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EFFECTS OF BEST PRODUCT STRATEGIC POSITIONING ON ORGANIZATIONAL PERFORMANCE IN TELECOMMUNICATION INDUSTRY, IN KENYA

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ABSTRACT

The purpose of this study was to examine the effect of best strategic positioning as envisaged in the Delta Model on Organizational performance. The target population consisted of 6,149 front office employees of the four major telecommunication firms in Kenya namely Safaricom, Airtel, Orange and Equitel. The study covered five major cities and towns in Kenya namely Nairobi, Mombasa, Kisumu, Nakuru and Eldoret. Data was collected from 144 respondents drawn from a cross-section of employees specifically those in front office as they were directly involved in the day to day customer service. The response rate of the total questionnaires issued was 83%. A descriptive survey research design was used in this study. Questionnaires were used to collect the data. Analysis of the survey responses was done by means of Statistical Package for Social Sciences (SPSS). Pearson Correlation along with multiple regressions was used in data analysis and the testing of hypotheses. Pearson correlation was used to establish the association between the strategic positions and organizational performance while multiple regressions were used to find out the amalgamated influence on the four strategic positions on organizational performance. The study established through multiple regression that best product strategic position had a significant coefficient (β =0.152, p value= 0.031) which implied that best product strategic positioning had a positive effect on organizational performance. The study concluded that the Best product strategic positioning had not only a positive correlation but also significant effect on the organizational performance of the telecommunication companies in Kenya. The study recommended that managers need to focus on the Best product strategic position in order to achieve a great organizational performance in their respective organizations.

Keywords: *Best Product, Strategic Positioning, Organizational Performance*

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INTRODUCTION

The telecommunications trade has fundamentally transformed in the past ten years as more customers with smart devices consume a lot of data and ever more bandwidth. During this phase, operators have stretched their service range and overhauled their pricing strategy to meet volatile demand, while at the same time increasing capital expenditures to emphasize the on-going essentials to upgrade network capabilities. Operator performance varies considerably by region. North American and Asian telecommunication firms have performed better than other sections, profiting from enhanced degree and powerful secular growth opportunities, respectively.

In the meantime, European telecommunications operators share performance has enhanced on expectation of consolidation, while Latin American telecommunication firms have felt the brunt of a deterioration macroeconomic outlook. Whereas numerous players are diversifying their income streams, ensuring that new services deliver strong margins remains challenging. Meanwhile over-the-top (OTT) companies are as well increasing the capacity of their contributions, unsettling diverse industry verticals in the course of action. All entities in the digital ecological unit are now in search of innovative points of differentiation in order to take full advantage of their share of customer spending. As a result, issues of competition and collaboration have certainly not been more prominent (Diskaya et al, 2011).

According to Djiofack-Zebaze and Keck (2009) the regulatory quality played a foremost part in bringing down prices and improving access to telecommunications services in Africa. African countries were in the process of rationalizing and liberalizing their telecommunications segment, the industry has for quite sometimes been lagging when compared to the rest of the globe. The right of entry to telecommunications in Africa is still limited notwithstanding recent technological change and economic growth. Here just like other developing regions, telephones lines are more concentrated in the cities while the rural areas have a restricted access. The deprived superiority of communications weighed alongside the other developing states means that the capacity for telecommunications growth in the African continent is enormous. Presently, the segment is largely possessed by the state, nevertheless a number of regimes have embarked on restructuring programs, the majority of which engage two fundamentals one being steady commercialization by unravelling effective administration from state departments and transferring the responsibility for guideline away from state departments to autonomous institutions. One of the alternatives being looked into in the privatization consist of public bids for sale to financial institution, sale to employees, private investors, strategic investors, divestiture and management contracts with foreign operators. Historical connections play a key role in the privatization process whereby privatization ventures are done with operators with whom the countries have historical connections.

The telecommunication industry is growing at rapid speed and this has made the industry undergo various changes. The changes have mainly been due to increased customer requirements, technology revolution and emergency of innovative models and therefore a much more complex, diverse and competitive telecommunications environment, (Chelimo,2012). Despite the fact that the telecommunication segment in the Kenyan market has been operational in an aggressive atmosphere, the organizations have again and again achieved improved expansion not only in customer numbers but also in their asset base. Therefore it is likely that for this organizations to prosper in an aggressive atmosphere they ought to take on strategies to counter and become accustomed to the changes and challenges in their operational atmosphere (Letangule & Letting, 2012).

