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## An Empirical Analysis of Strategic Positioning on Competitiveness of Private Universities in Nairobi City County, Kenya

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### **Abstract:**

*This study examined the influence of strategic positioning strategies on the competitiveness of private universities operating and licensed in Nairobi City County, Kenya. To achieve the stated aim of the study, the following specific objectives were used: to explore the influence of cost leadership strategy, to establish the influence of market focus strategy, to establish the influence of product differentiation strategy, and to examine the influence of innovation strategy on the competitiveness of private universities. The study was supported by the following theories: Porter's theory of competitive position analysis, the game theory as well as the innovation theory. The study adopted descriptive research design. Target population for the study was ninety-three respondents comprising of the DVC(A) and Deans of schools. A simple random sampling strategy was used to collect primary data using semi - structured questionnaires and corroborated by secondary sources of data. Both qualitative and quantitative data collected was analyzed both descriptively and inferentially with the help of statistical package for social science (SPSS) version 24 and MS Excel 2010 and findings presented by statistical tables. From the study results, strategic positioning strategies were found to have a statistically significant effect on the competitiveness of the surveyed private universities. Based on the study findings, the study recommended that the universities improve their strategic positioning strategies so as to improve their competitiveness.*

**Keywords:** Competitive advantage, strategic positioning innovation, strategy

### **1. Introduction**

While each situation provides for a unique problem, there is no doubt that institutions of higher learning whether public or private operate within the same environment with some difference in the set-up as well as how they react to these challenges. The challenges in the education sector including the need for sustainability in terms of resources to run these institutions have necessitated them to push harder to gain revenue to support their everyday operations. The concept of strategic positioning has different perspectives globally, regionally, and locally as far as private institutions are concerned.

The increased demand for institutions of higher learning globally cannot be ignored going by the need for university testing and certification (Chacha, 2004; Okioga et al., 2012). Chacha (2004) underlined, academic certification is necessary for most positions of power, authority and prestige in most societies worldwide. There is also the perception that university education guarantees a lifelong secure career (Gudo et al., 2011). In the global sphere, individual students seek academic quality and credentials of programs offered by foreign universities. Institutions have embraced new changes in institutions of higher learning as international students can be charged a relatively high tuition rate compared to local charges thus increase revenue. There are also some presumptions that education out there, especially on the global sphere, is of better quality as compared to what is offered locally and regionally by other institutions. Which brings to the fore the question of how these institutions have positioned themselves for this seemingly bigger portion of the market beyond their local market?

Globally, three factors relate to the efforts of institutions to reach into new markets. Seeking mergers with other institutions perceived better or of same level. A reaction to a substantial decline in many nations of public funding for higher education institutions from the government and the subsequent desire to generate new programs that in turn generate new revenue streams for these institutions which now have to get solutions on revenue. The hope of achieving cost savings by consolidating programs, administrative structures, and perhaps capital costs is also another factor to be considered. The third is a desire to bolster the market position of one or more institutions to recruit students and

getresearch funds. This is more practical in a recent scenario where the University of Manchester merged with the Manchester Technical University, for better operations. (Guardian -Friday, October 18th, 2012).

While some universities have been able to adapt quickly to the changes that are coming up from time to time while remaining true to their objectives and goals, others have had it tough and have continued to make efforts to strategically position themselves for the market. A good example is one of the largest universities (The University of Phoenix, in the United States of America) that focus on the provision of services for the outcome. Shortage of enrolment has pushed the institution out of the market. Institutions like Stanford university that have had it tough, formed alliances with companies and managed to come back and get a good share of the market in terms of enrolment and revenue thus surviving the ordeal. This calls for a broader look at the goals of each institution as each could have a different objective that eventually end up not working out as observed by Stuart and Peter Coaldrake (2007).

Due to the high competition for universities and the increased knowledge from target customers, demand for better university education is becoming necessary. Demand for higher education has also pushed students and even universities to focus beyond their area by trying to look for options beyond their region. Regionally, there are so many factors at play when we talk about strategic positioning. Various authors have noted the pressures and changes in the higher education landscape (Whyte, 2001; Bradshaw & Hausman, 2002; Rindfleish, 2003; Van & Beets, 2008). South Africa provides a different set-up of challenges affecting the masses from changes in language policies, an increased emphasis on technology, changes in government funding transformation policies, changing student profiles mergers, globalization to increased competition.

An institution that knows the factors that influence students' application and enrolment decisions is better suited to know how to strategically position itself. Students from different regions have different preferences but generally, some factors cut across such as institutional accessibility, academic programs and non-academic programs as supported by Bajsh and Hoyt (2001), and Bradshaw, Espinoza, and Hausman (2001) also identified research activities, social opportunities, economic considerations, quality and responsiveness of staff, and the size of the institution as influencers of students' choices of a university, more so those on self-sponsored. In addition, a study by Punnarach (2004) concluded that general repute of the university, public relations, and stability as additional choice factors do influence the choice of the university. Moreover, a study by (De Jager & Du Plooy, 2006) equally outlined those auxiliary services, operational activities as well as the reputation of the institution as factors that influence students' expectations. All these factors point to the direction the institutions of higher learning should point at while strategically positioning themselves for the market. Pateman (2008), asserts that converting a strategy into results requires the coordination of people, operations and the strategy. This requires strategic leadership, which is described as one of the key drivers of effective strategy execution (Pearce & Robinson 2007).

Education in universities in Kenya has experienced tremendous evolution over the years since the inception of university education in 1963 in Nairobi University College. Since 1970, the university had grown from a faculty-based university serving a student population of 2,768 to a college focused university serving over 68,000 students. As a result of these, there has been a rise in student enrolments, expansion of universities, diversity of programmes and setting up of new universities and campuses as increased competition becomes rife. This continues to put pressure on the institutions of higher learning to strategically position themselves for the market (Sifuna, 1998). There has also been an increase in the number of private universities and their constituent colleges to ease off pressures due to the increase in the demand for higher education. Operating environment for these private institutions is different since they solely depend on their revenue to support operations. It is an unfair playing ground for competing with the public entities that get support from the government. The heavy dependence on generated revenue from mostly the fee coupled with lack of alternative income sources has made these institutions expensive and thus unaffordable for most Kenyans. This, in turn, limits their services to the children of high socioeconomic status (Jowi, 2003). It has also seen a challenge to these institutions on the best way to survive competition from public entities. They have however come up with strategies including new market-friendly programs (Varghese, 2006) courses that are more attractive to the students thus making them more attractive and competitive despite the high charges. The World Bank notes that private higher education has become the 'fastest-growing segment of higher education worldwide' (World Bank, 2009; McCowan, 2008).

Missionaries established schools for their converts and this is where the idea of private institutions of higher learning was borne. St Paul's United Theological College (1955) was the first private institution of higher learning and Scott Theological 5 College (1962) came in. United States International University (USIU) established a campus in Nairobi in 1970. The government did not give accreditation to these private colleges or universities for a long time until there was increased demand for university education forcing the government to encourage the establishment and accreditation of private universities in the 1990s (Commission for Higher Education, 2007). Competition among universities is increasing with universities entering into joint ventures and franchise operations as noted by Cubillo, Sanchez, and Cervino, (2006). The intensity of competition has led some universities to have relatively low student enrolment as Messah (2011) notes. As a result of this, the need for universities to build competitive advantage is not in doubt calling for strategies that can make the universities to thrive and prosper (Taylor & Darling, 1991; Hasan, 2008).

### *1.1.Statement of the Problem*

As higher education globally is being adjusted to meet stakeholders' expectations, the local institutions of higher learning need competitive strategies in order to compete effectively and this aspect cannot be underscored. Accordingly, the competitive strategies assist in attracting more students, help these institutions remain competitive and thus the need to craft and embrace competitive strategies that can lead to superior performance. Over the years, education in Kenya has experienced significant changes from what was initially envisioned where public institutions of higher learnings were to

offer university education aimed at offering opportunities to all students. This situation was sustained for some time with the majority of those that qualified to join universities getting opportunities to join these institutions without much struggle while the rest joined technical institutions. This was ideally the best situation for students in the initial years of development of university education as little hurdles were encountered owing to the low population density and low demand for university education (Oketch, 2003). The current state of affairs is different from that situation that was envisioned with such low group of people qualifying to join such institutions as well as a low-density population the world over. Currently, Kenyan population has grown drastically as well as demand for education with the majority of Kenyans opting to pursue a university education. This has pushed demand for universities up.

A study by Amutabi (2003), there was a recommendation by former President of Kenya, Daniel Toroitich Arap Moi, to establish more universities in Kenya to accommodate the then increasing number of students by looking at the population growth. Since then, there has been great expansion leading to the establishment of more than 22 private universities, in addition to over 29 public universities, including their constituent colleges in Kenya. As Messah (2011) notes, the intensity of competition has led some universities to have relatively low student enrolment. The government of Kenya launched Free Secondary Education (FTSE) in January 2008. The idea was to have more students complete their secondary education. The increase in competition has seen emerging of additional private universities and campuses while several colleges have been upgraded to universities as observed by (Oanda, 2011; Onsongo, (2007). Consequently, universities have no option than to study factors that influence the students' decision to join a specific institution as observed by Hasan, (2008).

Strategic positioning as a strategy employed by various institutions aims at coordinating and integrating activities of the various functional areas of a business within the institution with a long-term target of achieving its objectives. A study by Arie de Geus (2007) revealed a strategic consistency in operations when the actions of an institution are consistent and in synch with the expectations of the management of these institutions, and in turn, are in line with the market and the context within which it operates. Any organization that employs concentrated growth strategies grows by building on its competences, and it achieves a competitive edge by concentrating in the product-market segment it knows best

### *1.2.Objectives of the Study*

The main purpose of this study was to explore the influence of strategic positioning on the competitiveness of private universities in Nairobi City County, Kenya. To achieve the general objective, the study formulated the following specific objectives:

- To explore the influence of cost leadership on the competitiveness of private universities in Nairobi City County, Kenya
- To establish the influence of market focus on the competitiveness of private universities in Nairobi City County, Kenya
- To establish the influence of product differentiation on the competitiveness of private universities in Nairobi City County, Kenya
- To examine the influence of innovation on competitiveness of private universities in Nairobi City County, Kenya.

