THE USE OF STRATEGIC POSITIONING TO ACHIEVE SUSTAINABLE COMPETITIVE ADVANTAGE AT SAFARICOM LIMITED

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DECLARATION

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

Sign: .... **Date:** ..14/11/2011..........

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This project has been submitted for examination with our approval as University Supervisors.

JEREMIAH KAGWE

Sign: .... **Date:** 16/11/2011

DEDICATION

I dedicate this work to my family for the support they gave for me to complete this project. Their love, care, concern, support, encouragement and enthusiasm inspired me to achieve this goal.

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I take this opportunity to thank God for good health and for bringing me this far. I also want to extend special gratitude to my supervisor Mr. Jeremiah Kagwe, for the great partnership we made. His guidance, encouragement and patience in reading, correcting, re-reading and refining this work were commendable.

ABSTRACT

It is often observed that companies position themselves based on their strength, or the advantages they posses comparing to their competitors. Therefore, sustainable competitive advantage is playing a major role in company's strategic positioning against its competitors. Nowadays, positioning has become a popular word among marketing practitioners and theorists. This study sought to determine the role of strategic positioning in achieving sustainable competitive advantage at Safaricom Kenya Limited. The study also sought to answer the following questions; what is the role of cutting edge technology in achieving a sustainable competitive advantage in Safaricom Limited? What is the role of Resource-Based-View in achieving a sustainable competitive advantage in Safaricom Limited? What is the role of generic strategies in achieving a sustainable competitive advantage in Safaricom Limited? This was a case study research. Primary data was used in this study. Primary data refers to what is collected directly by the researcher for the purpose of the study. An interview guide was used to collect the primary data.

The collected data was organized, categorised on its themes and relationships between the categories established for easy and accurate analysis. The data was then evaluated and analyzed to determine the adequacy, the accuracy, the credibility and the usefulness of information in answering research questions in order to achieve the objectives of the study. Content analysis was employed to process data collected. This study found that cutting edge technology was helping Safaricom limited in achieving a sustainable competitive advantage. Safaricom limited was the first telecommunication service provider to adopt a 3G+ technology and money transfer services by use of mobile phones (M-PESA). The study also found that resource based view in Safaricom limited was highly influencing the achievement of a sustainable competitive advantage. The major resources in Safaricom limited include technological resources, human resources, knowledge resources, financial resources and assets.

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CHAPTER ONE: INTRODUCTION

1.1 Background of the study

The importance of competitive advantage and distinctive competences as determinants of a firm's success and growth has increased tremendously in the last decade. This increase in importance is as a result of the belief that fundamental basis of above-average performance in the long run is sustainable competitive advantage (Porter, 1985). Practitioners and academicians have centered their studies on firm specific characteristics that are unique, add value to the ultimate consumer and are transferable to many different industrial settings (Coplin, 2002). Thus, it is understood that across sectors most firms should recognize that attaining competitive advantages is the most challenging issue facing firms in the 21st century. This concern has led to the development of resource-based and knowledge-based theories that examine the relationship between core resources and capabilities; sustainable competitive advantage and above normal performance. According to Barney (1991) a firm is said to have a sustainable competitive advantage when it is implementing a value creating strategy not simultaneously being implemented by any current or potential competitors and when these other firms are unable to duplicate the benefits of this strategy. Thus sustained competitive advantage exists only after efforts to replicate that advantage have failed. It is for this reason that organizations are focusing on methods and strategies that are difficult to imitate. One of such methods and strategies is organizational learning through which an organization is capable of developing intellectual capital (human capital, social capital and organizational capabilities) that is rare and difficult to imitate (Stata, 1999).

1.1.1 Strategic positioning

Originally, thirty or forty years ago, strategic positioning was a marketing term that described how a company configured the 4 Ps of marketing (product features, price, place, and promotion) so that they appeal to a specific market segment or niche. Primarily, strategic positioning is a differentiation tactic by customer segment, with the goal to dominate one market niche as much as possible, thus matching production costs, locations, price and product to maximize the returns on investment (ROI) on that combination. The primary benefits are to gain market share dominance, and keep margins as high as possible to maximize profits. Fundamentally, the strategy acknowledges that for most companies 'one size does not fit all'. By matching the combination of the four factors to market niches, a company can optimize its market penetration and its operations to serve those market niches (Stata, 1999).

Strategic positioning requires a more complex business operation, and managing this complexity increases overhead, and requires more sophisticated management techniques, tools and information. If not done properly, one product configuration can cannibalize another in the marketplace, and launching a new product may actually not marginally improve the businesses ROI because it just siphons customers and resources from other products by the same company.

Companies use strategic positioning when they consciously decide to expand their business into different market segments than they are in currently. Of course, the best case is when a company produces a unique product or service that is universally desired by all market segments without regard to price or location, so the company doesn't have to worry as much about strategic positioning (Tampoe, 1994).

1.1.2 Sustainable competitive advantage (SCA)

The concept of SCA appeared in 1984, when Day suggested certain types of strategies to sustain the competitive advantage. The term SCA was proposed by Porter in 1985, when he discussed the basic types of competitive strategies firms can follow (low cost, differentiation, and focus) to achieve SCA (Slater and Naver, 1995). There is no common meaning for "competitive advantage" in practice or in the marketing strategy literature. Sometimes the term is used interchangeably with distinctive competence to mean relative superiority in skills and resources. Hoffman (2000) summarizes all previous works which deal with SCA. Based on the analysis of different perspectives found in the literature he proposed the following definition of SCA: A SCA is the prolonged benefit of implementing some unique value-creating strategy not simultaneously being implemented by any current or potential competitor, along with the inability to duplicate the benefits of this strategy.

Different authors name different sources of SCA. The most widespread theory explaining sources of competitive advantage is the "resource-based view" (RBV). Day and Wensley (1988) presented the framework to explain the link between the sources of competitive advantage and performance outcomes. They name superior skills and superior resources as the main sources of competitive advantage. Later in resource based theories these two main sources of advantage were called assets and capabilities respectively. Assets are the resource endowments the business has accumulated, and capabilities are the glue that keeps these assets together and enables them to be deployed advantageously. Capabilities differ from assets in that they cannot be given a monetary value, as can tangible plant and equipment, and are so deeply embedded in the organizational routines and practices that they cannot be traded or imitated (Stata, 1989).

1.1.3 The role of strategic positioning in achieving SCA

A well-positioned business is closely aligned to the needs of its target segments, both current and emerging. Companies which anticipate and shape market trends have the best opportunity for long-term prosperity. In business, often the best way to predict the future is to create it, and companies are often able to position themselves in ways which set and exploit the basis of competition to their advantage. There are two ways in which a business can gain competitive advantage by establishing a favourable basis of competition: first is to influence customers' perceptions, their expectations, and the benefits and value which they are prepared to pay for i.e. driving customers towards preferences in which a company has a competitive advantage in delivering against. The second is to establish a raw competitive advantage over rivals (Ulrich and Lake, 1991).

The first method is obviously about shaping the nature of market demand to generate a desired market positioning. The second method, i.e. establishing raw competitive advantage is about using the delivery or supply side of business to establish a market positioning that is usually quite tangible. Marketing innovation can be used to drive opportunities in both types of positioning (Wernerfelt, 1984).

