94
	35	4.625				
	36	4.8125				
Responsiveness	16	4.250	4.52	0.447	0.533	8.96
	34	4.8125				
	39	4.50				
Reliability	18	4.4375	4.3958	0.527	0.447	16.37
	26	4.4375				
	28	4.3125				
Competence	31	4.250	4.343	0.495	0.636	16.5
	32	4.1875				
	33	4.375				
Communication	14	4.6875	4.325	0.628	0.772	14.08
	15	4.0625				
	22	4.0625				
	23	4.625				
	40	4.1875				
Training	25	4.375	4.203	0.439	0.674	12.68
	41	4.4375				
	42	4.000				
	43	4.000				
Motivation	44	3.8125	3.835	1.072	1.028	27.5
	45	4.3175				
	46	3.375				

.../Continuation of Appendix 7

Channel differentiation

Broad dimension of strategy	Question Number	Mean Score	Weighted Mean	Variance	Standard Deviation	Coefficient of Variation
Sales & Marketing	01	4.687	4.33	0.65	0.806	18.62
	42	4.4375				
	52	4.500				
	53	4.00				
	54	3.8125				
	55	4.500				
	58	4.375				
Price Premium	56	3.9375	3.9375	0.934	0.966	24.51
Performance	16	4.25	4.2	0.731	0.855	20.36
	18	4.4375				
	50	4.1875				
	51	3.9375				
	62	4.1875				
Expertise	22	4.0625	4.328	0.569	0.750	17.4
	23	4.625				
	39	4.500				
	49	4.125				
Coverage	12	3.6875	3.896	0.767	0.875	22.9
	28	4.3125				
	47	3.6875				

.../Continuation of Appendix 7

Image differentiation strategy

Broad dimension of strategy	Question Number	Mean score	Weighted Mean	Variance	Standard Deviation	Coefficient of Variation
Atmosphere	66	4.125	4.475	0.666	0.816	18.23
	67	4.50				
	68	4.50				
	69	4.625				
	70	4.625				
Symbol/brands	10	4.750	4.3958	0.4355	0.659	15
	19	4.4375				
	57	4.4375				
	59	3.9375				
	60	4.500				
	61	4.3125				
Ethical stance	73	4.375	4.375	0.359	0.599	13.7
Events	70	4.625	4.125	0.646	0.804	19.49
	71	3.9375				
	72	3.5625				
	73	4.375				
Media	63	3.5635	3.5545	1.004	1.002	28.19
	64	3.500				
	65	3.625				
		4.40	**4.40**	**0.676**	**0.822**	**18.7**

Appendix 8

Mean Scores and Frequencies of Differentiation Strategies used - Small Firms

Question No.	Mean	Variance	Standard Deviation	Coefficient of variation
1	5	0	0	0
2	4.555	0.246	0.4969	10.9
3	4.555	0.246	0.4969	10.9
4	5	0	0	0
5	4.55	0.246	0.4969	10.9
6	4.294	0.207	0.455	10.59
7	3.933	0.5315	0.729	18.55
8	4	0	0	0
9	3.933	0.728	0.853	21.68
10	4.296	0.207	4.55	10.59
11	4.55	0.246	0.4969	10.9
12	3	0	0	0
13	3.4	1.44	1.2	35.2
14	5	0	0	0
15	2.818	0.147	0.385	13.66
16	3.61	1.348	1.16	32.13
17	4	0	0	0
18	4.25	0.93	0.968	22.76
19	4.294	0.267	0.455	10.5
20	4.125	0.48	0.696	16.87
21	4.067	0.859	0.927	22.79
22	3.933	0.73	0.855	21.74
23	4.25	0.93	0.968	22.76
24	4.294	0.267	0.455	10.59
25	4.125	0.48	0.696	16.87
26	4.294	0.267	0.455	10.59
27	3.933	0.73	0.855	21.74
28	4.294	0.267	0.455	10.59
29	3.769	0.634	0.7966	21.13
30	3.714	0.92	0.959	25.82
31	3.571	0.247	0.498	13.95
32	3.8	0.16	0.4	10.52
33	4	0	0	0
34	4.789	0.17	0.412	8.6
35	4.555	0.858	0.926	20.03
36	4.294	0.267	0.455	10.59
37	4.555	0.858	0.926	20.03
38	4.294	0.267	0.455	10.59
39	4	0	0	0
40	4.125	0.48	0.696	16.87
41	4.41	0.586	0.765	17.34
42	3.1667	0.672	0.819	25.86