## **2. Literature Review**

### *2.1.Theoretical Review*

Stem (2007) defines a theory as a group of logically organized sentences of a relationship that constitutes a set of observations. Theoretical review establishes what theories already exist, the relationships between them, to what degree the existing theories have been investigated, and to develop new hypotheses to be tested therein. The study is anchored on Porter's theory and supported by innovation theory and game theory.

#### 2.1.1. Porter's Theory

Porter (1979) breaks down the factors that affect the environment within which an institution or firm operates and how these factors are likely to affect the performance or place of the firm or institution in the market as far as competition is concerned. These factors make up the competitive environment and enable a firm to come up with ways on how to cope or become better. Key is the market rivalry. Every institution that is critical to its position in the market will be keen to take note of what other similar businesses or institutions are offering their customers. This is based on what exactly the customer (student) is looking for and therefore how each of the providers is providing and packaging. This calls for a closer look at the quality of services or goods offered as well as how different other providers are doing it which could bring in the issue of innovativeness (Ford & Håkansson 2013).

Porter in his competitive analysis theory suggest strategies that businesses can adopt to have an upper hand in competition. Porter's theory and perspective have been supported by different authors in their work and this brings into perspective the link between Porter's theory and other theories and strategies. Helms (2006) developed research to investigate this kind of linkage focusing on strategies and organizational performance pegging them on four factors: product differentiation, focus-cost leadership, cost leadership, and focus-product differentiation. What they have discovered in their survey is that by correlation analysis of the four strategy scales there is a clear indication that each is significantly associated with organizational performance. This research draws upon different theoretical concepts and contexts on cost leadership, differentiation strategy, market focus, strategic analysis, and competitive strategy that forms the basis of competitive advantage.

Competition is there in every field of business that is deemed rewarding or promising. Competition means new providers in the market, new ways or better ways of doing the same thing from these players who are always trying to be better to enhance their chances of getting the biggest number of customers (Luo, 2007). This situation is not different for institutions as they face these new entrants some offering new courses that are in demand or employ marketing strategies to ensure they entice students. Any institution could be offering specialized service that is only known to that institution. Some policies and laws could make it difficult for new entrants to join the market. If there is competition from within or from new entrants into the market, customers might decide to try something different. While this is not always the case with services offered at institutions of higher learning especially for continuing students, it could be the case for new students who are joining the institution for the first time or students who are rejoining the institution for a second time. This scenario also requires the customers to take into consideration other factors such as whether there is a cost implication to the change to the higher or lower end and benefits that could be accrued from such change (Wickham, 2001).

Many factors of consideration determine how institutions could reach as far as the provision of certain services are concerned and key among could be the cost of providing such services which determine how many other providers can provide. There are instances where the supplier is the key determinant of what he offers since the service could be scarce. There is always a common presumption of the buyer being always right. While this might not entirely be true as far as the provision of services in institutions of higher learning is concerned, there is a great play of this, especially because the customer (student) gets to make a choice of the services he or she wants to be provided or to apply to. This could, therefore, mean that buyers can put pressure on the service provider to provide that which they want or need and the provider (institution) must be cognizant of this fact (Cai and Yang, 2014) and act accordingly.

### 2.1.2. Innovation Theory

This innovation theory by Joseph Alois Schumpeter 1912 puts into perspective several issues including the product or service being offered as a system. This means that every product or service represents the union of parts or procedures connected to deliver value to the customers. No individual element of a system can deliver the same value on its own. This theory provides that systems evolve in the predominant direction. The course of a system's evolution coincides with the delivery of ever-increasing performance while requiring fewer resources for providing that performance. The predominant direction of evolution can be expressed as the ratio of the sum of the functions delivered by a system (an embodiment of performance) to the sum of connections the system needs to establish for obtaining the required resources for achieving the functionality this is.

The business world is created in such a competitive environment and any business, it must create value for the market to enable it to make a prospect and thus upper hand in the market. Innovation can be termed as a process of value creation, which consists in changing the composition of a set of variables describing a system (Tsai, Chen and Tzeng, 2006). According to Drunker (1994) innovation is an important tool of the entrepreneur in creating competitive potential in business and wealth by utilizing existing resources or by creating new ones, including development using new knowledge. Everything is determined by factors that are beyond control and consequently, the cardinal reason for this theory.

The strategic innovation as a strategy involves a major and long-term adaptive change in the firm's business model or the adoption of a new business model. They can sometimes be driven by innovations that occur within the organization such as strategic change, product and process innovations or by external innovations and challenges. External strategic changes such as mergers are the most common manifestations of strategic innovations. Also, internally focused strategic innovations generally involve structurally remodelling. A study by Schlegell et.al (2003) describe strategic innovation strategy as a reconceptualization of the business model and the reshaping of existing markets to achieve dramatic value improvements for customers and high growth for companies (Schlegelmilch et.al., 2003). The theory is relevant as it puts into the picture the idea of looking at the business, its environment and reconceptualizing to create value to achieve impact. Penrose (1959) states that the combination of available resources of the company is crucial for the entrepreneur to develop new business, which also comes into existence as Christensen, Anthony and Roth's resource theory (2007).

### 2.1.3. Game Theory

The game theory started by John von Neumann and Oskar Morgenstern (1944) is a theoretical framework for conceiving social situations among competing players or the optimal decision-making of independent and competing actors in a strategic setting. (Harsanyi, 2013) in his work on game theory focusing on cooperative and noncooperative theory with main focus on Noncooperative game theory that deals largely with how intelligent individuals interact with one another to achieve their own goals. There is the bigger picture of trying to look at what action of one party or factor will influence the outcome of the other or rather that success of one factor at play will result in success of the other one the other side. Game theory comes at play on the bigger picture of studying strategies for dealing with competitive situations where the results of one party will depend largely on that of the other party or players.

The focus of the game theory is limiting in that, it is only relevant when there are relatively few players or competitors within that landscape. This is equal to the change and development that have been there as far as education growth in all universities in Kenya is concerned, more so, the upsurge of private universities in major towns and cities in Kenya with major players in the sector changing over time, and the number of students has increased. Meaning such a scenario would have results of the analysis become slightly irrelevant when there are a lot of players involved since the impact of an action by one player will not be significant for the others. The game theory puts into perspective the idea of a

game where several components are at play for the game including the key decision-makers who are the players; the strategies to be employed by these players which equates to action or moves that player make; the knowledge they possess that aid in decision making; the focus or outcome at focus and equilibria or stable result where these decision-makers or players do not change decisions made despite a lot of consideration. Camerer et al., (2001) emphasized that these assumptions are sometimes violated, meaning that not every player behaves rationally in difficult situations. With all these settings, the game theory puts into perspective two modes of play.

The first is the non-cooperative approach that assumes that each player aims to maximize its outcome, depending on how the other players will act (Stuart, 2004). In these types of games, players have a 'dominant strategy', or that one strategy that provides a payoff higher than the others, regardless of the choice or decision made by the other players. When faced with several options or choices, Game Theory would hold that the company should pick that which is best, since it is its dominant strategy. The second cooperative mode that seeks to ensure cooperative behaviour among players, where they collaborate and agree on their strategic decisions and choices. The choices are made jointly, instead of separately. While there is no major argument against the overall cooperative approach, the main question arises concerning the sustainability of its rewards. There are possibilities where a player can defect from what was agreed upon – after all, there is an incentive to do so, as the benefits could be greater for the player if it chooses to unilaterally alter its decision or switch strategies. Game theorists have developed numerous solution concepts. These differ not only in the underlying assumptions but also in the predictions they make. Osborne (2002) alludes to this where the interaction of the different players is put into perspective and the decisions, they make that affect other players. Bressan (2009) also points out broadly about optimal control to non-cooperative differential games and approaches to the solutions. For static cooperative games, there are several classes of solution concepts.

This theory relates to our study as it helps us understand how different sectors operate and specifically helps relate with our focus sector of higher learning and private universities. It also points to how different players in the sector contribute or affect the results in a given target or focus goal and especially key players who in our case study comprise of deputy vice-chancellors or dean of students who are critical decision-makers. Outrightly, it is not given for every player to act according to any set-out rule or procedure in the operating environment.

## 2.2. Conceptual Framework

A conceptual framework is a research tool in use to assist a researcher to develop awareness and understanding of the situation under study and to communicate the same to the audience (Kombo & Tromp, 2006). The strategies are reviewed in detail to show how practical they are in the case study as presented in figure 1

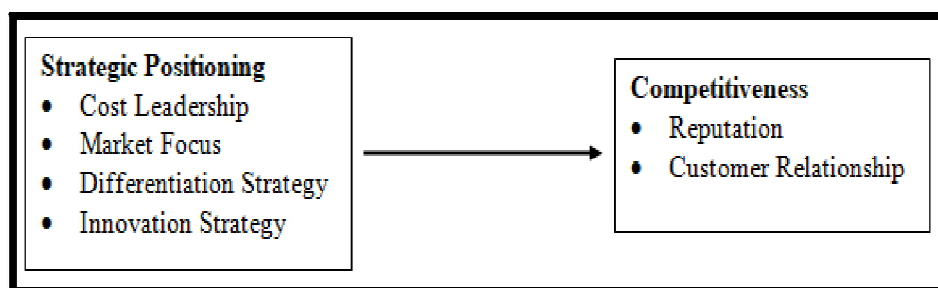


Figure 1

### 2.2.1. Cost Leadership Strategy

Cost Leadership is a strategy used by businesses to create a low cost of operation within their niche with the primary objective of gaining an advantage over competitors by reducing operating costs below that of others in the same industry on average. A study by Mutiso (2018) sought to analyze the cost leadership strategy and sustainable competitive advantage of Naivas Supermarket Limited in Kenya. An open-ended interview guide was used to collect primary data for the study from selected respondents. The interview guide was designed to identify key strategic cost drivers and initiatives used by the firm that would determine cost leadership strategy and how that contributed to sustainable competitive advantage. A case study approach was adopted for the research since the unit of analysis was an organization. The research undertaking is in agreement with the theory of dynamic capabilities on sustainable competitive advantage. The study was based on both Primary and secondary data sources in gathering data for analysis. The study targeted the Managing Director and senior managers drawn from different departments. The main method of analysis was content analysis. Data analysis was done through quantification of the results obtained for all the respondents by comparing and summarizing the data to arrive at conclusions. The study findings indicated that Naivas supermarket effectively applied the cost leadership strategy to run its operation.