1.1.5 Telecommunications industry in Kenya

In the past decade, the telecommunications industry landscape in Kenya has seen considerable changes. The Kenya Posts and Telecommunications Company (KPT&C), now Telkom Kenya used to be the only fixed line telecom operator for a long time giving it sole monopoly in the market. The parastatal has seen numerous changes in its mode of business operations in a bid to stay competitive. Due to inefficiencies within KPT&C, the company never at any one time satisfied fully the market needs: this is evidenced by the fact that only a few house holds up to date, in comparison to Kenya's population approaching forty million, use fixed telephony and data services from the company. In developed nations for example, fixed line telephony and internet / data services infrastructure is very developed to an extended of even rendering mobile data limited.

Telkom Kenya was established as a telecommunications operator under the Companies Act in April 1999. The company currently has a customer base of approximately 2,800,000 customers on GSM, fixed and CDMA wireless platforms with a country-wide presence. Orange is Telkom Kenya's mobile brand offering a broad range of value added services including Orange money, offering money transfer services. Essar Telecoms Kenya limited, which is a unit of India based Essar group, launched a mobile service network under the name YU in 2008. YU offers low cost voice and data services focusing on the young generation.

Safaricom Ltd. was formed in the year 2000 to provide mobile telephony and data services in Kenya. Safaricom's market share is approximately 65% and continues to execute various strategies in a bid to retain or grow its market share. Safaricom offers various competitive products and services to its customers. It continually introduces new products in the market and enjoys the advantages of such strategies. A good example is the MPESA mobile money transfer service which has been a great success as a product for Safaricom.

Kencell Ltd. was formed in the year 2000 and has changed ownership from Celtel Kenya Ltd, to Zain Kenya Ltd, and is currently Airtel Networks Kenya Ltd, a company owned by Bharti Airtel, India. Airtel entry into the Kenyan market has tremendously increased competition among the industry players. Price wars between the players has seen calling rates reduce to an all time minimum of 1shilling per minute. YU is even offering free calls all day everyday to its subscribers. Price wars have led to diminishing revenues for the companies and some of the companies like Safaricom have reviewed the calling rates upwards in a bid to cover the ever rising operational costs.

1.1.4 Safaricom Limited

Since the year 2000, the telecommunications industry landscape in Kenya has undergone tremendous changes with the inception of mobile telephony service provision. Telkom Kenya, formerly known as Kenya Post and Telecommunications Company was the only telecom company operating in Kenya giving it sole monopoly for provision of fixed line telephone services. Safaricom limited was born from Kenya Post and Telecommunications Company to provide mobile phone services in Kenya in the year 2000.

Safaricom is one of the leading providers of converged communication solutions in Kenya. In addition to providing a broad range of first-class products and services for Telephony, data (GPRS/EDGE and 3G), Broadband Internet and Fax amongst other products, Safaricom seeks to uplift the welfare of Kenyans in direct ways through value added services and financial support for community projects. Safaricom's immense investment in cutting edge technology has give rise to highly competitive products, greatly contributing to the company's high profitability.

Safaricom is continuously striving to deliver a superior customer experience across all customer contact points. This is in line with the company's strategic objective of customer focus. It is a reality that in order for the company to be able to achieve sustained growth going forward, emphasis will have to be put on customer development and retention. Accordingly the company embarked on a new initiative that tracks customer's overall satisfaction and experience with it's products and services. The Customer Delight Index (CDI) was hence, formulated which is a measure of the overall satisfaction of its customers in terms of Network coverage, tariffs and billing, network clarity, efficient distribution amongst other key performance indices. The CDI has already been integrated into the company's performance measurement (appraisals) processes in line with the company's objectives.

Safaricom boasts of a distribution footprint of 2,000 exclusive dealer branches with over 200,000 retailers pushing Safaricom airtime & other products countrywide. Safaricom's extensive distribution network not only ensures that it's subscribers can access airtime wherever they are, but it also directly & indirectly employs over 350,000 people in the distribution & retailing business, a key economic driver in the country. In the Last financial year, Safaricom saw more than 500 Dealer branches open across the country. Emphasis was in regions where the company previously had limited distribution tools and channels namely Eastern, Western and Nyanza provinces. With the North Eastern region's economy growing by over 200%, owing to improved security & enhanced economic activities, the area is no longer served from Nairobi.

As Safaricom subscribers increased, the Customer Contact Centre call volumes increased by 13% on the prepaid service. This posed a challenge of accessibility to the customer care service which its subscribers depend on to get assistance on the company's products and services, give feedback and to report service issues. The state of the art Jambo Contact Centre (JCC) at Mlolongo opened with a much larger capacity to handle customers' calls than ever before. Employing IP technology most of the customer queries are automated, hence, customers only need to respond to prompts on their mobile devices. E.g. enquiries about tariffs, data bundles e.t.c. can be handled by the new system automatically. The complex issues that require personalized attention are then diverted to customer care representatives. This concept has greatly reduced call volumes and therefore increasing the capacity to handle more customers. The Platinum line was launched with the aim of serving Platinum (high-end) customers on a prioritized, more efficient basis that guarantees customer satisfaction (www.safaricom.co.ke).

1.2 Research problem

It is often observed that companies position themselves based on their strength, or the advantages they posses comparing to their competitors. Therefore, SCA is playing a major role in company's strategic positioning against its competitors. Nowadays, positioning has become a popular word among marketing practitioners and theorists.

Firms have to respond strategically to environmental factors in order to be sustainable (Hamel and Prahalad, 1993). One of the environmental influences to a business arises from competition. Increased competition threatens the attractiveness of an industry and reducing the profitability of the players. It exerts pressure on firms to be proactive and to formulate successful strategies that facilitate proactive response to perceived and actual changes in the competitive environment. A company has competitive advantage whenever it has an edge over its rivals in securing customers and defending against competitive forces (Thompson & Strickland, 2002).

Sustainable competitive advantage is born out of core competencies that yield long-term benefit to the company. The rapid growth of Safaricom Limited as a mobile phone service provider has acted as a major catalyst in looking at its response strategies to the rapidly changing telecoms industry in Kenya. The telecoms services sector is increasingly becoming a dominant force in the world economy and as such deserves much attention. Researchers have frequently analyzed issues related to strategic activities in the telecommunications industry. Hudson (2004) studied the regulatory environment of the telecommunications industry in specific countries. He concentrated on strategic alliances conducted by telecommunication firms. However the past studies have not addressed the role of strategic positioning in achieving sustainable competitive advantage at Safaricom Limited.

This study will therefore bridge the knowledge gap by to determining the role of strategic positioning in achieving a sustainable competitive advantage at Safaricom limited. The study will also seek to answer the following questions; what is the role of cutting edge technology in achieving a sustainable competitive advantage in Safaricom Limited? What is the role of Resource-Based-View in achieving a sustainable competitive advantage in Safaricom Limited? What is the role of generic strategies in achieving a sustainable competitive advantage in Safaricom Limited?

1.3 Research objective

The objective of the study will be to determine the role of strategic positioning in achieving sustainable competitive advantage at Safaricom Kenya Limited.