Due to the increased competition any telecommunication firm in Kenya that desires to archive superior organizational performance must adopt strategies that position itself in market dominance. What an organization does towards winning and delivering a world class service to its clientele within its market forms the most important first step towards defining strategic positioning. The appeal to the client, contentment of the client and their maintenance is all that constitutes a strong client bonding. The Delta Model type strategy presents a valuable blueprint that can be used in classifying most favourable strategic positioning, as far as attaining client attachments and presents three distinctive strategic positions for accomplishing that purpose, (Hax, 2010).

A firm can make super profits regardless of the common profitability within the market by positioning itself auspiciously within a specific market place comparative to its competitors. Rivalry and financial profitability pressures imply that the organizations must be more and quicker to respond to market thoughtfulness in provisions of their positions (Mokaya, Kanyagia, & Wagoki, 2012). Organizational performance consists of the definite output or results of a business as calculated alongside its projected outputs in terms of profits. It includes numerous activities that help in creating the aspirations of the business and monitors the growth towards the objective (Johnson et.al. 2006).

Statement of the Problem

Telecommunications industry is an industry that undergoes a lot of changes and it's expanding rapidly. These transformations have been determined by rapidly changing customer requirements, technology advancements and emergence of new-fangled models and therefore a much more complex, diverse and competitive telecommunications atmosphere (Chelimo, 2012). Despite the fact that the telecommunication segment in the Kenyan market has continued functioning in a very competitive atmosphere, the organizations have time and again managed to achieve superior development and expansion not only in the numbers of customers but also in their asset base. Therefore for these organizations to blossom in the current highly competitive atmosphere they are obliged to take up strategies that would enable to positively respond and become accustomed to the transformations and challenges in their operational atmosphere. Some forces of transformation that have to a great extent predisposed the telecommunication business in Kenya include extreme competition, regulations and technological improvement (Letangule & Letting, 2012).

The Kenyan telecommunication industry has in recent past witnessed an increased competition which has forced the firms to not only re-think their strategies but also find new ways of expanding their businesses. Senior executives of telecommunication companies are faced with complex and important decisions as they content with major challenges in the industry one of which is the ever increasing competition. For an organization to achieve superior performance it has to lay in place approaches that position itself in market dominance.

Despite the fact that there is a positive trend in the growth of mobile telephony in Kenya, most of the operators are still struggling in their performance with an exception of Safaricom which dominates the market share at 65.4 %. Other operators such as Airtel, Orange and Equitel have a market share of 21.4%, 8.8 % and 4.3 % respectively while the new entrant in the industry Sema Moble Services has insignificant numbers of subscriptions that translates to zero per cent market share (CA, 2018).

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Despite the fact that a lot of studies have been done on the effect of strategic positioning on organizational performance most of those researches have focused on porter generic strategies and other competitive strategies such as strategic alliance, pricing strategies, costing and promotion positioning, technological advancement, customer segmentation and brand benefits. There seems to be a no research carried out on Best product strategic positioning as envisaged on the delta model and its effects on organizational performance. This study consequently sought to establish the effect of Best product strategic positioning on organizational performance in the Kenya Telecommunication industry using strategic positioning as envisaged in the delta model strategy.

Objectives of the Study

The main objective of this study was to determine the effects of best product strategic positioning on organizational performance in the Kenyan telecommunication industry in Kenya. The specific objectives were:-

- To determine the effect of best product strategic positioning on organizational performance in the Kenyan
- To determine the moderating effect of the Government regulations on organizational performance in the Kenyan telecommunication industry.

Research Hypotheses

- ***H_O:*** There is no statistical significant relationship between best product strategic positioning and organizational performance in the Kenyan telecommunication industry in Kenya.
- ***H_O***: There is no statistical significant moderating effect of Government regulations on organizational performance in the Kenyan telecommunication industry.