A study by Marangu, Mwiti & Thoronjo (2017) sought to assess the influence of cost leadership strategy on organizational competitiveness in the sugarcane sector in Kenya based on three theories; competitive advantage, generic framework, and resource-based. The study's target respondents were twenty managers from every sugar firm and its affiliated farmers' sugar cane out-grower firms. Questionnaires were used to collect primary data through drop and pick method by the researcher. The study concluded that sugar firm's management in Kenya should make more efforts in employing cost leadership strategies to improve on organizations' competitiveness. This means that organizations' competitiveness of sugar firms in Kenya depends on the amount of cost leadership strategies.

A study by Hashem Valipour, Hamid Birjandi and Samira Honarbakhsh (2012) sought to empirically determine the influence of business strategies on the performance of firms. Data was collected from 45 firms in the Tehran Security Exchange (TSE) during 2003-2010 period. The surveyed firms were divided into 2 sub-groups, that is: those firms with cost leadership strategy and firms with product differentiation strategy. The study results indicated that in the firms with cost leadership strategy, there were positive relationships between leverage; cost leadership strategy and dividend payout with performance. The results also suggested that there were positive relationships between leverage and firm's size with performance in the firms with product differentiation strategy, but the relation between product differentiation strategy and dividend payout with performance was negative.

A study by Nyagara (2015) assessed the effect of cost leadership strategy on performance of LPGC in Eldoret town. The study adopted Porter's Generic Competitive Strategies and targeted a population of 175 respondents. From the target population, a sample size of 64 respondents was selected using stratified sampling. Primary data for the survey was collected by use of questionnaires and interview schedule. The collected data was analyzed descriptively and inferentially to assess the degree of linear relationship among competitive strategies and performance of the liquefied petroleum gas companies. The study results established that the company uses cost minimization of operational costs. The study concluded that, cost leadership influences the performance of LPGCs performance enabling the company to reduce price leading to high volume of sales visa a-visa profit margin, increase in service delivery, less return inwards, reduced operational costs and reduced wastages.

Muasa (2014) carried out a case study design of Naivas Supermarket on cost leadership strategy and sustainable competitive advantage of the chain where primary data was collected using an interview guide and secondary data obtained from the company website, Industry periodicals and company publications. The primary data was collected using open-ended interview guides while secondary data was obtained from company website, industry publications, published reports, journals and periodicals. The interview guide had open-ended questions with provisions for further probing in order to obtain detailed and comprehensive responses from the respondents. The study found that Naivas supermarket had to a large extent applied the cost leadership strategy on its operations by defining its low- and middle-income market niche, but more needs to be done to enhance the efficiency of the cost leadership business model. The study further established that the retail chain business environment is moderately changing and is characterized by dominant privately owned firms which inform the kind of competitive strategies adopted. It was found that for cost leadership strategy to be effective, high investment in technology, customer focus, selling a wide range of products, improving employee morale, effective management and good relations with suppliers were all key success factors in actualizing the strategy to ensure a sustainable competitive advantage.

### 2.2.2. Market Focus

The study was guided by Porter's Generic Model on competitive advantage adopted by firms. A questionnaire was used to gather data from the BOC Kenya customers. The data was analyzed using both descriptive and inferential statistical analysis. The survey research design was used covering a stratified sample of 1500 BOC Kenya Customers drawn from the firms distributed across the 7 key industrial subsectors. The researcher used a multi-stage sampling technique. In the first instance, the stratified sampling technique was used to classify each of the 7 sub-sectors into individual strata. The sample was then selected using a simple random sampling technique from each of the stratum. Inferential statistics were used to test the influence of generic strategies on the competitiveness of BOC Kenya with results showing significant relationships.

A study by Odunayo (2018) focused on the relationship between market focus strategy and organizational performance of telecommunication companies in Port Harcourt. The study used a cross-sectional design involving a management staff of 4 telecommunication companies in Port Harcourt and data collected using questionnaires. Empirical results confirm that there is a very positive significant relationship between market focus strategy and organizational performance in telecommunication companies. The study hence concluded that market focus strategy bears positive and significant influence on firm competitiveness. The study recommended that firms that choose to employ market focus strategies should concentrate on a narrow segment and within that segment attempt to achieve either a cost advantage or differentiation.

Banjo Hassan 2015 sought to investigate the nature of relationship between marketing strategy and product performance with a special focus on the food and beverage industry in Nigeria. The study used primary data gathered from 284 randomly selected staff of ten selected companies. These companies are quoted on the Nigerian stock exchange. To do this, a questionnaire was adopted as research instrument. The data gathered was subjected to factor analysis and regression analysis. The results show that indeed marketing strategy impacts product performance of the observed firms. Kumar (2015) sought to study the impact of market focus on performance of a business among hospitals in India. The study used both primary and secondary source. Data from a survey of 159 hospitals was used to test the relationship between market orientation and firm performance for low cost and differentiation strategies. Market orientation had a more positive impact on the performance of organizations pursuing a differentiation strategy than on those pursuing a cost leadership strategy. In the cost leader group, the inter-functional coordination component of market orientation significantly affected firm performance, while in the differentiator group the customer orientation and competitor orientation components of market orientation had significant impact on performance.

### 2.2.3. Differentiation Strategies

Differentiation strategies are marketing techniques used by an institution to establish a strong identity in a specific market and have also been referred to as a segmentation strategy. (Davidow and Uttal, 1989) alludes to product

differentiation as positioning a brand in such a way as to differentiate it from what is common in the market. A study by Priscilla 2012 sought to examine strategic responses to competition by the medium and supermarkets in Nairobi, Kenya. The research adopted Porter's generic theory. The target population of this study was drawn from all supermarkets with head-offices in Nairobi as listed in the yellow pages. Data was collected through a well-structured questionnaire targeting general managers and chief supervisors of the firms. The findings indicated that competitive strategies are at play with most firms adopting the differentiation strategy.

A study by Demba, Ogal&Muli (2018) sought to determine the effects of differentiation strategy on the performance of selected car rental businesses a case of Nairobi City County, Kenya. The research was based on Porter's Five Forces model theory. The study was a cross-sectional descriptive study design where the purposive sampling technique was used to select fifteen (15) car rental businesses in Nairobi City County. A stratified and simple random sampling technique was employed in recruiting three categories of respondents. The three categories of staff included top-level, middle level and bottom level management. The study established that there was a strong power of association between differentiation strategies and competitiveness of the business.

Dwamena (2011) carried out an evaluation of the competitive strategies in the banking Industry in Ghana: a case study of Barclays bank of Ghana Ltd. The paper sought to identify and evaluate the competitive strategies adopted by Barclays Bank of Ghana (BBG) and identify the areas of competition in the banking industry. The research recommended that, BBG continues to find ways of differentiating itself by changing its strategic direction to also focus on the middle and low earning customers and incorporate a refocus on superior customer service. Gathoga (2001) in his study, focused on competitive strategies adopted by commercial banks in Kenya. He employed survey design in addressing the challenges and responses to the increased competition. To satisfy these objectives data was collected from thirty-three selected commercial banks in Nairobi and from each bank two managers in general managers department and human resource or marketing department were targeted as the principal respondents. The aim of the questionnaire was to capture data on challenges in the banking industry, strategic responses adopted by commercial banks and managers opinion on intensity of competition within commercial banks in Kenya. The study revealed that, commercial banks are faced with many challenges and liberalization was taken to be the challenge that is a threat to the industry.

Onyango (2017) addresses the influence of cost leadership, differentiation and focus strategies on competitiveness of BOC Kenya. The study is guided by Porter's Generic Model on competitive advantage adopted by firms. A questionnaire was used to collect primary data from the BOC Kenya customers and the data was analyzed using both descriptive and inferential statistical analysis. Survey research design was used covering a stratified sample of 1500 BOC Kenya Customers drawn from the firms distributed across the 7 key industrial subsectors. In the first instance, stratified sampling technique was used to classify each of the 7 sub-sectors into individual strata. The sample was then selected using simple random sampling technique from each of the stratum. Descriptive statistics such as percentage, mean, standard deviation and inferential statistics, namely; correlation analysis and regression analysis were used to test the influence of generic strategies on competitiveness of BOC Kenya. The results indicate that BOC Kenya has largely adopted competitive strategies in order to compete in the market place.

#### 2.2.4. Innovation

A study by Gakure, et al. (2013) assessed the role of innovation in Kenyan Electrical and electronic manufacturing enterprises using multivariate linear regression analysis. The study adopted a descriptive-explanatory design. The study was anchored on both the innovative firm theory and resource-based theories. The study results showed that innovation strategy had a statistically significant and positive relationship between with competitiveness of the firm. The study results also showed that Research, human capital, and learning/knowledge sharing significantly improve innovations. They concluded that innovation was one of the most important factors that can be used to enhance competitiveness.

The world is changing rapidly and only those that keep up with the changing circumstances through innovation thrive. Porter (1990) argued that competitiveness in the modern world would favor innovators. As noted above, innovation has become the driver of economic competitiveness. A study by Nafula (2017) explored the contributory relationships of innovation strategies and its perceived influence on the performance of manufacturing SMEs firms in Nairobi City County, Kenya. The study was based on RBV theory, Schumpeter's theory of entrepreneurship, the innovation theory as well as dynamic capability theory. To achieve the stated study objectives, a descriptive - explanatory research design with a survey strategy was adopted. The study targeted a sample of 284 enterprises from three industrial Clusters; Industrial area, Ruaraka/Babadogo and Kariobangi /outering/ the areas. Primary data was collected by use of semi-structured questionnaires. Field data was analyzed descriptively and inferentially and multiple Linear regression model was used to show the relationships and the effect of innovation on firm competitiveness. From the study findings it was found that all the four types of innovation; Product, Process, Marketing, and Organizational had a positive and significant effect on the competitiveness of the surveyed SMEs in Nairobi City County.