1.4 Importance of the study

To the management of Safaricom limited the study will be of great importance as it will outline the role of strategic positioning in achieving sustainable competitive advantage. Safaricom Kenya limited has used a lot of resources in positioning itself strategically in the market i.e. the company has introduced new line products such as 3G internet services and Mpesa. The study will also outline the relationship between cutting edge technology, Resource-Based-View and generic strategies on achieving a sustainable competitive advantage in Safaricom Limited. The study will enable other local companies and state corporations to apply similar strategies like Safaricom's in order to better compete in the Kenyan business landscape.

To the government the study will provide information that can be used to form policies to govern and regulate the use of strategic positioning. Some organizations may adopt strategies that hinder other companies from getting into the same industry and hence regulation would be required.

To the researchers and academicians the study will provide a base upon which secondary material on strategic positioning and sustainable competitive advantage will be drawn. To the general academic fraternity the study will form a base for further studies on strategic positioning and sustainable competitive advantage.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The fundamental basis of long-run success of a firm is the achievement and maintenance of a sustainable competitive advantage. Indeed, understanding which resources and firm behaviors lead to SCA is considered to be the fundamental issue in marketing strategy. A competitive advantage (CA) can result either from implementing a value-creating strategy not simultaneously being employed by current or prospective competitors or through superior execution of the same strategy as competitors. The CA is sustained when other firms are unable to duplicate the benefits of this strategy. Because of its importance to the long-term success of firms, a body of literature has emerged which addresses the content of SCA as well as its sources and different types of strategies that may be used to achieve it.

2.2 Strategic positioning

Primarily, strategic positioning is a marketing differentiation tactic by customer segment, with the goal to dominate one market niche as much as possible, thus matching production costs, locations, price and product to maximize the returns on investment (ROI) on that combination. The primary benefits are to gain market share dominance, and keep margins as high as possible to maximize profits. Fundamentally, the strategy acknowledges that for most companies 'one size does not fit all'. By matching the combination of the four factors to market niches, a company can optimize its market penetration and its operations to serve those market niches (Stata, 1999).

Strategic positioning of an organization is a complex business operation, and managing this complexity increases overheads, and requires more sophisticated management techniques, tools and information. If not done properly, one product configuration can cannibalize another in the marketplace, and launching a new product may actually not marginally improve the businesses ROI because it just siphons customers and resources from other products by the same company.

Proponents of strategic positioning argue that organizational differences can help a firm avoid the self-inflicted wound of hyper competition by insulating a firm against competitive convergence enabled by the rapid diffusion of best practices (Porter, 2001). Firms are advised to choose strategies that confront competitors with tradeoffs that these rivals are unable or unwilling to efficiently undertake. Such trade-offs would result in competitors straddling markets, often resulting in rivals attempting to deploy business models with divergent capital structures, alternate margin and volume demands, and non-synergistic assets (Porter, 1995). The classic non-tech example of straddling is the response of major carriers to Southwest Airline's position. By eschewing hub and spoke systems, tiered service classes, meals, travel agents, and flying one fleet of aircraft, Southwest has built a value chain that is so efficient that competing carriers would need to cut roughly 20% of their cost structure to attain comparable margins.

In today's complex and competitive environment, however, the traditional strategic plan isn't enough. While defining mission, vision, and goals are sufficient to maintain or grow an organization, it doesn't always capitalize on new opportunities or best leverage an organization's assets. It can be suggested that sophisticated and successful nonprofit making organizations consider strategic positioning to get to the next level (Stata, 1999).

Strategic positioning is outward-focused and fully recognizes the competitive market environment within which an organization operates. Positioning defines an organization's specific niche within its sphere of influence. With a strong strategic position, the organization is poised for ongoing success, sustainability, and distinct competitive advantage. Since strategic positioning is an enhancement to strategic planning, a review of the fundamentals is useful. Good strategic planning is about focus and choices (Ulrich and Lake, 1991). Strategic means deliberate decisions based on internal, external, and market context as well as current and anticipated conditions. It should be an analytical and objective process to define an organization's direction and the strategies to achieve results. To be clear, strategic planning is not a visioning process; nor a brainstorming process meant to generate ideas; nor a long list of strengths, weaknesses, opportunities, and threats. The strategic plan is a useful and viable nonprofit management tool, provided it: Is based on external, internal, and market context and objective data and information, Involves a systematic and informed decision-making process, and the plan reflects deliberate choices, Is used as a touch point for programmatic, marketing, resource development, and operational decisions (Tampoe, 1994).

Companies use strategic positioning when they consciously decide to expand their business into different market segments than they are in currently. Of course, the best case is when a company produces a unique product or service that is universally desired by all market segments without regard to price or location, so the company doesn't have to worry as much about strategic positioning (Tampoe, 1994).

2.3 Sustainable competitive advantage

Sustainable competitive advantage is the prolonged benefit of implementing some unique value-creating strategy not simultaneously being implemented by any current or potential competitor, along with the inability to duplicate the benefits of this strategy (Hoffman, 2000). Sustainable competitive advantage allows the maintenance and improvement of the enterprise's competitive position in the market. It is an advantage that enables business to survive against its competition over a long period of time.

Hyper competition is a key feature of the new economic landscape. New customers want it quicker, cheaper, and they want it their way. The fundamental quantitative and qualitative shift in competition requires organizational change on an unprecedented scale. Today, an organization's sustainable competitive advantage should be built upon its corporate capabilities and must constantly be reinvented.

Capability represents the identity of a firm as perceived by both employees and customers. It is an organization's ability to perform better than competitors using a distinctive and difficult to replicate set of business attributes. Capability is a capacity for a set of resources to interactively perform a stretch task of an activity.

Through continued use, capabilities become stronger and more difficult for competitors to understand and imitate. As a source of competitive advantage, a capability "should be neither so simple that it is highly imitable, nor so complex that it defies internal steering and control. Capabilities grow through use, and how fast they grow is critical to an organization's success.

According to the new resource-based view of the company, sustainable competitive advantage is achieved by continuously developing existing and creating new resources and capabilities in response to rapidly changing market conditions. Among these resources and capabilities, in the new economy, knowledge represents the most important value-creating asset.

The opportunity for a company to sustain competitive advantage is determined by capabilities of two kinds: distinctive capabilities and reproducible capabilities and their unique combination an organization creates to achieve synergy. Organizations distinctive capabilities is the characteristics of a company which cannot be replicated by competitors, or can only be replicated with great difficulty - are the basis of your sustainable competitive advantage. Distinctive capabilities can be of many kinds: patents, exclusive licenses, strong brands, effective leadership, teamwork, or tacit knowledge.

Reproducible capabilities are those that can be bought or created by competitors and thus by themselves cannot be a source of competitive advantage. Many technical, financial and marketing capabilities are of this kind. Distinctive capabilities need to be supported by an appropriate set of complementary reproducible capabilities to enable a company to sell its distinctive capabilities in the market it operates.