Question No.	Mean	Variance	Standard Deviation	Coefficient of variation
43	3.461	0.547	0.74	21.38
44	4.375	0.984	0.992	22.67
45	4.067	0.859	0.927	22.79
46	4.067	0.859	0.927	22.79
47	3.308	0.207	0.455	13.75
48	3.308	0.207	0.455	13.75
49	4.294	0.267	0.455	10.59
50	3.933	0.73	0.855	21.74
51	3.571	0.247	0.498	13.95
52	3.5	1.75	1.323	37.8
53	3.77	1.55	1.246	33.05
54	3.571	0.247	0.498	13.95
55	4.555	0.858	0.926	20.03
56	4.666	0.555	0.745	15.97
57	4.294	0.267	0.455	10.59
58	4.125	0.48	0.696	16.87
59	4.294	0.267	0.455	10.59
60	4.294	0.267	0.0455	10.59
61	3.8	0.16	0.4	10.52
62	3.571	0.247	0.498	13.95
63	3.571	0.247	0.498	13.95
64	4.411	0.586	0.765	17.34
65	3.8	0.16	0.4	10.52
66	3.571	0.247	0.498	13.95
67	3.571	0.247	0.498	13.95
68	3.571	0.247	0.498	13.95
69	4.555	0.858	0.926	20.03
70	4.555	0.858	0.926	20.03
71	4	0	0	0
72	4	0	0	0
73	4.555	0.858	0.926	20.03

Appendix 9

Mean Scores and Frequencies of Differentiation Strategies used - Medium Firms

Question No.	Mean	Variance	Standard Deviation	Coefficient of variation
1	4.555	0.251	0.502	11.03
2	4.897	0.015	0.1229	2.5
3	4.4857	0.418	0.646	14
4	4.675	0.224	0.473	10.11
5	4.542	4.543	0.589	0.762
6	4.897	0.0193	0.139	2.838
7	4.555	0.252	0.502	11.03
8	4.675	0.218	0.4669	9.98
9	4.272	0.553	0.744	17.4
10	4.352	0.412	0.642	14.75
11	4.611	0.3976	0.63	13.66
12	4.096	0.867	0.9315	22.74
13	4.667	0.552	0.743	15.92
14	4.611	0.4057	0.637	13.81
15	4.675	0.218	0.4669	9.98
16	4.675	0.218	0.4669	9.98
17	4.272	0.553	0.744	17.4
18	4.555	0.2975	0.5454	11.98
19	4.611	0.4057	0.637	13.81
20	4.4857	0.418	0.646	14
21	4.4857	0.418	0.646	14
22	4.675	0.224	0.475	10.11
23	4.729	0.365	0.605	12.79
24	4.428	0.249	0.499	11.27
25	4.353	0.4	0.633	14.54
26	4.4857	0.418	0.646	14
27	4.611	0.3976	0.63	13.66
28	4.25	0.5175	0.719	16.91
29	4.428	0.249	0.499	11.27
30	4.29	0.2359	0.486	11.33
31	4.25	0.5175	0.719	16.91
32	4.486	0.418	0.646	14
33	4.789	0.165	0.407	8.4
34	4.897	0.015	0.1229	2.5
35	4.789	0.165	0.407	8.4
36	5	0	0	0
37	5	0	0	0
38	4.675	0.224	0.475	10.11
39	4.789	0.165	0.407	8.4
40	4.29	0.2359	0.486	11.33
41	4.555	0.2975	0.545	11.98
42	4.29	0.2359	0.486	11.33

Question No.	Mean	Variance	Standard Deviation	Coefficient of variation
43	3.96	0.414	0.643	16.23
44	3.96	0.414	0.643	16.23
45	4.486	0.418	0.646	14
46	3.67	0.651	0.807	21.99
47	4	0.87	0.933	23.33
48	3.59	0.77	0.878	22.45
49	3.96	0.414	0.643	16.23
50	4.353	0.4	0.633	14.54
51	4.353	0.4	0.633	14.54
52	4.897	0.015	0.1229	2.5
53	4.29	0.2359	0.486	11.33
54	3.86	0.5	0.707	18.3
55	4.611	0.3976	0.63	13.66
56	3.82	0.888	0.942	24.65
57	4.675	0.218	0.4669	9.98
58	4.675	0.218	0.4669	9.98
59	3.96	0.414	0.643	16.23
60	4.555	0.2975	0.545	11.98
61	4.555	0.2975	0.545	11.98
62	4.353	0.4	0.633	14.54
63	4	0.8	0.894	22.35
64	3.518	0.401	0.633	17.99
65	3.86	50	0.707	18.3
66	4.428	0.249	0.499	11.27
67	4.789	0.165	0.407	8.4
68	4.555	0.2975	0.545	11.98
69	4.675	0.218	0.4669	9.98
70	4.729	0.365	0.605	12.79
71	3.933	0.728	0.854	21.7
72	3.593	0.757	0.87	24.21
73	4.294	0.2	0.448	10.4