Menger (2016) elaborates more on the case of innovation and competitiveness. The work highlights that small firms need to incorporate innovative strategies to increase their competitiveness in the market. The paper covers an investigation covering thirteen firms in the service industry. This move was also anchored on the results of previous studies that suggested that smaller firms were more likely to be more innovative than larger ones. The study used a qualitative analysis based on the methodology of structured interviews, review of proprietary and publicly available information and observation of innovation processes in the thirteen firms within a period of eighteen months. The use of a qualitative investigation was ideal to overcome the morphogenetic problem where the people and organizations rarely maintain consistency in behavior and observations into their actions would reveal changes over time. The researchers also



used a multiple-item survey instrument that field tested for efficiency. The results showed that eleven of the thirteen firms were successful innovators hence increasing their competitiveness.

Ratten (2018) brings a new perspective to the case of innovation by focusing on the Barossa wine valley region in Australia. The company is strategically placed as one of the premier wine areas in Australia. The study aimed at exploring the use of eco-innovation and how the same reflected and influenced the company's competitiveness in the country and around the world. The research design utilized qualitative in-depth semi-structured interviews to collect data from respondents who were in the wine regional cluster. The study findings indicate the critical role that the environment plays in the wine production industry around the globe. It showed that eco-innovation and regional wine cluster contributed significantly to the international performance of wine firms around the world.

#### 2.2.5. Competitiveness

Competitiveness of these public Universities was operationalized using reputation, competitive advantage as well as customer relationship. The concept of organizational reputation has been defined as (a) assessments that multiple stakeholders make about the company's ability to fulfill its expectations over time (Fombrun and Van Riel, 2003). A study by Oloko, Anene, Kiara & Mutulu, 2014 sought to explore the Marketing Strategies for Profitability focusing on a Case of Safaricom Ltd in Kenya Telecommunication Industry. The study was done to explore and highlight the marketing strategies that Safaricom Ltd has utilized to spur its remarkable growth in terms of the market share as well as its unprecedented strong super profit within the telecommunication industry both in Kenya and the entire East Africa region. The objective of the study was to majorly identify the marketing strategies for Safaricom's growing market share and profitability. The study is based on Porter's resource-based theory. The study found various marketing mix and techniques were employed that include: auditory marketing, new product creation, animation, pricing, place, content localization, brand alliances, use of celebrities and constant promotions.

Ahmad & Ismail (2020) look at the concepts of reputation versus prestige and how they apply to the instance of the service industry such as educational institutions. The work focuses on a public university in Malaysia and how internal and external public view the facility. The paper highlights the fact that most businesses and organizations consider reputation as a significant factor for consideration. However, less scholars delve into the service industry such as universities. The research model used interviews to answer their objectives. These showed that most respondents considered the university's prestige as a stronger factor compared to reputation. The university's internal public area had a higher response rate regarding prestige, reputation and personality compared to the external public. Both areas had a moderate response on the university's image indicators. All the responses from the internal public had higher results for each area of analysis. The research, therefore, concludes that there is need to improve the university's image in the eye of the external public to increase its competitiveness.

Research carried out by Maduro; Fernandes, & Alves (2018) state the vital place that management design occupies in corporate reputation competitiveness in higher education institutions. They set out to assist ensure a marriage of design and management to improve the corporate reputation of higher education facilities with a special focus on five schools on the Polytechnic Institute of Braganca in Portugal. The research first acknowledged the use of a SWOT analysis in analyzing institutions. The strengths and weaknesses focus on the internal and identity while the opportunities and threats on the external and image of an organization. Their study used a qualitative analysis and questionnaires to the whole institute's community. The staff members shed light on the identity aspect while the students' responses covered the image. They also used the corporate character scale that Davies developed in 2004. The findings revealed that there was a positive corporate reputation in the school. It, therefore, recommended ideas for improvement to increase their competitiveness. Harahap, Hurriyati, Gaffar & Amanah (2018) look at the case of reputation from the angle of word of mouth. Their work highlights the position and role that word of mouth plays in influencing students' decision to attend the faculty of economics at the Universitas Islam Sumatera Utara (UISU) in Indonesia.

Competitive advantage in the aspect of having the lowest opportunity cost of providing a good or service – education. A study by Ferreira, Emerson and Tontini (2011) explored process factors critical to competitive advantage in a Higher Education Institution (HEI). The findings of the research paper showed that players connected to these institutions and the internal and external factors that create a competitive advantage in a HEI. A case study of a HEI is analyzed. The theory of resources and capabilities focused on the organization's internal environment. This theory underscores Penrose's (1959) study, which argues that a firm acquires distinctive characteristics because of the heterogeneity of its productive resources. The first technique used in data collection was documentation analysis (Creswell, 1994). The collected data was corroborated using a triangulation process and content analysis used with the codification of data. The main contribution of this study is the adaptation of three theoretical approaches of the business strategy field to the higher education sector. The findings show evidence that to be competitive, an HEI should have a stronger connection between resources, territory, and stakeholders.

A study by Barrera, Gutierrez & Avila (2018) hail knowledge management as a critical element that can give an institution of higher learning a competitive advantage over other establishments. It also highlights how cognitive relations can improve the strategic vision of the organizations within their area of study, that is the city of Guayaquil in Ecuador. The sample size included seventy-five managers and middle managers from different educational institutes in the city based on convenience. The researchers also allowed an eleven percent error to account for infinite samples. The study used a measurement instrument with eighteen items based on the Likert scale of five elements while also reviewing the theoretical aspects of the study. The results proved the first hypothesis that institutions of higher learning in Guayaquil have a great amount of knowledge management but the strategic vision would depend on the appropriate use of the information.



In a similar study, Kising'u (2017) presents a paper on how strategic leadership is a crucial factor to ensure public and private universities in Kenya have competitive advantage. The work highlights that a goal towards sustainable competitive advantage is every institution's target. It also makes use of another study that Tairas, Kadir, Muis&Mardiana carried out in Jakarta, Indonesia. It focused on private universities and used a quantitative research design. Their sample size comprised of 200 leaders from 22 private universities around Jakarta. The study established that a strategic leadership model sets the pace, gives direction, facilitates growth and gives the institution identity thus increasing its competitive advantage. The work also recognizes the situation in Kenya where the education sector is ridden with a lot of turbulence and a dynamic environment. The study showed that to have a competitive advantage among public and private universities in Kenya, the first step should be to shape their organizational culture and also fostering organizational learning. They should also enforce knowledge management and innovation.

Ultimately, the customer is always at the focus on any business and therefore the bond and interaction between the business and the customer is always critical to the success of the business. Customer retention is the process of having a close & long relationship of customers with a service provider (Dawes, 2009). A study by Wainaina, Kibera and Thuo (2011) sought to develop a comprehensive conceptual framework of the influence of CRM practices on organizational competitiveness and conduct an empirical assessment of the framework on the commercial banks in Kenya. The research was based upon the philosophical and methodological foundations of logical positivism theory. The study utilized a descriptive correlational research design. A survey methodology was employed for data collection while the study was cross-sectional (that is, snapshot or one-shot) as the research respondents were interviewed just once. This was a census study; all commercial banks operating in Kenya as at December 2008 and still in existence by the time of collecting data in the year 2009 were targeted. Both primary and secondary data were used for the study. The primary data were collected through a self-administered semi-structured questionnaire using the key-informant methodology. The study found statistically significant positive linear relationships between CRM practices and organizational competitiveness. The study also established that the relationships between CRM practices and marketing productivity, marketing productivity and organizational competitiveness, organizational factors and marketing productivity and the moderating role of organizational factors on the relationship between CRM practices and marketing productivity were all significant.

Reinmann (2010) sought to analyze the impact of Customer relationship management to the firm's performance. The study analyses data from in-depth field interviews and a large-scale, cross-industry survey, and results reveal that CRM does not affect firm performance directly. Results points to the need to move beyond a focus on the direct link between CRM and performance in seeking to understand the mechanisms and conditions that influence how and when CRM affects firm success. Guided by the sources, positions, performance framework, the results support the position that the business strategies of differentiation and cost leadership fully mediate the performance effect of CRM. That is, while CRM did not affect performance outcomes directly, its indirect effects through the two business strategies are significant.

Hermans (2009) conducted a literature study on the link between performance management and CRM in general, the nature of CRM performance metrics, critical success factors of CRM implementation tracks and the characteristics of effective score cards in general. A field survey was conducted among Dutch hospitality industry executives showing how the hospitality and tourism industry thinks about and applies strategic, tactical and operational CRM. Ongoing CRM implementation tracks in first class hotels using the CRM-7-18 model for phased design and implementation of guest relationship programs (Hermans & Melissen, 2008) were analysed. Findings from the survey and from the pilot programs were used to validate the existing theory about CRM Performance Management, and to formulate new theoretical reference points about the link between CRM and Performance Management. Application of these new reference points in four pilot hotels led to the composition of a long list of possible and actionable CRM performance indicators in each layer of the balanced score card from which they made their strategic selections. Finally, the perceived benefits of the newly designed CRM performance frameworks as they were reported by the four pilot hotels have been recorded. The study found out that these factors play a critical role on performance of a firm or institution.

A study by Gitonga (2016) was crafted to explore various customer relationship management practices that are adopted by Safaricom Limited and to establish whether these adopted customer relationship management practices used by Safaricom Limited improved performance. The study adopted a case study research design of Safaricom Limited because it is the leading Telecommunication firm in Kenya with over 25.1 million subscribers where majority of them were old customers. The study used primary sources of data which was collected using an interview guide using open ended questions. Primary data was collected by interviewing three heads of marketing and one head of finance at Safaricom Limited. They include Head of department Consumer Sales, Head of department Mass Market, Head of department Enterprise Sales and the Head of Finance. Data was analyzed using content analysis. The study found that customer relationship management practices used by Safaricom Limited were: one-on-one interaction with the customers, customer follow-ups through use of calls, loyalty schemes such as 'bonga points', use of social media platforms such as Facebook, Twitter, direct emails, online partnerships and search engine optimization. The company had team of competent staff who were well trained in handling matters to do with customer care and use of customer database for gathering customer information. The study also found that customer relationship management practices impacted positively on performance of Safaricom Limited. This was achieved through improved efficiency in customer feedback, reduction in communication costs, customer retention, efficient processes and procedures and reduced customer complaints. The study recommends that Safaricom Limited should frequently monitor and evaluate the current CRM practice.