Although innovation is driven by technology, required competence extends beyond technical know-how. In the new knowledge economy and knowledge-based enterprises, systemic innovative solutions arise from complex interactions between many individuals, organizations and environmental factors. The boundaries between products and services fade rapidly too. If an organization wishes to be a market leader today, it must be able to integrate in a balanced way different types of know-how that would transform stand-alone technologies, products and services into a seamless, value-rich solution.

2.4 The role of strategic positioning in achieving SCA

The term SCA was proposed by Porter in 1985, when he discussed the basic types of competitive strategies firms can follow (low cost, differentiation, and focus) to achieve SCA. There is no common meaning for "competitive advantage" in practice or in the marketing strategy literature. Sometimes the term is used interchangeably with "distinctive competence" to mean relative superiority in skills and resources (Day & Wensley, 1988). Porter (2001) names strategic positioning as a source of sustainable competitive advantage. This section presents a literature review on the contribution of the resource based view, cutting edge technology and generic strategies, which may be applied to strategically position an organization in order to achieve a sustainable competitive advantage over its competitors in the industry setting.

2.4.1 Resource-based view (RBV)

The RBV is essentially an 'inside-out' approach to developing successful strategy. The firm is not the reactor of the positioning school but can find strategic success through the acquisition, development and deployment over time of scarce resources and skills which are either unique in themselves or in the way they are combined with other assets. The RBV claims its inspiration from classical microeconomics. It is the acumen and experience of managers and their ability to create unique advantages in the marketplace which are difficult, if not impossible, for other firms to emulate or compete away, which lay the foundations for value creation and sustained competitive advantage (Tampoe, 1994)

The literature within the RBV is quite eclectic with contributions from a variety of perspectives including organizational structures and cultures, managerial competence, technological capabilities and core competences. In consequence, that body of literature that describes the RBV is syncretic in nature and a central theme is quite difficult to identify.

King and Zeithaml (2001) argue the importance of causal ambiguity from the viewpoint of not only competitor firms but also of the focal firm. The reasoning is that causal ambiguity is necessary not only to prevent managers in other firms from understanding the link between resources and performance in the focal firm, but it is also necessary among managers within the focal firm itself so that knowledge of causal links cannot be exported intact from the focal firm. If this is true then it would appear to be important that successful managers are not sure what they are doing right. This is augmented by Whittington's (1994) view of the processual approach to understanding strategic management processes, whereby managers create value and advantage by deploying competences and focusing on the imperfections of organizational and market processes. Alvarez and Barney (2000) suggest that the inclusion of entrepreneurship as a class of inimitable strategic asset will enhance the RBV. They have in mind such management attributes as agility, creativity and fast decision making.

According to Powell and Dent-Micallef (1997), assets should be composed into a complementary bundle embedded in the structure of the firm and its culture, which according with Powell (1995) and Hansen and Wernerfelt (1989) who stress the greater importance of embedded cultural and behavioral features rather than economic or technical process factors, for the explanation of firm performance and inter-firm performance asymmetry. The complementarity is the path-dependent form which the unique competence of the firm takes and this reminds us of Robinson's (1958) observation of the 'organic' nature of the firm and Grant's (1991) description of the characteristics of strategic assets, namely, durability, transparency, transferability, and eplicability. Ramaswamy, Thomas and Litschert (1994) and Major and Van Wittleoostuijn (1996) researched highly regulated market environments and found the importance of management and qualified labor as the key to business success.

2.4.2 Cutting edge technology

Organizations can make use of latest technology to develop new or improve on existing products and services. New products help the firms to capture new markets hence achieve a competitive edge over rivals. New technology can also be used to better perform activities of an organization's value chain and by so doing achieve a competitive edge.

Information technology has received significance research attention since last decade. From mid-1980s onwards, information technology started to make strategic impact. Following the trend, researchers started to focus on integration between information technology professionals and business managers in generating information technology capability and effective utilization. Majority of the researchers in resource-based view suggested the integration of human factor with information technology in generating sustainable competitive advantage, the discussion here would be focusing on the information technology competence of the management personnel in the firm. In order to be the agent in integrating the information technology with the organization effectively, individuals must possess sufficient information technology competence. However, knowledge alone is obviously insufficient. Tippins and Sohi proposed that information technology competence must made up of three components; knowledge, operations, and objects in an organization. Applying to the individual level, an effective agent must be knowledgeable in information technology, willing to utilize information technology in daily operations, and provided with information technology facilities and supports. These co-specialized resources will be indicated in terms of the ability to understand and utilize the information technology for the benefit of the firm.

Following the frameworks in resource based view, in order to achieve sustainable competitive advantage, firm must possess resources that are valuable, rare, imperfectly imitable, and imperfectly substitutable or heterogeneity, imperfectly mobile, ex ante limits to competition, and ex post limits to competition. Therefore, scholars in resource-based view do not generally agree that information technology alone can yield sustainable competitive advantage for the firm. The main issue is due to the easy availability of information technology hardware and software in the market place. Sustainable competitive advantage can be achieved through the information technology facilities since these facilities are normally made up of complex, hard to understand, and hard to imitate set of components.

2.4.3 Generic strategies

The publication of Porter's Competitive Strategy in 1980 initiated the era of generic strategies. These generic strategies were supposed to inclusively represent the three ways in which an organization could provide its customers with what they wanted at a better price, or more effectively than others. Essentially, Porter maintained that companies compete either on price (cost), on perceived value (differentiation), or by focusing on a very specific customer (market segmentation or focus). From a positioning viewpoint, a low price is the factor which allows less than top brands to be successful in a market. The most advantageous position for the producer is one that yields the highest rating among the target segments. Whether this is a feasible position or not depends mainly on the company's specific production and marketing capabilities (Johansson & Thorelly, 1985).

Together with a long domination in strategic literature, generic strategies receive a lot of critique from different researches. For example, Bowman (2008) in his article 19 concluded that generic strategies provide at best some food for thought, at their worst they are simplistic, and can act as a substitute for thinking. In this case they are likely to do more harm than good. Although Porter's thinking still dominates much of the strategy field, its apparent simplicity masks a number of problems. The most significant is that the theory: 1) confuses "where to compete" with "how to compete"; 2) confuses competitive strategy with corporate strategy; and 3) excludes other feasible strategy options. Much earlier, Hill (1988) analyzed the compatibility of two generic strategies – differentiation and low cost. He concluded that by popularizing the idea that differentiation and low cost are normally incompatible, Porter's work may have served to misdirect both managers and researchers. Hill stated that differentiation can be a means for firms to achieve an overall low-cost position and contrary to Porter's statement, cost leadership and differentiation are not necessarily inconsistent. Moreover, there are many situations in which establishing a sustained competitive advantage requires the firm to simultaneously pursue both low-cost and differentiation strategies because in many industries there is no unique low cost position.

While Porter's generic strategies can be traced back to economic theory, Treace and Wiersema (1993) used an empirical approach. The basis of their theory is the identification of market segments. They explained that in any sector there are three value disciplines – operational excellence, customer intimacy, or product leadership. Operational excellence means providing customers with reliable products or services at competitive prices and delivered with minimal difficulty or inconvenience. Customer intimacy means segmenting and targeting markets precisely and then tailoring offerings to match exactly the demands of those niches. And product leadership means offering customers leading-edge products and services that consistently enhance the customer's use or application of the product, thereby making rivals' goods obsolete (Treacy & Wiersema, 1993).