LITERATURE REVIEW

The Delta Model Theory

The Delta Model is a strategy framework that was developed in the year 2003 by Dean Wilde, along with other members of Dean & Company, and Arnoldo Hax of the MIT/Sloan School of Management. The most basic foundation of the model is that the authentic significance of whichever strategy is to accomplish client bonding. Bonding encompasses the attraction, gratification, and safeguarding of the consumer. Three extremely discrete strategic preferences for achieving these goals have been identified, as demonstrated in the triangle shaped figure labeled Figure 2.1 which was preferred to give a picture of the diverse strategic positioning alternatives not merely for the reason that it is an image representation that is simple to keep in mind, but also since it symbolizes the Greek alphabetical letter Delta, meaning transformation and change. These three strategic preferences for client bonding are referred to as the best product position strategy, the total customer solutions position strategy, and the system lock-in position strategy (Hax, 2010).

The Delta Model strategy visualizes client bonding as the real driving power. It believes that an organization is indebted to its clientele because they are the intimate storehouse of all the organization's deeds. Within management and consequently at the centre of strategy, inhabits the client we have to serve in a unique style if we anticipate to benefit from better-quality performance and this will be archived by attracting, gratifying and retaining the client, (Hax and Wilde II, 2003).

The Delta Model strategy makes available an elaborate set of strategic positions that ensures there is high client bonding. There are three discrete strategic preferences which provide different approaches to achieving high degree of customer bonding. They include;

Figure 1: Delta Model Triangle
Source: Reinventing Your Business Strategy by Arnoldo C. Hax, 2010.

The Best Product

The Best Product positioning strategy has its basis on the traditional structure of contest. The client is involved by the intrinsic uniqueness of the merchandise itself by either using the well-known Porters low-cost strategy that makes available to the client a good price advantage or by use of the differentiation strategy that brings in exceptional characteristics esteemed by the consumers which in turn makes them eager to pay a premium for it. The potential to build up the necessary competence which will enable the organization to be in a position to deliver the most excellent merchandise and the best value chain is what this kind of strategy puts all its focus on and its basically the products economics in action. The most important strategic forces in this strategic position includes but not limited to growing of a well-organized and efficient supply chain that is better than that of your competitors, establishing of an in-house potential for new products developments that promises the appropriate revitalization of the products that are currently existing in the market and ensuring that your distribution channels are well secured (Hax, 2010).

Conceptual Framework

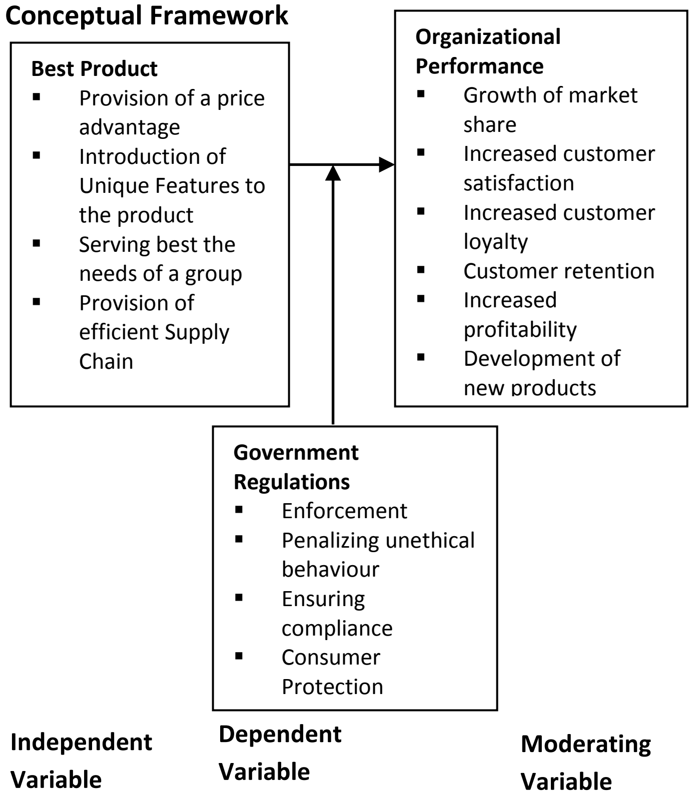

Figure 2: Conceptual framework
Source: (Author, 2019)

Effects of Best Product option on Organizational Performance

Any organization that needs to attain competitive advantage by having the lowest cost in the industry must adopt the cost leadership strategy which is one of the Porters' generic strategies (Malburg, 2000). A committed workforce to low cost strategy, low cost manufacturing and a good low cost leadership strategy are what will eventually bring about low cost advantage in any organization. This has been demonstrated well by Wall-Mart Inc. which has always been successful because it uses a strategy of low prices to attract customers. McDonald's has dominated the restaurant industry by yielding low