### 3. Research Methodology

#### 3.1. Research Design

Research design is the steps undertaken in creating a linkage into a different aspect that comprises research which includes formulation and actualization of research questions, data collection, data collection, and analysis that deals with logical problems (Yin, 1989). In achieving this, the study shall use descriptive survey design necessitated by the need to put more emphasis on the influence of strategic positioning on competition of institutions of higher learning. Cooper and Schinder (2008) reiterate the critical aspect focusing on descriptive survey design in assisting achieve an in-depth analysis of a social unit in qualitative analysis.

#### 3.2. Target Population

A target population is a set of entities that contain observable attributes which is used for generalization of the study finding (Russell, 2013). Moreover, Stokes and Wall (2017) regarded the population as a group of people, items, objects, articles or cases which have common characteristics. The unit of analysis was the private universities, and which will comprise all 16 private universities operating in Nairobi City County in Kenya. The unit of observation will be the dean of various schools in these private universities, and deputy vice chancellor in charge of academics (DVC – Academics).

#### 3.3. Sample and Sampling Technique

Sampling technique is a method that is used to categorize, collecting or selecting study samples (Creswell, 2014). A sample is a unit of the research population that provides all the information necessary for answering the research question (Gill and Johnson, 2002). The study purposively sampled the DVC – Academics and dean of various schools. The units of observation were purposively sampled as they are deemed knowledgeable on the strategies that various schools are using especially in developing various university programs for their clients.

#### 3.4. Data Collection Instrument

Data collection instrument is a device used to collect data, such as a paper questionnaire or computer-assisted interviewing system (Igwenagu, 2006). In trying to achieve the objectives of the study, this research used primary data. Primary data was collected using a semi-structured questionnaire containing both fixed and open-ended questions focusing on the research objectives. To ensure the best is gained in understanding the objectives and answering the research questions, the questionnaires had three parts with each section designed to collect data on specific research variables. The fixed ended questionnaire followed a 5-point slanting Likert scale with predetermined responses to elicit the respondent's perception about the measurement item of the study variables.

#### 3.5. Pilot Study

Before the actual study, a pre-test was carried out to identify and eliminate ambiguity, misinterpretation, or questions which the respondents will misunderstand. Moreover, pilot testing was used to enhance the accuracy and relevancy of each questionnaire.

##### 3.5.1. Reliability of Data Collection Instrument

Reliability refers to the process of assessing whether the research instrument provides consistent results when measuring similar settings. Internal consistency enabled the researcher to determine the reliability of research instruments (Bhattacharjee, 2012). Internal consistency coefficients measure the reliability of data collection tool through the assumption that items measuring similar constructs are supposed to correlate. Cronbach alpha was used to measure internal consistency. The study considered Cronbach alpha above 0.7 as reliable or acceptable

##### 3.5.2. Validity of the Instrument

According to Mugenda (2008) validity of a research instrument shows the truthfulness and accuracy of data and inferences acquired from the data. Validity is therefore, the extent to which an instrument measures what it is supposed to measure. This study applied content validity as it measures the extent to which the selected items contained in the sample represent the content being measured by the test. An in-depth literature review has been done to identify the variables of the study. To attain construct validity, the questionnaire measurement items have been drawn from the conceptual framework to aid in assessing the questionnaire's concepts and determine whether they measure what they purport to measure. Moreover, the study construct measurement items were subjected to exploratory factor analysis (EFA) and by use of communalities, the contributory importance of the latent items were extracted. The communalities showed that all the measurement items were valid as they had extraction indices more than the minimum acceptable threshold of 0.4.

#### 3.6. Data Analysis and Presentation

According to Kothari (2004), data analysis is the processing and interpretation of data. Questionnaires will be scrutinized for completeness and if they have been completed as required. Data analysis will be done by the use of SPSS (Statistical Package for Social Scientist) version 22. The use of both qualitative and quantitative analysis methods will be used to yield a more complete analysis, and they complement each other. (Johnson & Onwuegbuzi, 2004). The analysis shall be done as per the objectives of the study. Denzin and Lincoln (2005) define qualitative research as a situated activity which locates the observer in the world and involves an interpretive, naturalistic approach to the world, i.e., study of phenomena in their natural settings, attempting to make sense of, or interpreting phenomena in terms of the meanings

people bring to them. Qualitative research implies an emphasis on the qualities of entities, processes, and meanings that are not experimentally examined or measured (Denzin & Lincoln, 2005). Qualitative data to be analyzed through content analysis. The results will be organized into themes to facilitate deeper understanding of the relationship between and amongst study variables.

Qualitative methods were used to analyze qualitative data while qualitative data that is data that cannot be measured quantitatively was analyzed qualitatively. In this study, qualitative data was collected through the open-ended questions and organized according to themes then analyzed as per variable via content analysis to aid in understanding of existing data set to determine the in-depth impact of the study variables as observed by Mugenda (2008). Bryman and Bell (2007) explained that qualitative research is a study strategy that implies the relationship between theory and research and usually emphasizes on how theories were made. It uses methods from the natural sciences that are designed to ensure objectivity, generalizability, and reliability (Weinreich, 2009).

The techniques used in quantitative research include random selection of research participants from the study population in an unbiased manner. The standardized questionnaire or intervention they receive, and statistical methods used to test predetermined hypotheses regarding the relationship between specific variables. Descriptive statistics such as percentages, means and standard deviations will be applied in summarizing and relating variables from administered questionnaires. The analyzed data will be presented in form of tables to enhance easier interpretation and understanding of the research findings. This will precede the discussion of the study results as per the study variable. The analysis will equally be done inferentially through correlation and regression.

Correlation analysis will enable the researcher to assess the strength of association between dependent and independent variables. This is well illustrated by the independence in the variable where a change in one or several of the independent variables has an effect on the dependent variable. This correlation analysis therefore seeks to analyze to what extent this effect has on the dependent variable. The strength of association will be determined by use of correlation coefficient.

Regression analysis on the other hand shall be used to determine the relationship between dependent variables. There is a connection between variables and this analysis is aimed at forecasting and giving a prediction on these variables thus offering an opportunity to weigh on those that matters most, which can be ignored as well as how they affect each other. The model of best fit will be asserted through coefficient of determination ( $R^2$ ) to explain the percentage variation in the competitiveness of private universities as a result of unit change in the explanatory variables.

## 4. Research Findings and Discussions

### 4.1. Response Rate

Even though the study had targeted data from 77 respondents to whom the questionnaires were distributed, only 59 questionnaires were duly field and returned translating into a 76.6% response rate. This response rate confirms a submission by Mugenda and Mugenda (2003) positing that a response rate of 60% and above is viable for any good study. Following this concurrence, the response rate of 76.6% attained was considered sufficient for making inferences from the data collected for the study as summarized in Table 1.

| Questionnaire | Frequency | Percentage |
|---------------|-----------|------------|
| Returned      | 59        | 76.6       |
| Not Returned  | 18        | 23.4       |
| Total         | 77        | 100        |

Table 1: Response Rate

### 4.2. Pilot Study Results

#### 4.2.1. Validity of the Research Instrument

To test the overall validity of the research instruments, the study applied both content and construct validities to test the study instrument. Content validity measures the extent to which the selected items contained in the sample represent the content being measured by the test. To attain content validity, an in-depth literature review was conducted to identify the variables of the study. To attain construct validity, the questionnaire measurement items were drawn from the conceptual framework sub-construct measurement items to aid in assessing the questionnaire's concepts and determine whether they measure what they purport to measure, and in this regard, the right coefficients from the data were obtained.

The study adopted Component Factor Analysis (CFA) to assess construct validity for market focus, differentiation, cost leadership and innovation strategies. Communalities were used in the CFA where items with factor loading below 0.4 were removed. The findings revealed that all the measurement items assessing market focus, differentiation, cost leadership and innovation strategies had factor loadings above 0.4 hence no question was removed in accordance with the argument by Cooper and Schindler (2009). This shows that all the measurement items in the questionnaire were valid.

#### 4.2.2. Reliability of the Research Instruments

Reliability refers to the process of assessing whether the research instrument provides consistent results when measuring similar settings. Internal consistency will enable the researcher to determine the reliability of research

instruments (Bhattacharjee, 2012). Internal consistency coefficients measure the reliability of data collection tool through the assumption that items measuring similar constructs are supposed to correlate. Cronbach alpha will be used in this study to measure internal consistency. Cronbach's alpha-values range between zero and one. According to Creswell (2014) Cronbach alpha above 0.7 has conspired as good reliability. The researcher will be considered Cronbach alpha above 0.7 as reliable or acceptable. Table 2 thus shows the reliability indices for the study variables constructs and study conclusions.

| Variables                       | Cronbach's Alpha | Number of Items | Conclusion |
|---------------------------------|------------------|-----------------|------------|
| Cost leadership                 | 0.797            | 7               | Reliable   |
| Market Focus                    | 0.891            | 10              | Reliable   |
| Differentiation Strategy        | 0.802            | 9               | Reliable   |
| Innovation                      | 0.811            | 10              | Reliable   |
| Competitiveness of institutions | 0.827            | 8               | Reliable   |

Table 2: Reliability Results for Study Variables

#### 4.3. Demographic Data of the Respondents

##### 4.3.1. Demographic Data of Respondents by Gender

The Kenyan Constitution (2010) lays down measures to ensure gender parity in leadership by requiring that no more than two thirds of the members in any leadership position should be of the same sex. This is equally paramount in this study as the study sought to assess the leadership at different faculties who were targeted for this study. The study findings revealed that majority of the respondents (66.7%) were male while 33.3% were female as shown in Figure 2.