According to Bowman (2008) there are similarities between Porter's and Treacy and Wiersema's theories. Operational excellence is very similar to Porter's low cost strategy, but at least Treacy and Wiersema are clear that the strategy is targeted at a particular type of segment. Product leadership is a strategy of differentiation through innovation, and customer intimacy is a strategy of differentiation through bespoke service. The Bowman's "Strategy Clock" is another suitable way to analyze a company's competitive position in comparison to the offerings of competitors. These strategies are based on the principle of achieving competitive advantage by providing customers with what they want, or need, better or more effectively than competitors.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter addresses the various steps that facilitated the execution of the study in order to achieve the set objectives. These steps include the research design, population of interest, data collection instruments and procedures and data analysis. This is a case study and hence, a selected number of respondents, with key knowledge of the company's strategies, were used as primary data sources.

3.2 Research design

This was a case study research. In general, a case study is a qualitative study that has been narrowed down to a specific unit but comprehensive enough to give representative information for similar units operating in the same environment. The use of case study in research is of particular importance taking in to account the advantages that come along with it. It is the easiest research free form material bias and enables one to intensively study a particular unit. This may not be possible with other methods of study. Nevertheless, scientific generalizations with respect to similar units operating in the same environment but in different geographical regions may be done with minimum complexity.

3.3 Data collection

Primary data was used in this study. Primary data refers to what is collected directly by the researcher for the purpose of the study. An interview guide was used to collect the primary data. Interviewing involves the collection of data through talking to respondents or interviewees and recording their responses. The author noted that interviews are of two types namely: face to face and telephone interviews.

The population of study consisted of Corporate Affairs Director in charge of Strategy and planning, Technical Director and the General Manager, Consumer Business Unit, in charge of marketing and the sales functions. The interview guide was appropriate for the case study since the departmental heads have the full information on each of the department which forms the core sources of information which the researcher intended to gather. The corporate affairs Director gave insight into the long term strategies in use at the company, e.g. the long term focus on data and customer service. The Technical Director gave insight into the choice of technologies for network rollout, billing systems, and other innovative products and services. The General Manager, Consumer Business Unit revealed the marketing strategies the company used to market its products and services as well as building the Safaricom brand.

Face to face interviews were used for the purposes of this research. In this method, the investigation follows a rigid procedure and seeks answers to a set of pre-conceived questions through personal interviews. The interview guide was appropriate for the case study since the departmental heads had the full information that the researcher intended to gather, hence, there was no need of interviewing all the employees.

3.4 Data analysis

Data analysis is the process of bringing order, structure and meaning to the mass of information collected. Qualitative data analysis seeks to make general statements on how categories or themes of data are related. The collected data was organized, categorised on its themes and relationships between the categories established for easy and accurate analysis. The data was then evaluated and analyzed to determine the adequacy, the accuracy, the credibility and the usefulness of information in answering research questions in order to achieve the objectives of the study. Content analysis was employed to process the collected data. This method was preferred because the information collected was qualitative in nature and therefore required analytical understanding.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter is concerned with analysis, presentation and interpretation of findings. The chapter sought to address the general objective of this study which was to determine the role of strategic positioning in achieving sustainable competitive advantage at Safaricom Kenya Limited. The study also sought to answer the following questions; what is the role of cutting edge technology in achieving a sustainable competitive advantage in Safaricom Limited? What is the role of Resource-Based-View in achieving a sustainable competitive advantage in Safaricom Limited? What is the role of generic strategies in achieving a sustainable competitive advantage in Safaricom Limited? This chapter focused on data analysis, interpretation and presentation.

The researcher interviewed the Corporate Affairs Director in charge of Strategy and planning, the Technical Director, in charge of the technology division and the General Manager, Consumer Business Unit, in charge of marketing and the sales functions.

4.2 General information

From the findings, the study found that the respondents were aged between 34 and 60 years. On their highest level of education the study found that all of the respondents had master's degrees as their highest level of education. This clearly shows that the respondents had reliable information on the role of strategic positioning in achieving sustainable competitive advantage at Safaricom Kenya Limited. Further, the study found that the respondents had been working in their organization for between 3 and 11 years which means that they had enough working experience on their roles.

4.3 Cutting edge technology

The respondents agreed that cutting edge technology was helping Safaricom limited in achieving a sustainable competitive advantage. The respondents further indicated that in 2008, Safaricom limited was the first telecommunication service provider to launch 3G+

technology. The respondents also indicated that Safaricom limited was the first company to use money transfer services by use of mobile phones through its product, M-PESA

Various applications of cutting edge technology were identified. The respondents indicated that the company launched its 3G mobile network setting the stage for another level of competition from local rivals. The telecommunication industry has been facing a fierce competition for subscribers, and the companies are outdoing each other in pricing and technological advancement. Safaricom subscribers got an opportunity to access to high-speed mobile data up to 7.2 Mbps (Mega bits per second). This helped Safaricom limited in achieving a sustainable competitive advantage. Further, the respondents indicated that the 3G technology is available all over the country enabling Safaricom subscribers to access internet and high speed mobile data from any part of the country. The respondents also indicated that the 3G+ technology helps the company to offer a wider range of advanced data and voice services with greater network capacity through improved spectrum efficiency. Moreover the respondents indicated that Safaricom is diversifying beyond its traditional mobile voice service to offer integrated voice and data, enabling computer-to-computer communication for businesses and consumers. The service assists the growing ICT industry, given the shortage of fixed lines and constricted bandwidth. With the use of the technology PC users can access the service using either a broadband modems plugged into a computer to access the Internet for a single user, or a broadband wireless router that allows a group of users' high-speed access.

Further, the respondents indicated that Safaricom limited was the first company to offer M-PESA services in Kenya. M-PESA Customers can deposit and withdraw money from a network of agents that includes airtime resellers and retail outlets acting as banking agents. The respondents also added that the service enables its users to: deposit and withdraw money, transfer money to other users and non-users, pay bills and to purchase airtime. Moreover the company has extended its services to Uganda and Tanzania, the UK and South Africa. However other telecommunication companies in Kenya have also adopted the money transfer technology but Safaricom limited has the largest market share.

Safaricom has diversified its business through the use of cutting edge technology. A long term strategy focus on the provision of competitive internet/data products has been realized moving away from the traditional reliance of voice telephony services. This has seen the company rollout its 3G network with trials on 4G technology already in place. Strategic partnerships with Seacom Ltd. and JTL, companies offering fiber optic cable transmission solutions has seen Safaricom directly connected to the internet, hence be able to offer internet services at very competitive costs.

Safaricom has invested on cloud computing technology whereby computer storage, software and infrastructure services are offered to clients. This saves the clients on capital expenditure to buy and /or maintain their own computer servers and software. Safaricom now does data hosting to such major clients like the Kenya Ports Authority and DSTV. This shift from the traditional voices services provision has earned the company a competitive edge. Safaricom has deployed the state of the art MPLS (Multi protocol Layered Switching) transmission IP (Internet Protocol) network backbone which is cheaper than the old TDM (Time Division Multiplexing) backbone. Safaricom now interconnects its network with reduced capital and operational expenditure costs. Safaricom has used technology to come up with very flexible billing services for data and voice services. Subscribers can now get SMS and data bundles depending of their phone usage patterns.