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margins. It has a cost leadership marketing strategy that has made it difficult for competitors to compete with it (Porter, 2008). Both Wall-Mart Inc. and McDonald have used cost leadership strategy to attain dominance and superior performance. To provide your customers with a unique product or service an organization must use differentiation strategy which is one of Porters' main strategies. With this different strategy the organization is able to innovate and market unique products for several groups of customers. According to Morschett et al, (2006) in order to develop customers satisfactions and loyalty an organizations need to create a great and world class fulfilment of customer needs in their array products attributes.

Effects of Government regulations on organizational performance

The government of Kenya regulates the telecommunication sector through the communication authority of Kenya. It is the only authority that regulates the entire communication sector in Kenya. The Kenya information and communications Act, 1998 is the one that established the authority in the year 1999. The authority was tasked with the responsibility of developing not only the information sector but also the communication sector too. Their scope included but not limited to telecommunications, electronic commerce, broadcasting, multimedia, postal and courier services. Some of the active role it was to play include country's frequency spectrum management and numbering resources, licensing of both the services and systems in the communications industry e-commerce development; approval and acceptance of equipments meant for communications, use of all the consumers and their rights within the communication ecosystem, providing a level playing ground to all the players within the sector, tarrif regulations for both the retail and wholesale; and finally activity monitoring of the licensees in order to enforce compliance of the license terms and conditions as well as the law, (CA, 2018). The above roles and responsibility of the CAK can either affect organizational performance positively or negatively.

Organizational Performance

Successful organizations are of great importance in any developing nation. They play a vital role in the day to day lives of citizens in these countries. They are the engine of political, social and economic development. Organizational performance is therefore is one of the most important variables in the management research and obviously the best indicator of any organizations success (Gavrea, Ilies & Stegerean, 2011).

In this very competitive environment with a lot of threats from globalization any serious organization must seek to achieve a competitive edge over its competitors. This has been a bit difficult to most organizations because of challenges they face when it comes to the high competency requirements. So to measure organizational performance, one has to measure the actual outputs against the intended outputs i.e. the goals and objectives that had been earlier set (Alqudah, Osman & Safizal, 2014).

According to Richard, Devinney, Yip & Johnson (2009) organizational performance does a comparison of the three most important aspects of the company outcomes. This include return on assets, returns on investments and profits, which constitutes the financial performance, sales and market shares which constitutes product market performance and finally shareholder return. Organizational performance is viewed in terms of profits, which entails the comparison of the actual output weighed against the initial intended outputs. This entails various activities that have been put in place to establish the goals and aspirations of the entire organization and monitoring the progress that is been made towards achieving the targets that were set initially (Johnson et al; 2006).

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RESEARCH METHODOLOGY

This study adopted a post-positivism approach because the philosophical approach of natural scientist is observed in positivism as the work of natural scientist is based on observable social entity. Research strategy is approached on the basis of data collection and hypotheses development. The hypotheses were tested and confirmed which can be used for further research. Furthermore, positivism works on quantifiable observations and accordingly statistical analysis is obtained (Saunders, Lewis, & Thornhill, 2009).

The study made use of descriptive survey design which involved collection and analysis of data from members of a populace so as to establish the present status of the subject of the study.

The target population for this particular study comprised of 6,149 front office employees of licensed operators in the telecommunication industry in Kenya as at June 2016 Communication Authority of Kenya data; that is 4,574 from Safaricom Kenya Limited, 1,319 from Telkom Kenya Limited, 223 from Airtel Kenya Limited and 33 from Finserve Limited. This was done in the three cities and two municipalities in Kenya namely Nairobi, Mombasa, Kisumu, Nakuru and Eldoret.

This study focused on the four major companies in the telecommunication sector that included Safaricom, Airtel, Equitel and Orange. Sema Mobile services was not studied because at the time of writing this thesis it had insignificant number of subscriptions putting it at 0% market share this was as per the Communication Authority of Kenya first quarterly sector statistics report for the financial year 2016/2017 that is July-September 2016. The unit of analysis comprised of the organizations in the telecommunication sector as mentioned earlier and the target respondents were the customers facing 173 employees drawn from the operators in view of the fact that they directly transact daily in the management of the business and they are the very conversant with the effects of strategic positioning on the performance of their respective organizations.