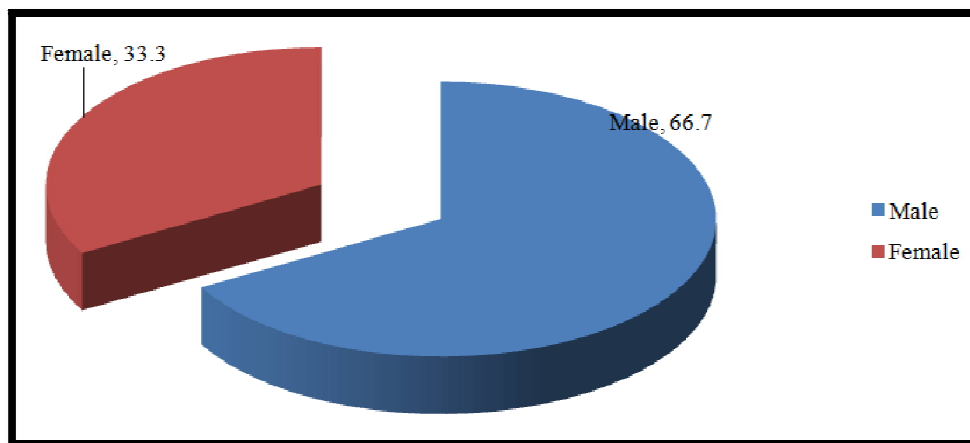


Figure 2: Gender of the Respondents

The findings are in line with those of a study by Mann and Mikesell (2006) who carried a study to compare government owned and privately owned firms on the basis of costs. The study revealed that the majority of privately owned firms are financed and operated by men, and concluded that most businesses in Nairobi peri-urban areas are operated by male. These results may be attributed to the strong male domineering culture in Kenya where men as seen as the financier and controller of most businesses (Karanja, 2011).

##### 4.3.2. Demographic Data of Respondents by Age

The study was keen on the age limits of the respondents to ensure they relate and do not struggle with delivery of the content as required by the questionnaire. It is also worth noting that the distribution of age among such a population is critical for policy makers as they engage and make decisions in the future of their staff. The respondents were able to share with the researcher their age limits without any problems as per Figure 3. From the study findings, the majority of the respondents (29.7%) were aged 39-45 years, 27% were aged 46-52 years, 24.3% were aged 32-38 years, 10.8% were aged 53-60 years while 8.1% were between the ages of 25 to 31. This shows that respondents with diverse age brackets were used in the study.

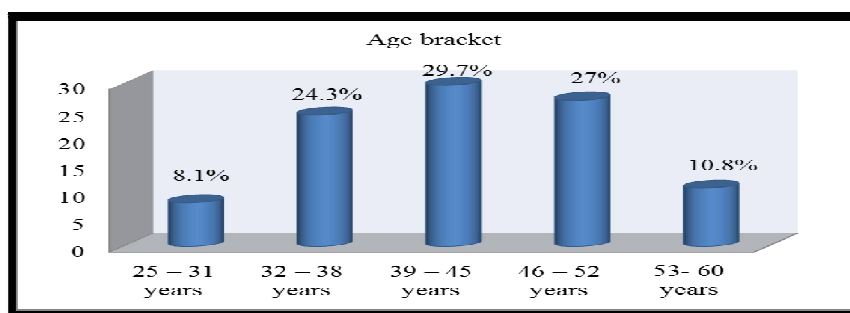


Figure 3: Age Group

#### 4.3.3. Duration of Employment in the University

Experience comes with the time spent doing something and therefore a period within which one works in an institution also determines their experience and knowledge of the place and more issues within that environment. In this study, majority of the respondents (65%) pointed out to having been in their current work position for a period between 3 and 6 years. Coming second was those in the same position for more than 9 years. There were also newcomers with 1 year experience comprising of 3.5% of the respondents.

The duration a person works in a place determines his knowledge and experience about that place. A long duration is a sign that a person has much experience about a place while a short duration signifies less experience about that particular work or place. In this study, majority of the respondents (64.9%) had worked in their respective job positions for a period between 6 to 10 years while 9.8% had worked for 2 to 5 years. This category of respondents was followed by those who had worked in the same position for more than 10 years. This shows that some had more experience in their institutions than others. However, those who had less than 1 years' experience in were very few, accounting for only 5.3% of the respondents sampled.

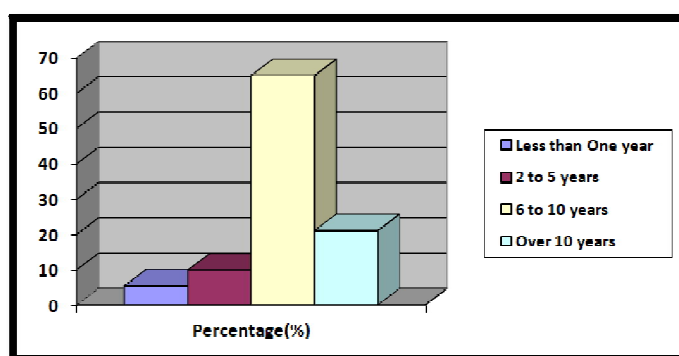


Figure 4: Duration of Employment

#### 4.4. Descriptive Analysis Of Study Variables

Descriptive statistics are brief descriptive coefficients that summarize a given data set, which can be either a representation of the entire or a sample of a population. Descriptive statistics are presented using the measures of central tendency (mean), measures of dispersion (standard deviation), frequencies and percentage. This study used descriptive statistics with the help of Statistical Package for Social Sciences to analyze the study variables. This section presents descriptive analyses done on different strategies being pursued by different private universities as per the study objectives.

##### 4.4.1. Influence of Cost Leadership on the Competitiveness of Private Universities

The first specific objective of this study was to explore the influence of cost leadership on the competitiveness of private universities operating in Nairobi City County in Kenya. To assess the perception of the respondents, they were required to indicate their level of agreement on various statements relating to cost leadership and competitiveness of private universities in Kenya. The results were interpreted using their means and standard deviation. The study results were as presented in Table 3.

From the findings, the respondents strongly agreed that the university prioritizes economies of scale (mean = 4.14, standard deviation = 0.861). Meanwhile, the majority of respondents agreed that their university courses are bundled together to save on cost, being supported by a mean of 3.97 and standard deviation of 0.837. Moreover, the majority of respondents strongly agreed that their university is keen on the capacity utilization of resources (mean = 4.16, standard deviation = 0.835). In comparison, the majority of respondents generally agreed that the capacity utilization of resources has had a positive influence on the competitiveness of the university (mean = 3.79, standard deviation = 1.401). In order to determine whether the capacity utilization is a large component of efforts to reduce operating costs, the respondents strongly agreed being supported by a mean of 4.08 (standard deviation = 1.102). In addition, the majority of respondents equally agreed that in their university, there is a large emphasis on the low cost of production, supported by a

mean of 3.95 (standard deviation = 0.857). Moreover, in order to show the strategy used by the university, the majority of the respondents generally agreed that low cost is not part of the strategy employed by the university (mean = 4.05, standard deviation = 0.602). However, on the average, the respondents generally agreed that cost leadership as a strategy has an influence on the competitiveness of private universities in Kenya, being supported by a mean average of 4.026.

| <b>Cost Leadership Measurement Items</b>   | <b>Mean</b> | <b>Std. Dev.</b> |
|--|-------------|------------------|
| Our university prioritizes economies of scale  | 4.148       | 0.861            |
| Our courses are bundled together to save on cost   | 3.975       | 0.837            |
| The university is keen on the capacity utilization of resources  | 4.169       | 0.835            |
| Capacity utilization of resources has had a positive influence on the competitiveness of the university. | 3.792       | 1.401            |
| Capacity utilization is a large component of efforts to reduce operating costs                           | 4.085       | 1.102            |
| In our university, there is a large emphasis on the low cost of production                               | 3.953       | 0.857            |
| Low cost is not part of the strategy employed by the university  | 4.057       | 0.602            |
| Average Mean   | 4.026       |                  |

*Table 3: Cost Leadership and Competitiveness*

From the findings, most of the respondents agreed that their universities are keen on utilization of resources to support reduction of operational cost and this had a big positive impact on competitiveness of the universities. Equally, there is a feeling across all institutions and the respondents that the universities are not solely focused only on lowering production cost. These points out to a trend where majority felt this should be part of the strategy but not a priority. A low-cost education does not mean developing programmes which are significantly better than others. The target is not to provide the highest quality, but to produce a low-cost product, which has sufficient quality. A low-cost strategy means to develop an educational product that is truly simple to produce and has a low price and finally a high market share.

#### 4.4.2. Influence of Market Focus on the Competitiveness

The study sought to achieve the second specific objective that was to establish the strategic influence of market focus on the competitiveness of private universities operating in Nairobi City County in Kenya. The respondents were expected to indicate their level of perception various measurement statement items relating to market focus and competitiveness of private universities. The results were interpreted using their means and standard deviation. The study results were as presented in Table 4.

From the study findings, the surveyed respondents generally agreed that the institution has set out strategies to reduce costs of operation with a mean of 3.84 and standard deviation of 0.914. Moreover, the respondents generally agreed that their institution has put in place measures to ensure the cost of services offered is affordable at a reasonable price (mean = 4.07, standard deviation = 1.042). In addition, to determine if low cost of services and operation is healthy for the growth of the institution, the respondents strongly agreed being supported by a mean of 4.46, and a standard deviation of 0.852. The respondents further generally agreed that the majority of their services/courses are unique and distinct (mean = 4.17, standard deviation = 1.422). There was a strong agreement amongst the respondents that these private universities serve distinct group of customers, being supported by a mean of 4.48, and standard deviation of 0.602.