Safaricom now offers PABX (Private Automatic Branch Exchange) services to corporate clients. Companies like equity, DSTV, Kiss FM etc. Now use telephone extensions for office communications using PABXs connected to the Safaricom network. This has made the company truly a market leader in converged communication solutions. A state of the art call centre has also been launched in Mlolongo where most customer queries are automatically answered by machine voice prompts hence being able to handle customer complaints efficiently

Various effects of cutting edge technology in achieving a sustainable competitive advantage were identified. The respondents indicated that the marketplace demands for cutting-edge technology and technology driven strategies force organizational strategists to seek competitive advantage through technological innovation. The respondents further indicated that cutting edge technology increases organizational knowledge, increase organizational assets and helps an organization to achieve a sustainable competitive advantage.

4.4 Resource based view

The respondents collectively agreed that the resource based view in Safaricom limited was highly influencing the achievement of a sustainable competitive advantage. The respondents in this study indicated that the major resources in Safaricom limited include technological resources, human resources, knowledge resources, financial resources and assets. Further, the respondents added that Safaricom limited had strategic success through the acquisition, development and deployment over time of scarce resources and skills which are either unique in themselves or in the way they are combined with other assets.

More over, the respondents agreed that the following factors influence the achievement of a sustainable competitive advantage in Safaricom Limited. These factors include managerial competence, organizational structures and cultures, technological capabilities, possession and deployment of strategic assets, ability to recognize market opportunities and adoption of a teamwork approach.

4.4.1 Human resources

In relation to human resources, the respondents indicated that Safaricom the staff was the pillar against which the company runs its business. The company made sure that each and every employee appreciated his/her value and contribution in achieving Safaricom vision of becoming the best company in Africa. The respondents further indicated that the company had achieved a great success in obtaining the right skills and creating a diverse workforce.

Among its resources, the respondents indicated that Safaricom limited had established a Jambo Contact center which holds 1000 employees at a go. The company was also offering an in-house medical service, fully kitted gymnasium, a children's' crèche and recreation activities. All these are meant to enhance employees' work life balance and retention and hence help the company to achieve a sustainable competitive advantage.

4.4.2 Knowledge resources

The respondents indicated that in June 2011 Huawei Kenya and Safaricom signed technology knowledge transfer Memorandum of Understanding with Kenyan universities. Huawei and Safaricom on one side and Moi, JKUAT and University of Nairobi on the other side coming together for the greater benefit of Kenyan young minds is such a great thing. Safaricom and Huawei have today signed the memorandum of Understanding (MoU) with the three local universities under Huawei's 'telecom seed for the future program' help in upgrading the skills of local Telecoms Engineering graduates.

The company has also partnered with Strathmore University and Vodafone to establish a training facility to build the necessary technological capacity to match the needs of the fast growing telecommunication industry in the country. The facility is named Safaricom Academy and is meant to train graduates interested in advancing careers in telecommunications and development of mobile software applications. The institution provides entrepreneurial talent with certified qualifications and experiential training in collaboration with globally established academic institutions. Its first program is the Master of Science in Telecommunication Innovation and Development (MSc. TID) to be realized through a collaborative effort with Strathmore University.

4.4.3 Financial resources and assets

On the company's assets the respondents indicated that increased competition continues to push operators to adopt more efficient technologies and value-added services to boost customer loyalty and grow revenues. The huge population and the digitalization of content have also boosted opportunities in mobile banking with banks targeting the rural unbanked population, money transfer services, social networking and digital advertising for telecommunication companies.

The operators have continued to invest heavily in infrastructure as they shift focus to the more lucrative data market after the recent price wars in the industry, put pressure on the voice revenues. The company has also diversified its business to cloud computing offering data hosting services to clients.

The study also found that the company's assets had been increasing highly since 2005. The total assets in 2005 were worth 23,516,829; in 2006 they were worth 26,569,302, in 2007 they were worth 34,373,821, in 2008 they were worth 74,366,313, in 2009 they were worth 91,682,324 and 2010 they were worth 104,120,850. The company had a competitive edge over its rivals since it could deploy new products and services requiring huge capital expenditures, whereas some of the competitors could not due to limited resources.

4.5 Generic strategies

The respondents collectively agreed that use of generic strategies highly influence the achievement of a sustainable competitive advantage in Safaricom Limited.

4.5.1 Differentiation strategy

The respondents further indicated that Safaricom had adopted a differentiation strategy to ensure a sustainable competitive advantage. Some of the Safaricom products include MPESA, a first in the world, and Mkesho which enable Safaricom subscribers to transfer money. The respondents also indicated that the company also had different types of competitive tariffs which fitted the subscribers differently. Further, they indicated that the company was offering internet services both in personal computers and mobile phones.

4.5.2 Cost leadership strategy

In relation to cost leadership strategy, the respondents indicated that Safaricom online subscribers have access to more affordable Internet services following a major price reduction for the Kenyan market. The reduction was based on increasing the data volume for every bundle by up to 150%. The respondents also indicated that the company was continuously reviewing its value proposition to ensure that our customers enjoy unrivalled communication services at the most affordable rates while expanding the options available to them. The company is sensitive to the strain placed on its customers' finances by the obtaining high cost of living and hence its effort to ease this by passing the benefits of an improved working environment by lowering its prices.

The unprecedented price reduction is expected to further underline Safaricom's leadership in the data market in Kenya. Besides being a major investor in infrastructure, Safaricom has also taken the lead in developing local content to make the Internet more useful to Kenyans. By investing in an all IP transmission backbone, the company has seen lower operational cost hence, be able to offer its products at very competitive rates.

4.5.3 Market focus

As of January 2010, Safaricom boasts a subscriber base of approximately 12 million, most of whom are in the major cities, Nairobi, Mombasa, Kisumu and Nakuru. It was also indicated by the respondents' that the company has approximately 65% market share currently with close to 20 million subscribers in Kenya. To maintain this market share the study found that Safaricom continuously strives to ensure customer delight and in this light, Retail shops have consistently improved on the Customer Delight Index (CDI) score which was up 11% to 8.8 this financial year. To guarantee that all customers are efficiently served, a staff out-sourcing program was piloted and adopted within retail shops primarily for pre pay services and sales activities within the shops

The study found that mobile penetration was steadily growing (55.9% as at September 2010) due to increased promotional activities by mobile operators, reducing costs of handset and SIM card acquisition and Dual & Triple SIM usage. Penetration is still relatively low compared to other countries in the emerging markets presents a strong potential to grow its customer base through its strategy of providing ultra low cost handsets, denomination recharge cards, value added services and network expansion country wide.

Further Safaricom remains the market leader at a subscriber base of 65%. It is fast shifting focus to the more lucrative data market to help grow the top line and maintain its profit margins.

The company is investing heavily in data, which is viewed as the next frontier of growth for the industry. At a 92% market share in the data market, Safaricom is undoubtedly the dominant player. It boasts of the highest market capitalization at the NSE, at Kshs. 170 billion and remains the most liquid stock in absolute terms in the local stock market.