Appendix 10

Mean Scores and Frequencies of Differentiation Strategies used - Large Firms

Question No.	Mean	Variance	Standard Deviation	Coefficient of variation
1	4.555	0.2419	0.4969	10.9
2	4.555	0.2419	0.4969	10.9
3	3.933	0.7315	0.855	21.7
4	4.294	0.208	0.457	10.63
5	4.294	0.208	0.457	10.63
6	4.789	0.161	0.401	8.3
7	4.555	0.858	0.926	20.03
8	3.933	0.7315	0.855	21.7
9	3.857	1.123	1.06	27.48
10	4.125	0.484	0.6959	16.87
11	4.789	0.166	0.4	8.5
12	4.25	0.7525	0.867	20.4
13	4.789	0.161	0.401	8.3
14	4.789	0.161	0.401	8.3
15	4.555	0.858	0.926	20.03
16	4.666	0.555	0.745	15.97
17	4.294	0.2	0.449	10.45
18	4.789	0.161	0.401	8.3
19	4.555	0.858	0.926	20.03
20	5	0	0	0
21	4.64	0.925	0.962	20.73
22	3.615	1.31	1.145	31.67
23	4.411	0.586	0.765	17.34
24	4.66	0.614	0.7838	16.82
25	4.789	0.161	0.7838	16.82
26	4.555	0.858	0.926	20.03
27	4.411	0.586	0.765	17.34
28	5	0	0	0
29	4.75	0.9375	0.968	20.37
30	4.411	0.586	0.765	17.34
31	4.789	0.161	0.402	803
32	4.411	0.586	0.765	17.34
33	4.41	0.586	0.765	17.34
34	4.789	0.161	0.401	8.3
35	4.555	0.858	0.926	20.03
36	4.789	0.161	0.401	8.3
37	4.789	0.161	0.401	8.3
38	4.789	0.161	0.401	8.3
39	4.555	0.858	0.926	20.03
40	4.555	0.2	0.449	10.45
41	4.555	0.858	0.926	20.03

Question No.	Mean	Variance	Standard Deviation	Coefficient of variation
42	4.375	0.984	0.992	22.67
43	4.375	0.984	0.992	22.67
44	4.066	0.864	0.928	22.82
45	4.647	0.924	0.961	20.68
46	3.833	1.805	1.343	35
47	4.286	1.502	1.225	28.58
48	4.375	0.984	0.992	22.67
49	4.292	0.2	0.449	10.45
50	4.375	0.984	0.992	22.67
51	4.375	0.984	0.992	22.67
52	4.789	0.161	0.401	8.3
53	4.292	0.2	0.449	10.45
54	4.467	1.048	1.024	22.9
55	4.789	0.161	0.401	8.3
56	4.375	0.984	0.992	22.67
57	4.647	0.924	0.961	20.68
58	4.41	0.0586	0.765	17.34
59	3.8	0.752	0.867	22.82
60	5	0	0	0
61	4.789	0.161	0.401	8.3
62	4.41	0.586	0.765	17.34
63	4.23	2.02	1.423	33.6
64	3.833	1.805	1.345	35
65	3.615	1.31	1.145	31.67
66	4.647	0.924	0.961	20.68
67	4.789	0.161	0.401	8.3
68	4.555	0.858	0.926	20.03
69	4.789	0.161	0.401	8.3
70	5	0	0	0
71	4.41	0.586	0.765	17.34
72	3.857	1.123	1.059	
73	4.66	0.614	0.7838	16.88