Required to state whether they can sustain the need for different distinct services in the market, the respondents remained neutral (mean = 3.34, standard deviation = 8.602). In addition, majority of respondents generally agreed that these institutions command a good number of the market share, with a mean of 3.89 and standard deviation of 0.752. On equal measure, the majority of the respondents generally agreed that the institution prioritizes strategies to enhance better market share (mean = 3.95, standard deviation = 1.21). Meanwhile, the majority of respondents generally agreed that their institution is not focused on specific market share, being supported by a mean of 4.09, and a standard deviation of 0.861. Otherwise, on the average, the respondents generally agreed that market focus has an influence on the competitiveness of these private universities, being supported by an average mean of 4.037.

| <b>Market Focus Measurement Items</b>   | <b>Mean</b> | <b>Std Deviation</b> |
|---|-------------|----------------------|
| Our institution has set out strategies to reduce costs of operation   | 3.844       | 0.914                |
| Our institution has put in place measures to ensure the cost of services offered is affordable at a reasonable price. | 4.073       | 1.042                |
| Low cost of operations is healthy for growth of the institution   | 4.467       | 0.852                |
| Majority of our services/courses are unique and distinct  | 4.171       | 1.422                |
| We serve a distinct group of customers  | 4.48        | 0.602                |
| We can sustain need for different distinct services in the market   | 3.348       | 8.602                |
| Our institution commands a good number of the market share  | 3.893       | 0.752                |
| Institution prioritizes strategies to enhance better market share   | 3.958       | 1.21                 |
| Our institution is not focused on specific market share   | 4.096       | 0.861                |
| Average Mean  | 4.037       |                      |

*Table 4: Market Focus and Competitiveness*

#### 4.4.3. Influence of Product Differentiation on the Competitiveness

The third specific objective of the study was to influence of product differentiation on the competitiveness of private universities in Kenya. The respondents were expected to indicate their level of perception various measurement statement items relating to market focus and competitiveness of private universities. The results were interpreted using their means and standard. The study results were as presented in Table 5.

| Information Disclosure  | Mean  | Std. Dev |
|---|-------|----------|
| Our organization believes market strategy influence its competitiveness         | 4.876 | .984     |
| Our institution emphasizes on product differentiation.                          | 4.908 | .629     |
| Our institution values exceed the expectations of customers on service          | 3.915 | 1.310    |
| Our organization believes product differentiation influence its competitiveness | 4.654 | .789     |
| Our institution emphasizes on price differentiation.                            | 4.348 | .098     |
| Our institution values exceed the expectations of customers on price            | 4.123 | .237     |
| Our organization believes price differentiation influence its competitiveness   | 4.014 | 1.211    |
| Our institution emphasizes on market strategy.                                  | 3.635 | 1.525    |
| Our institution values market strategy as a key component of the business       | 4.898 | .542     |
| Average Mean  | 4.634 |          |

Table 5: Product Differentiation and Competitiveness

From the analysis of study data, majority of respondents strongly agreed that their organization believes market strategy positively influence its competitiveness (mean = 4.876, standard deviation = 0.984). Moreover, supported by a mean of 4.908 (standard deviation = 0.629), the majority of respondents strongly agreed that the institution emphasizes on product differentiation as a strategy in order to improve their competitiveness. However, the majority of respondents generally agreed that their institution values exceed the expectations of customers on service, being supported by a mean of 3.915 (standard deviation = 1.310). In equal measure, the majority of respondents generally agreed that the institution emphasizes on market strategy (mean = 3.635, standard deviation = 1.525). However, the majority of respondents strongly agreed that their organization believes product differentiation influence its competitiveness supported by a mean of 4.654 (standard deviation = 0.789).

On emphasis on price differentiation, majority of respondents generally agreed that their institution emphasizes on price differentiation with a mean of 4.348 (standard deviation = 0.098). Equally, majority of the respondents generally agreed that their institution values exceed the expectations of customers on price (mean = 4.123, standard deviation = 0.237). Meanwhile, with a mean of 4.014 (standard deviation = 1.211), majority of respondents agreed that their organization believes price differentiation influence its competitiveness. However, supported by a mean of 4.898 and standard deviation of 0.542, majority of respondents strongly agreed that their university values market strategy as a key component of the business. Overall, respondents strongly agreed that product differentiation affect the competitiveness of these private universities, being supported by an overall mean of 4.634.

#### 4.4.4. Influence of Innovation on Competitiveness

The fourth specific objective of the study was to examine the influence of innovation on competitiveness of private universities in Kenya. The respondents were expected to indicate their level of perception various measurement statement items relating to market focus and competitiveness of private universities. The results were interpreted using their means and standard deviation the study results were as presented in Table 6.

From the study results, the respondents generally agreed that their university has adopted the use of AI to enhance staff performance, with a mean of 4.064 (standard deviation = 1.348). In addition, the majority of the respondents generally agreed that their institution has a plan of improving service innovation (mean = 3.901, standard deviation = 1.33). On equal measure, the majority of respondents agreed that their institution considers the need of customers when formulating innovation strategies, with a mean of 3.883 and standard deviation of = 0.354. To test if the university invests money in research and development activities, the majority of the respondents generally agreed, being supported by a mean of 4.053 (standard deviation = 0.867). In order to determine whether the employees in these universities are updated on the emerging technological innovation through training, the majority of the respondents generally agreed by a mean of 3.694 and standard deviation of 0.921. The respondents were required to indicate if the university has embraced the use of new IT ideas to enhance competitiveness, the majority of respondents generally agreed by a mean of 3.891 (standard deviation = 1.036). Moreover, the majority of respondents generally agreed that their clients can use online platforms to communicate with corresponding departments in our university (mean = 3.724, standard deviation = 1.283). Moreover, the majority of the respondents generally agreed that their university has adopted the use of new IT idea to enhance customers' experience, supported by a mean of 3.865 and standard deviation of 1.33. Equally, the majority of respondents generally agreed that the teaching staff in our university use AI algorithms in determining customer expectation (mean = 3.637, standard deviation = 1.525). In order to determine if artificial intelligence (AI) has made service delivery more effective and therefore improved effectiveness, the majority of the respondents generally agreed (mean = 4.163, standard deviation = 1.524). On average, the majority of respondents generally agreed that innovation influences the level of competitiveness of these private universities in Kenya, with an average mean of 3.887.



| <b>Innovation Measurement</b>  | <b>Mean</b>  | <b>Std. Dev.</b> |
|--|--------------|------------------|
| University has adopted the use of AI to enhance staff performance                                  | 4.064        | 1.348            |
| Our organization has a plan of improving service innovation  | 3.901        | 1.330            |
| Our institution considers the need of customers when formulating innovation strategies             | 3.883        | 1.354            |
| The university invest money in research and development activities                                 | 4.053        | .867             |
| Employees in our university are updated on the emerging technological innovation through training  | 3.694        | .921             |
| University embraces new IT ideas to enhance competitiveness  | 3.891        | 1.036            |
| Customers can use online platforms to communicate with corresponding departments in our university | 3.724        | 1.283            |
| Our university has adopted the use of new IT idea to enhance customers' experience                 | 3.865        | 1.330            |
| Teaching staff in our university use AI algorithms in determining customer expectation             | 3.637        | 1.525            |
| AI makes service delivery more effective improving effectiveness                                   | 4.163        | 1.524            |
| <b>Average Mean</b>  | <b>3.887</b> |                  |

*Table 6: Influence of Innovation on Competitiveness*

The study findings point to all the universities embracing innovation and technology to help boost their competitiveness in a world where innovation is becoming a norm more than an exception. Hill & Neeley (1988) suggest that professional services need to be promoted by a process of giving the prospective purchaser a considerable amount of information, as well as the opportunity to control how they use that information. The technological innovation is efficient at providing this by allowing users to control how much information they access and make innovative use of it. This is evident by the big number of respondents who pointed out that their universities consider the needs of customers when formulation strategies. Equally, this is enhanced by the big number of feedbacks from the respondents who agreed that their universities are embracing innovation by investing money on research and development to support innovation.

Effective use of information technology ranks along with institutional quality, market reputation, product offering and financial resources as important factor in institutional success. In an increasingly competitive education market, universities seeking to obtain a competitive advantage may need to make effective use of information technology and innovation in order to assist them with both promotion and service delivery tasks for effectiveness that. This is further enhanced by the research findings where majority of the respondents across the universities confirmed that their universities are embracing use of the new IT ideas to enhance competitiveness.

#### *4.5. Inferential Analysis of Study Variables*

Data was analysed both by correlation and regression analyses to determine the strength and direction of associations among the study variables. Further, the Analysis of Variance (ANOVA) was carried out to test the significance of the overall model. As a rule of the thumb, the F-statistic was to be rejected if p-value is less than or equal to the critical value of 0.05 level of significance (Garson, 2006).

##### 4.5.1. Correlation Analysis of Study Results

Correlation analysis was used to assess the strength of association between dependent (competitiveness) and independent variables (strategic positioning). This is well illustrated by the independence in the variable where a change in one or several of the independent variables (cost leadership, differentiation, market focus, innovation) has a significant effect on the competitiveness of private universities operating in Nairobi City County in Kenya. Thus, the correlation analysis therefore sought to analyze to what extent this effect has on the dependent variable. The strength of association was determined by use of Pearson's correlation coefficient. The correlations statistics were as presented in Table 7.

From the study findings, cost leadership has a strong, positive and statistically significant relationship with competitiveness of the private universities in Kenya ( $r = 0.856$ ,  $p < 0.05$ ). This means that there is a direct relationship between cost leadership and competitiveness implying that an increase in cost strategy would cause a significant positive change in the competitiveness of the university. These study results agree with the findings of a study by Nyagara (2015) that sought to investigate the effects of cost leadership strategy on performance of LPGCs in Eldoret town that concluded that cost leadership influences the performance of LPGCs performance enabling the company to reduce price leading to high volume of sales visa a-visa profit margin, increase in service delivery, less return inwards, reduced operational costs and reduced wastages. Equally, this study findings confirmed a case study finding by Muasa (2014) that found that Naivas supermarket had to a large extent applied the cost leadership strategy on its operations by defining its low- and middle-income market niche, but more needs to be done to enhance the efficiency of the cost leadership business model. The study further established that the retail chain business environment is moderately changing and is characterized by dominant privately owned firms which inform the kind of competitive strategies adopted.

The study findings equally shows that the relationship between market focus and competitiveness of private universities was strong and statistically significant ( $r = 0.752$ ,  $p < 0.05$ ), indicating a unit change in market focus strategy shall have a strong and significant effect on the competitiveness of these private universities in Kenya. However, the study

found a moderate relationship between market focus and cost leadership strategies ( $r = .469, p < 0.05$ ). The relationship is thus considered to be direct.

The findings agree with a study by Odunayo (2018) which concluded that market focus strategy bears positive and significant influence on firm competitiveness. Equally, A study by Banjo (2015) shows that marketing strategy impacts product performance of the observed firms. However, the current study results seem to add to the mixed results by several researchers. For instance, study results by Kumar (2015) revealed that market orientation had a more positive impact on the performance of organizations pursuing a differentiation strategy than on those pursuing a cost leadership strategy. In the cost leader group, the inter-functional coordination component of market orientation significantly affected firm performance, while in the differentiator group the customer orientation and competitor orientation components of market orientation had significant impact on performance.