On how the organization respond to competitor actions in the Kenyan telecoms industry landscape, the respondents indicated that there are several environmental changes that affect the operations of the business but the most significant factor is competition. The firm has reacted to competition and to the environmental changes in general using marketing and other strategies that have been very successful.

It was also realized that under Safaricom's new SMS pricing, customers are offered the option of buying a bundle of 100 text messages for Ksh.20, the equivalent of a unit price of 20 cents each, while it would also sell bundles of 20 texts for Ksh.10 and 5 messages for Ksh.5. This strategy follows the company's decision to cut on network call costs for the month immediately following the price cuts from Zain and Essar, as it looks to defend its roughly 65% market share.

4.6 Discussions of Key Findings

The study found that the respondents were aged between 34 and 60 years. On their highest level of education the study found all three of the respondents had master's degrees as their highest level of education. This clearly shows that the respondents had reliable information on the role of strategic positioning in achieving sustainable competitive advantage at Safaricom Kenya Limited. Further, the study found that the respondents had been working in their organization for between 3 and 10 years which means that they had enough working experience.

4.6.1 Cutting edge technology

The study revealed that cutting edge technology was helping Safaricom limited in achieving a sustainable competitive advantage. Safaricom limited was the first telecommunication service provider to launch a 3G network and money transfer services by use of mobile phones (M-PESA). According to Johansson & Thorelly, (1985) Organizations can make use of latest technology to develop new or improve on existing products and services. New products help the firms to capture new markets hence achieve a competitive edge over rivals. New technology can also be used to better perform activities of an organization's value chain and by so doing achieve a competitive edge.

On the application cutting edge technology in achieving a sustainable competitive advantage, the study found that the company launched its 3G mobile network setting the stage for another level of competition from local rivals. The telecommunication industry has been facing a fierce competition for subscribers, and the companies are outdoing each other in pricing and technological advancement. Safaricom subscribers got an opportunity to access to high-speed mobile data up to 7.2 Mbps (Mega bits per second). This helped Safaricom limited in achieving a sustainable competitive advantage. Further, the respondents indicated that the 3G technology is available all over the country enabling Safaricom subscribers to access internet and high speed mobile data from any part of the country. The 3G+ technology helps the company to offer a wider range of advanced data and voice services with greater network capacity through improved spectrum efficiency.

Moreover the respondents indicated that Safaricom is diversifying beyond its traditional mobile voice service to offer integrated voice and data, enabling computer-to-computer communication for businesses and consumers. The service assists the growing ICT industry, given the shortage of fixed lines and constricted bandwidth. With the use of the technology PC users can access the service using either a broadband modem plugged into a computer to access the Internet for a single user, or a broadband wireless router that allows a group of users' high-speed access.

On the effects of cutting edge technology in achieving a sustainable competitive advantage, the study found that marketplace demands for cutting-edge technology and technology driven strategies force organizational strategists to seek competitive advantage through technological innovation. The study also revealed that cutting edge technology increases organizational knowledge, increase organizational assets and helps an organization to achieve a sustainable competitive advantage.

4.6.2 Resource based view

The respondents collectively agreed that resource based view in Safaricom limited was highly influencing the achievement of a sustainable competitive advantage. The respondents in this study indicated that the major resources in Safaricom limited include technological resources, human resources, knowledge resources, financial resources and assets. Whittington's (1994) was of the view of the processual approach to understanding strategic management processes, whereby managers create value and advantage by deploying competences and focusing on the imperfections of organizational and market processes. Safaricom limited had strategic success through the acquisition, development and deployment over time of scarce resources and skills which are either unique in themselves or in the way they are combined with other assets.

The study found that the following factors influence the achievement of a sustainable competitive advantage in Safaricom Limited. These factors include managerial competence, organizational structures and cultures, technological capabilities, possession and deployment of strategic assets, ability to recognize market opportunities and adoption of a teamwork approach.

In relation to human resources, the respondents indicated that Safaricom staffs were the pillars against which the company runs its business. The company made sure that each and every employee appreciated his/her value and contribution in achieving Safaricom vision of becoming the best company in Africa. The company had achieved a great success in obtaining the right skills and creating a diverse workforce. Wittleoostuijn (1996) argues that following the frameworks in resource based view, in order to achieve sustainable competitive advantage, firm must possess resources that are valuable, rare, imperfectly imitable, and imperfectly substitutable or heterogeneity, imperfectly mobile, ex ante limits to competition, and ex post limits to competition.

The study also found that Safaricom limited had established a Jambo Contact center which holds more than 1000 employees at a go. The company was also offering an in-house medical service, fully kitted gymnasium, a children's crèche and other recreation activities. All these are meant to enhance employees' retention and hence help the company to achieve a sustainable competitive advantage.

4.6.3 Generic strategies

The respondents collectively agreed that use of generic strategies highly influence the achievement of a sustainable competitive advantage in Safaricom Limited. According to Johansson & Thorelly (1985 porter maintained that companies compete either on price (cost), on perceived value (differentiation), or by focusing on a very specific customer (market segmentation or focus). The study found also found that Safaricom had adopted a differentiation strategy to ensure a sustainable competitive advantage. Some of the Safaricom products include MPESA and Mkesho which enable Safaricom subscribers to transfer money. The respondents also indicated that the company also had different types of tariffs which fitted their subscribers differently. Further, they indicated that the company was offering internet services both in personal computers and mobile phones. In relation to cost-leadership strategy the study found that Safaricom online subscribers have access to more affordable Internet services following a major price reduction for the Kenyan market. The reduction was based on increasing the data volume for every bundle by up to 150%. The company was continuously reviewing its value proposition to ensure that its customers enjoy unrivalled communication services at the most affordable rates while expanding the options available to them. The company is sensitive to the strain placed on its customers' finances by the increasing high cost of living and hence its effort to ease this by passing the benefits of an improved working environment by lowering its prices.

The unprecedented price reduction is expected to further underline Safaricom's leadership in the data market in Kenya. Besides being a major investor in infrastructure, Safaricom has also taken the lead in developing local content to make the Internet more useful to Kenyans.

On how the organization responds to competitor actions in the Kenyan telecoms industry landscape, the study found that there are several environmental changes that affect the operations of the business but the most significant factor is competition. The firm has reacted to competition and to the environmental changes in general using marketing and other strategies that have been very successful.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of key data findings, conclusion drawn from the findings highlighted and recommendation made there-to. The conclusions and recommendations drawn were focused on addressing the objective of this study which was to determine the role of strategic positioning in achieving sustainable competitive advantage at Safaricom Kenya Limited. The study also sought to answer the following questions; what is the role of cutting edge technology in achieving a sustainable competitive advantage in Safaricom Limited? What is the role of Resource-Based-View in achieving a sustainable competitive advantage in Safaricom Limited? What is the role of generic strategies in achieving a sustainable competitive advantage in Safaricom Limited?