Data for this study was collected using a questionnaire. The questionnaires were self-administered by the researcher with the assistance of trained research assistants.

Data analysis constituted the various steps that included the coding of responses, cleaning, screening the data and the selection of the appropriate analysis strategy. Identification, classification and assignment of the numeric or character symbol to data constituted the pre-coding of the responses.

RESULTS

Effects of Best Product strategic positioning on Organizational Performance in the Kenyan telecommunication industry

The first objective of the study sought to establish the effect of best product strategic positioning on organizational performance in the Kenyan telecommunication industry. The respondents were required to give their opinion by indicating the extent to which they agreed or disagreed with the various statements.

The results of the study were analyzed descriptively using percentages, means and standard deviations, in order to make deductions on how the respondents responded to various statement items describing the effect of best product strategic positioning on the organizational performance. The results were presented in Table 1.

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Table 1: Effects of Best Product strategic positioning on Organizational Performance in the Kenyan telecommunication industry

ITEMS	SD	D	U	A	SA	Mean	Std. Dev
We provide a price benefit to customers	10.4%	18.1%	8.3%	30.6%	32.6%	3.57	1.377
We have introduced exceptional features that our customers value and are prepared to pay premium	6.3%	10.4%	9.0%	34.7%	39.6%	3.91	1.211
We serve better the needs of a particular group by focusing totally on it	10.4%	8.3%	6.3%	48.6%	26.4%	3.72	1.237
We conform to specification that influence the reliable performance of our product	2.1%	16.7%	13.2%	41.0%	27.1%	3.74	1.095
We have the ability to develop the capacities to deliver the best product	2.1%	8.3%	6.3%	63.2%	20.1%	3.91	.884
We have an efficient supply chain that guarantees low cost infrastructure	11.8%	25.7%	25.0%	18.8%	18.8%	3.07	1.294

The results presented on Table 1 showed that most of the respondents 32.6% strongly agreed that the company provided a price benefit to their customers followed by 30.6% who agreed and only 10.4% strongly disagreed while 8.3 % were undecided with the statement. The mean response was M=3.57 and a standard deviation of SD=1.377.

The results also showed that 39.6% of the respondents strongly agreed while 34.7% agreed with the statement that the company has introduced exceptional features that their customers value and are prepared to pay premium price. Only 10.4% disagreed and 6.3% strongly disagreed with the statement. The results further indicates that with a mean of M=3.91 and standard deviation of SD=1.211, the company is considered to have introduced exceptional features to their products that customers value and are willing to pay for a premium price. The study also established that the respondents indicated that, they serve better the needs of a particular group by focusing totally on it. Most of the respondents 48.6% agreed with the statement while 26.4% strongly agreed. Only 10.4% strongly disagreed with the statement. The mean response was M= 3.72 with a standard deviation of SD=1.237.

The study also sought to establishes whether the companies conform to specification that influences the reliable performance of their product. The results showed that most of the respondents 41.0% agreed while 27.1% strongly agreed with the statement. Only 16.7% of the respondents disagreed with the results. The mean response was M=3.74 and a standard deviation SD= 1.095. The study also sought to establish whether the companies had the ability to develop the capacities to deliver the best product to the market. The results show that majority of the respondents 63.2% agreed with the statement while 20.1% strongly agreed. Only 8.3% disagreed with the statement. The mean response of M=3.91 with a standard deviation of 0.884.

On whether the companies had an efficient supply chain that guarantees low cost infrastructure, majority of the respondents 25.7% disagreed while 25.0% were undecided on the statement. Only 11.8% strongly disagreed. The mean response of M=3.05 with a standard deviation of 1.294. The overall results indicated that majority of the respondents mean of 3.65 agreed that most companies that participated in the study use the best product option as a strategic positioning to enhance organizational performance.

Correlation analysis for Best Product strategic positioning and organizational performance

Linearity of variables was tested using correlation coefficients as suggested by Cohen, West and Aiken, (2003). Pearson correlation (r) was therefore used to test whether the relationship between the variables that is best product option as a strategic positioning for improving organizational performance among the Kenyan telecommunication companies. The results were tested at 95% level of confidence. The relationship between the two variables was considered significant if the p value was less than 0.05. It was considered to be weak if the correlation (r) < 0.5 and it was considered to be strong if the correlation (r) was > 0.5. The results were presented in Table 2.