Appendix 11

Mean Scores and Frequencies of differentiation strategies used - All firms

Question number	Scores and frequencies of strategies used					Mean	Variance	Standard deviation	Coefficient of variance
	5	4	3	2	1				
1	10	6	0	0	0	4.63	0.234	0.484	10.45
2	11	5	0	0	0	4.69	0.215	0.464	9.9
3	7	6	3	0	0	4.25	0.563	0.750	17.6
4	10	6	3	0	0	4.63	0.234	0.484	10.5
5	8	6	2	0	0	4.38	0.436	0.660	13.7
6	12	4	0	0	0	4.75	0.188	0.433	9
7	7	6	2	0	0	4.31	0.535	0.732	16.9
8	5	9	2	0	0	4.19	0.402	0.634	15
9	5	5	5	1	0	3.88	0.703	0.839	21.6
10	5	8	3	0	0	4.13	0.484	0.696	16.8
11	10	5	1	0	0	4.50	0.938	0.968	21.5
12	5	1	10	0	0	3.69	0.840	0.916	24.8
13	9	3	2	0	2	4.06	1.778	1.333	32.7
14	12	3	1	0	0	4.69	0.340	0.583	12.4
15	7	5	3	1	0	4.13	0.859	0.927	22.4
16	9	3	3	1	0	4.25	0.938	0.968	22
17	4	10	2	0	0	4.13	0.359	0.599	14.5
18	9	5	2	0	0	4.44	0.496	0.704	15.8
19	8	7	1	0	0	4.44	0.371	0.609	13.7
20	9	4	2	0	0	4.44	0.504	0.710	15.9
21	8	5	1	2	0	4.19	1.027	1.014	24
22	7	4	4	1	0	4.06	0.934	0.966	23
23	10	2	4	0	0	4.38	0.734	0.857	19.6
24	8	8	0	0	0	4.50	0.250	0.500	11
25	8	6	2	0	0	4.38	0.484	0.696	15.9
26	8	7	1	0	0	4.44	0.371	0.609	13.7
27	9	3	4	0	0	4.31	0.715	0.845	19.6
28	8	6	1	1	0	4.31	0.715	0.845	19.6
29	7	8	0	0	1	4.25	0.938	0.682	16
30	6	7	3	0	0	4.19	0.527	0.726	17
31	6	6	3	1	0	4.25	0.938	0.968	22.7
32	5	9	2	0	0	4.19	0.402	0.634	15
33	7	8	1	0	0	4.38	0.359	0.599	13.7
34	13	3	0	0	0	4.81	0.155	0.394	8
35	10	6	0	0	0	4.63	0.235	0.485	10.5
36	13	3	0	0	0	4.81	0.155	0.394	8
37	14	2	0	0	0	4.88	0.109	0.331	6.8
38	10	6	0	0	0	4.63	0.235	0.485	10.5
39	8	8	0	0	0	4.50	0.250	0.500	11
40	4	11	1	0	0	4.19	0.277	0.527	12.6
41	8	7	1	0	0	4.44	0.371	0.609	13.7

Question number	Scores and frequencies of strategies used					Mean	Variance	Standard deviation	Coefficient of variance
	5	4	3	2	1				
42	4	10	2	0	0	4.00	0.359	0.599	15
43	4	9	2	1	0	4.00	0.625	0.791	19.8
44	3	9	3	1	0	3.81	1.089	1.044	27.4
45	8	6	1	1	0	4.60	0.715	0.845	19.6
46	1	11	2	1	0	3.70	1.428	1.195	35.6
47	3	4	8	1	0	3.56	0.746	0.864	24.3
48	3	4	8	1	0	3.56	0.746	0.864	24.3
49	4	10	2	0	0	4.13	0.359	0.599	14.5
50	5	7	3	1	0	4.00	0.785	0.886	21
51	5	6	4	1	0	3.94	0.809	0.899	22.8
52	11	3	0	2	0	4.44	0.996	0.998	22.5
53	4	10	0	2	0	4.00	0.750	0.866	21.7
54	5	5	5	0	1	3.81	1.152	1.073	28.2
55	10	5	1	0	0	4.50	0.938	0.968	21.5
56	6	4	5	1	0	3.94	0.934	0.966	24.51
57	9	5	1	1	0	4.38	0.734	0.857	19.6
58	8	6	2	0	0	4.38	0.484	0.696	15.89
59	2	11	3	0	0	3.94	0.309	0.556	14.1
60	8	8	0	0	0	4.50	0.250	0.500	11
61	7	7	2	0	0	4.31	0.465	0.682	15.8
62	6	7	3	0	0	4.19	0.527	0.726	17.3
63	3	7	3	1	1	3.56	0.996	0.998	28
64	3	6	4	0	1	3.50	0.750	0.866	24.7
65	3	5	7	1	0	3.63	1.297	1.139	31.4
66	6	7	2	1	0	4.13	0.734	0.857	20.8
67	10	4	2	0	0	4.50	0.500	0.707	15.7
68	6	8	2	0	0	4.25	0.438	0.661	15.6
69	10	6	0	0	0	4.63	0.734	0.857	18.5
70	12	3	1	0	0	4.63	0.922	0.960	20.7
71	4	7	5	0	0	3.94	0.559	0.747	19
72	2	7	5	2	0	3.56	0.746	0.864	24.3
73	7	8	1	0	0	4.38	0.359	0.599	13.7
	521	**447**	**164**	**27**	**6**	**4.40**	**0.676**	**0.822**	**18.71**