5.2 Summary of findings

The study found that cutting edge technology was a key factor in enabling Safaricom limited to achieve a sustainable competitive advantage. The company was the first to launch a 3G+ network and money transfer services by use of mobile phones (M-PESA) in Kenya. Safaricom subscribers had an opportunity to access to high-speed mobile data up to 7.2 Mbps (Mega bits per second) which was key in achieving a sustainable competitive advantage. It was also revealed that Safaricom limited was diversifying beyond its traditional mobile voice service to offer integrated voice and data, enabling computer-to-computer communication for businesses and consumers.

Further, the study revealed that resource based view in Safaricom limited was highly influencing the achievement of a sustainable competitive advantage. Major resources in Safaricom limited include technological resources, human resources, knowledge resources, financial resources and assets. The company was strategically achieving a competitive advantage through acquisition, development and deployment over time of scarce resources and skills which are either unique in themselves or in the way they are combined with other assets.

It was realized in this study that generic strategies highly influence the achievement of a sustainable competitive advantage in Safaricom Limited. Safaricom limited had adopted a differentiation strategy to ensure a sustainable competitive advantage. Some of the Safaricom products include MPESA and Mkesho which enable Safaricom subscribers to transfer money. It was also revealed that the company had different types of tariffs to suit different their subscribers' needs. Further, the study found that the company was offering internet services both in personal computers and mobile phones. In relation to cost-leadership strategy the study found that Safaricom online subscribers have access to more affordable Internet services following a major price reduction for the Kenyan market. The reduction was based on increasing the data volume for every bundle by up to 150%.

5.3 Conclusion

This study concludes that the use of cutting edge technology was helping Safaricom limited to achieve a sustainable competitive advantage. Safaricom limited was the first telecommunication service provider to launch a 3G network and money transfer services by use of mobile phones (M-PESA) in Kenya. The company launched its 3G mobile network setting the stage for another level of competition from local rivals. Safaricom subscribers got an opportunity to access to high-speed mobile data up to 7.2 Mbps (Mega bits per second). This helped Safaricom limited to achieve a sustainable competitive advantage over its rivals. The 3G network has been rolled out all over the country enabling Safaricom subscribers to access internet and high speed mobile data from any part of the country. The 3G, and now 4G technology in trial, helps the company to offer a wider range of advanced data and voice services with greater network capacity through improved spectrum efficiency. Safaricom is also diversifying beyond its traditional mobile voice service to offer integrated voice and data, enabling computer-to-computer communication for businesses and consumers. The service assists the growing ICT industry, given the shortage of fixed lines and constricted bandwidth. With the use of the technology PC users can access the service using either broadband modems plugged into a computer to access the Internet for a single user, or a broadband wireless router that allows a group of users' high-speed access. Marketplace demands for cutting-edge technology and technology driven strategies force organizational strategists to seek competitive advantage through technological innovation. Cutting-edge technology increases organizational knowledge, increase organizational assets and helps an organization to achieve a sustainable competitive advantage.

The study also concludes that resource based view in Safaricom limited was highly influencing the achievement of a sustainable competitive advantage. The major resources in Safaricom limited include technological resources, human resources, knowledge resources, financial resources and assets. Safaricom limited had strategic success through the acquisition, development and deployment over time of scarce resources and skills which are either unique in themselves or in the way they are combined with other assets.

Further, the study concludes that Porter's generic strategies highly influence the achievement of a sustainable competitive advantage in Safaricom Limited. Safaricom had adopted a differentiation strategy to ensure a sustainable competitive advantage. Some of the Safaricom products include MPESA and Mkesho which enable Safaricom subscribers to transfer money. The company also had different types of tariffs suited for its subscriber's different needs. The company was offering internet services both in personal computers and mobile phones. In relation to cost leadership strategy, the study concludes that Safaricom online subscribers have access to more affordable Internet services following a major price reduction for the Kenyan market. The reduction was based on increasing the data volume for every bundle by up to 150%. The firm was reacting to competition and to the environmental changes in general using marketing and other strategies that have been very successful.

5.4 Recommendations for the organization

The study revealed that cutting edge technology was helping Safaricom limited to achieving a sustainable competitive advantage. The study therefore recommends that the company should continue investing in new innovative products in order to achieve sustainable competitive advantage in the telecommunication industry, in the long run.

The study also found that resource based view in Safaricom limited was highly influencing the achievement of a sustainable competitive advantage. This study recommends that since superior human resources is key to achieving a sustainable competitive advantage; the company should provide their employees with transport allowances, house allowances, better salaries as well as other incentives so as to ensure employee retention.

The study also found that the use of generic strategies highly influences the achievement of a sustainable competitive advantage in Safaricom Limited. The study therefore recommends that the company should fully embrace a cost leadership, market focus and differentiation strategies in order to achieve a sustainable competitive advantage.

5.5 Recommendations for policy and practice

It was revealed in this study that mobile telephony companies were using cost differentiation in an effort to achieve a sustainable competitive advantage. However, this can lead to an unending price war between the companies. This study therefore recommends that the government should formulate policies to regulate cost differentiation in the mobile telephony industry.

5.6 Recommendation for Further Studies

From the study and related conclusions, the researcher recommends further research in the area of the role of cost leadership strategy in achieving a sustainable competitive advantage. The study further suggests further studies in the area of the role of human resource management in achieving a sustainable competitive advantage be done.

5.7 Limitations of the study

As a part time student who needs to strike a balance between studies and full time employment, the researcher was not able to undertake an extensive and exhaustive research limiting the researcher to a small sample and less research time. The researcher is a self-sponsored student relying on savings to progress his studies and therefore there was limitation on financial resources.

There were challenges during data collection where some target respondents failed to give the required information. The researcher however worked at winning the confidence of those involved in this research by giving them the reasons for the research and assuring them of confidentiality.

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Appendix I: Introductory letter

Dear Sir/Madam

PERMISSION TO CARRY OUT RESEARCH ON THE ROLE OF STRATEGIC POSITIONING IN ACHIEVING SUSTAINABLE COMPETITIVE ADVANTAGE

I would wish to request for permission to carry out a research at your company on the topic; the role of strategic positioning in achieving sustainable competitive advantage.

I am a student at the University of Nairobi, School of Business and I am carrying out this research to fulfill the requirements for the award of the degree of Masters of Business Administration.

This study is purely for academic purposes and its findings, which will be made available to you, will not be in any way used in ways detrimental to your organization/company.
I am looking forward to a favorable response.

Yours sincerely,

George Martin Kasyoka.

Appendix II: Interview guide

1. What is your age bracket?
2. What is your highest level of education?
3. For how long have you been working in your organization?
4. Does cutting edge technology influence sustainable competitive advantage? If yes how?
5. Has your organization applied cutting edge technology as a strategy to achieve a sustainable competitive advantage?
6. What are the effects of cutting edge technology in achieving a sustainable competitive advantage?
7. Does the use of resource based view influence the achievement of a sustainable competitive advantage?
8. Which are the major resources in your organization?
9. Which other factors or strategies influence the achievement of a sustainable competitive advantage in Safaricom Limited?
10. Does the use of generic strategies influence the achievement of a sustainable competitive advantage in Safaricom Limited? If yes how?
11. How does the organization respond to competitor actions in the Kenyan telecoms industry landscape?