Table 2: Pearson's Correlation

		Organizational Performance
Best Product option	Pearson Correlation	.252**
	Sig. (1-tailed)	.002
	N	144

From the results on Table 2, it was noted that the relationship between the Best Product strategic positioning and organizational performance was weak but positive (r =0.252) and it was very significant ($p < 0.05$). This implied that the decision of most telecommunication companies to use the best product option as a strategic positioning strategy was appropriate because it enhanced the performance of the organization. The study findings were in agreement with the findings of Letangule and Letting (2012), who found out that product innovatory replacement and repositioning contributed to the firm's profitability. The study is also in agreement with that of Hax and Wilde (1999), Southwest Airlines had an outstanding performance through best product strategic positioning.

Regression analysis and hypotheses testing

The study further sought to establish the magnitude of the relation which was defined by R squared and develop a regression model in the presence of government regulations as a moderating factor. The analysis was first done by considering the direct relationship between independent variables and then using the step wise regression analysis the moderating factor (government regulations) was introduced to examine the effect on the model. The study sought to test the four hypotheses using the ANOVA results.

From the analysis of the collected data R represents the co-efficient of correlation to test for the degree of the relationship; R^2 represents the co-efficient of the determination to test for the extent to which two variables are correlated, Sig. value in the ANOVA table represents the significance of the relationship between two variables while the co-efficient table represents the model establishing the relationship between variables and their significances in the model. The results were thereafter supported by previous findings of scholars in the related field to justify the results of the study.

Effect on the Best Product strategic positioning on organizational performance

Hypothesis 1. There is no statistical significant relationship between best product strategic positioning and organizational performance in the Kenyan telecommunication industry.

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Table 3: Regression Summary for the effect on best product strategic positioning on Organizational Performance before and after moderation

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Sig.
1	.252[a]	.063	.057	.807	.002a
2	.360[b]	.130	.117	.780	.000[b]

a. Predictors: (Constant), **Best Product**

b. Predictors: (Constant), **Best Product; Government Regulations**

The model (1) summary in Table 3 provided useful information about regression analysis for the first hypothesis before moderation. The correlation coefficient (R) value of 0.252 indicated the existence of a weak positive relationship between best product strategic positioning and organizational performance. The coefficient of determination (R^2) value of 0.063 explained the proportion of variation in best product strategic position that was attributed variations in the organizational performance. This indicated that 6.3% of a unit change in performance of telecommunication could be explained by best product positioning. The value of R^2=0.063 shows that best products positioning is a predicator of organization performance through on a small scale.

The results showed that the goodness of fit for the regression between best product strategic positioning and organizational performance was satisfactory since the p value was less than 0.05 (i.e. 0.002) indicating that the relationship between the two variables is statistically significant.

The results further showed that when the model is moderated by government regulations the model (2) becomes more statistically significant i.e. p value of 0.000 and the R value increases from 0.025 to 0.360 while the R^2 value improves from 6.3% to 13.0%. This implied that when there is regulation by government the influence of best product strategic positioning organizational performance improves. The standard error of estimates indicates that on average, observed organization performance deviate from the predicted regression line by a score of 0.807 and 0.780 before and after moderation respectively.

Analysis of variance for best product strategic positioning

Table 4: Summary of analysis of variance for best product strategic positioning

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.251	1	6.251	9.603	.002[a]
	Residual	92.432	142	.651		
	Total	98.682	143			
2	Regression	12.809	2	6.404	10.516	.000[b]
	Residual	85.873	141	.609		
	Total	98.682	143			

a. Predictors: (Constant), **best product**

b. Predictors: (Constant), **Best Product; Government Regulations**

c. Dependent Variable: **performance**

The F statistic was significant at 5% level of significance implying that the model fits well. The study also established the model fitness by comparing the F- calculated and F-critical values. The results for F calculated were in Table 4. The F-Critical, $F_{0.05, 1, 142}$ was 3.84. Since F calculated, 9.603, was greater than F-Critical, $F_{0.05, 1, 142}$, was 3.84, the study concluded that the model fits well. This was further supported by a p-value of 0.002 which is significant at 5% level of significance implying that the model fits well. The results in Table 5 present the regression model coefficients.

From these results the hypothesis one which stated that there was no significant relationship between best product strategic positioning and organizational performance in the Kenyan telecommunication industry was rejected both before and after moderation and concluded that best product strategic positioning influenced organizational performance.

Table 5: Summary of regression Coefficients' for best product positioning

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	3.325	.270		12.328	.000
	Best product positioning	.222	.071	.252	3.099	.002
2	(Constant)	2.853	.298		9.581	.000
	Best product positioning	.045	.088	.051	.512	.609
	Government Regulation	.304	.093	.327	3.281	.001

a. Dependent Variable: performance

The regression coefficients were computed using the stepwise method and used to develop the simple regression model. The value of the intercept better indicates the value of organizational performance when all the explanatory variables are zero is 3.325 before moderation and 2.853 after moderation by government regulations.

The estimated coefficient for best product strategic positioning is 0.222 and the p-value is 0.002, which was less than 0.05 and this indicated that the effect of best product strategic positioning on organizational performance in Kenyan telecommunication industry was actual as per the results.

The results showed that best product strategic positioning contributes significantly to the model since the p-value are less the 0.05 for both moderated and immoderate. The findings implied that one positive unit change in the best product strategic positioning leads to a 0.222 change in performance of the telecommunication industry in Kenya. This confirmed the positive effect of best product strategic positioning on the performance of telecommunication industry. The study findings were in agreement with the findings of Letangule and Letting (2012), who found out that product innovatory replacement and repositioning contributed to the firm's profitability.

Simple regression model for relationship between best product strategic positioning and organizational performance was as follows:-

$OP = \beta 1 + \beta 1BP + e$

$OP = 3.325 + 0.222BP + 0.270$

Moderated simple regression model

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$$OP = \beta 0 + \beta 1BP + \beta 1GR + e$$
$$OP = 2.853 + 0.045BP + 0.304GR + 0.298$$

CONCLUSION

Based on the summary, the study concluded that with a proper best product positioning strategy the telecommunication industry in Kenya are likely to record enhanced organizational performances. The study findings were in agreement with the findings of other scholars who found out that product innovatory replacement and repositioning contributed to the firm's profitability. So for any telecommunication company that aims at improving or growing its profit they have to seriously think of enhancing their products to be the best in the market. Just like Southwest Airlines in America had an outstanding performance through best product strategic positioning.

Finally the study concluded that a change in the government regulations has a positive and very significant effect on the performance of the telecommunication companies in Kenya. This shows that with appropriate government regulations, best product, total customer solution and system lock-in strategic positions will enhances organizational performance of telecommunication industry. This implies that a change in the government regulations has a positive and very significant effect on the performance of the telecommunication companies in Kenya. This is in agreement with other studies which noted that policy and regulatory framework led to enhancement in organizational performance by creating a level of playing field for organizations. Policy and regulatory framework also led to improvement in transparency, openness, improved ethical standards, impartiality as well as improving decision making.

RECOMMENDATIONS

The study recommended managers to focus on the effective use best product strategic positioning in order to influence organizational performance by focusing more on the following aspects of the product; they should provide a price benefit to their customers, introduce exceptional features that their customers value and are prepared to pay a premium, serve better the needs of a particular group by focusing totally on it, conform to specification that influence the reliable performance of their product, have the ability to develop the capacities to deliver the best product and finally have an efficient supply chain that guarantees low cost infrastructure.

This study recommended that for the government regulation to be effective they should be efficient in enforcing regulations on unethical business behaviour, efficient at penalizing firms as a result of unethical business behaviour, should fulfil its objective of preventing the consumers from unethical business practices, should efficient at conducting appropriate tests and ensuring compliance with the approved specifications for the effective control of quality and finally they should be able to prevent dominance of the industry by one player.

Areas for Further Research

Thus the study recommended that other researchers to focus their research on the following:

- The research should be done on other industries in Kenya such us manufacturing industries, the aviation industry, transport industries, banking industries etc. These comparative studies are important.
- In the sample distribution researchers should use other sampling methods other than the proportionate sampling used in this research and see what effect it will have on the final results.
- The same study should be done in other countries in order to draw a comparative analysis of the finds.

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