Equally, product differentiation has a strong and statistically significant relationship with competitiveness of these private universities in Kenya ( $r = 0.767, p < 0.05$ ). This implies that a unit increase in product differentiation strategy leads to an increased in the competitiveness of the se universities in Kenya. This study findings confirm studies by Demba, Ogal&Muli (2018) which established that there was a strong power of association between product differentiation strategies and competitiveness of the business. However, the study revealed weak relationships between product differentiation strategy and cost leadership ( $r = 0.352, p < 0.05$ ) while the relationship between product differentiation strategy and market focus was equally statistically weak ( $r = 0.430, p < 0.05$ ). all the same the relationships were statistically significant in both cases.

Equally presented in Table 7, the study results show a strong, positive and statistically significant relationship between innovation strategy and competitiveness of private universities in Kenya ( $r = 0.865, p < 0.05$ ). Since the p-value was less than the selected level of significance (0.05), the relationship between the two variables was considered to be statistically significant. This therefore, implies that a unit improvement of innovative strategies improves the competitiveness by almost up to 86.5%. This study results confirm a study by Nafula (2017) which revealed that all the four types of innovation; Product, Process, Marketing, and Organizational had a positive effect on competitiveness. Equally, a study by Menger (2016) showed that eleven of the thirteen firms (representing 84.6% of the firms surveyed) were successful innovators hence increasing their competitiveness. In addition, a study by Ratten (2018) explored the wine industry and showed that eco-innovation and regional wine cluster contributed significantly to the international performance of wine firms around the world.

|                 |                     | Competitiveness | Cost Leadership | Market Focus | Differentiation | Innovation |
|-----------------|---------------------|-----------------|-----------------|--------------|-----------------|------------|
| Competitiveness | Pearson Correlation | 1               |                 |              |                 |            |
|                 | Sig. (2-tailed)     |                 |                 |              |                 |            |
| Cost Leadership | Pearson Correlation | .856**          | 1               |              |                 |            |
|                 | Sig. (2-tailed)     | .000            |                 |              |                 |            |
| Market Focus    | Pearson Correlation | .752**          | .469            | 1            |                 |            |
|                 | Sig. (2-tailed)     | .000            | .000            |              |                 |            |
| Differentiation | Pearson Correlation | .767**          | .352            | .430         | 1               |            |
|                 | Sig. (2-tailed)     | .000            | .000            | .000         |                 |            |
| Innovation      | Pearson Correlation | .865**          | .537            | .624         | .764            | 1          |
|                 | Sig. (2-tailed)     | .000            | .000            | .000         | .000            |            |
|                 | N                   | 59              | 59              | 59           | 59              | 59         |

Table 7: Correlation Analysis Statistics

#### 4.6. Diagnostic Analysis

In using regression model, the study tested regression model assumptions for purposes of inferences or prediction. The underlying assumptions in linear regression include: normality, no autocorrelation, little or no multicollinearity, homoscedasticity and linear relationship. In case of violation of the regression assumptions, the confidence intervals as well as other scientific insights derived from the regression model may be regarded as misleading, biased or inefficient and therefore the inferences derived incapable of being generalizable on other data.

##### 4.6.1. Test for Normality

Shapiro-Wilk test was used to test the normality of data set, and was used to show that the data is obtained from a normally distributed population (Cooper &Schilndler, 2016). More precisely, if we consider repeated sampling from our population, for large sample sizes, the distribution (across repeated samples) of the ordinary least squares estimates of the regression coefficients follow a normal distribution. Consequently, for moderate to large sample sizes, non-normality of residuals should not adversely affect the usual inferential procedures. the interpretation is that the p-value should be greater than the significant level of 0.05. According to the findings, as shown in Table 3, the respective p-values for all the

study variables were greater than the stated significance level of 0.05, and therefore, the study failed to reject the null hypothesis that the sample data were obtained from a normally distributed population. This implies that the data set for all the study variables were normally distributed.

|                                 | <b>Statistic</b> | <b>Df</b> | <b>Sig.</b> |
|---------------------------------|------------------|-----------|-------------|
| Competitiveness of universities | .812             | 58        | .083        |
| Cost Leadership                 | .809             | 58        | .810        |
| Market Focus                    | .902             | 58        | .075        |
| Product Differentiation         | .901             | 58        | .113        |
| Innovation                      | .915             | 58        | .086        |

*Table 8: Tests of Normality*

#### 4.6.2. Multi-collinearity Test

Multi-collinearity was used to determine the probability that independent variables measurement constructs (which are equal or greater than 2) in a particular multivariate regression model are significantly correlated. This would mean that one variable can be predicted from the other (Singparwalla, 2013). In case the correlations among the independent variables construct measurement, items are quite strong; the standard error of the coefficients tends to increase thus leading to undesirable events. The study adopted the use of Variance Inflation Factor (VIF) so as to measure the level of correlation among the variables. The general principle is that VIF which is greater than ten (10) tend to warrant further investigation. The VIF, as shown in Table 4, indicates that multicollinearity was absent among the independent variables, since the VIF values were below 6 which is the acceptable threshold below which indicates absence of multicollinearity. Besides, Gujarati (2004) opines that as a rule of the thumb, the closer the tolerance is to one, the greater the evidence that the variable is not collinear with other repressors as shown in Table 4

|                         | <b>Tolerance</b> | <b>VIF</b> |
|-------------------------|------------------|------------|
| Cost Leadership         | 1                | 1          |
| Market Focus            | 0.984            | 1.017      |
| Product Differentiation | 0.951            | 1.052      |
| Innovation              | 0.986            | 1.014      |

*Table 9: Collinearity Statistics*

#### 4.6.3. Test for Autocorrelation

Autocorrelation as the relationship between members of a series of observations ordered in time or space. Durbin-Watson (dw) test to check for the presence of autocorrelation between variables. According to Zeng (2016), Durbin-Watson statistic ranges from 0 to 4, with a value near zero (0) indicates presence of positive autocorrelation while a value close to 4 indicates presence of negative autocorrelation. However, a value ranging between 1.5 and 2.5 indicates that there is no presence of autocorrelation between the variables, with a value closer to two (2) being preferred. The results presented in Table 5 indicate that there was no autocorrelation between the variables since the Durbin-Watson coefficient was 1.861.

| <b>Model</b>  | <b>Durbin-Watson</b> |
|---|----------------------|
| 1   | 1.861                |
| a. Predictors: (Constant), Cost Leadership, Market Focus, Differentiation, Innovation |                      |
| b. Dependent Variable: Competitiveness of Private Universities                        |                      |

*Table 10: Autocorrelation Statistics*

#### 4.6.4. Test for Linearity

Linearity Assumption of linear estimation is that the dependent variable has a linear relationship with the independent variables. Computation of analysis of variance (ANOVA) statistics was used to test for the linearity assumption of the study model. The study hypothesized that:  $H_0$ : competitiveness of private universities in Kenya has no linear relationship with the strategic positioning. The study results as shown in Table 6, indicating that the F-statistic (4, 54 = 3.098, p-value <0.05). The ANOVA results indicated the model is significant and therefore the null hypothesis is rejected and conclude that the competitiveness has a linear relationship with the strategic positioning of these private universities.

| Model   |            | Sum of Squares | Df | Mean Square | F     | Sig.              |
|---|------------|----------------|----|-------------|-------|-------------------|
| 1   | Regression | 70.908         | 4  | 17.727      | 3.098 | .000 <sup>b</sup> |
|   | Residual   | 308.902        | 54 | 5.721       |       |                   |
|   | Total      | 379.910        | 58 |             |       |                   |
| a. Dependent Variable: Competitiveness of Private Universities                        |            |                |    |             |       |                   |
| b. Predictors: (Constant), Cost Leadership, Market Focus, Differentiation, Innovation |            |                |    |             |       |                   |

Table 11: Test for Linearity ANOVA Statistics

#### 4.7. Regression Analysis of Study Variables

The study used a multiple regression analysis to assess the extent to which independent variables (Cost Leadership, Market Focus, Differentiation Strategy, and Innovation) relates with independent variable (Competitiveness) of private universities in Kenya. The results outlined in Table 12 shows that the independent variables strongly relate with the dependent variable. The coefficient of determination indicates that 70.7% variation in the competitiveness of these private universities is as a result of strategic positioning ( $R^2 = 0.707$ ). This implies that cost leadership, market focus, differentiation strategy, and innovation jointly affect the competitiveness by the same margin.

| R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------------------|----------|-------------------|----------------------------|
| .841 <sup>a</sup> | .707     | .687              | 1.1267159                  |

Table 12: Model Summary

a. Predictors: (Constant), Cost Leadership, Market Focus, Differentiation Strategy, Innovation

Equally, the study conducted analysis of variance (ANOVA) to test the statistical significance of the regression model in assessing the relationship between strategic positioning and the competitiveness of private universities in Kenya. The study results are as outlined in Table 13. from the results, the value of F-calculated was 15.6544 while the value of F-critical from the F-Statistics tables at (4, 59) and at 5% significant level was 8.9685. Since the value of F-calculated exceeds the value of F-critical, it therefore imply that the regression model was statistically significant and good fit for the study ( $p < 0.05$ ).

| Model  |            | Sum of Squares | df | Mean Square | F      | Sig.               |
|--|------------|----------------|----|-------------|--------|--------------------|
| 1  | Regression | 155.022        | 4  | 38.7555     | 8.9685 | 0.009 <sup>b</sup> |
|  | Residual   | 237.666        | 55 | 4.3213      |        |                    |
|  | Total      | 392.688        | 59 |             |        |                    |
| a. Dependent Variable: Competitiveness   |            |                |    |             |        |                    |
| b. Predictors: (Constant), Cost Leadership, Market Focus, Differentiation Strategy, and Innovation |            |                |    |             |        |                    |

Table 13: ANOVA (Model Significance)

The beta coefficients outlined in 4.14 shows the individual contribution to the overall to competitiveness of private universities in Nairobi City County, Kenya. The study used the t-statistics for interpretations. For instance, cost leadership strategy used by these universities had the most contribution to competitiveness, supported by a t- statistic of 4.708 ( $p < 0.05$ ). this was followed with product differentiation had a t-statistic of 4.4273 ( $p < 0.05$ ), while market focus had a t-value of 2.4331 ( $p < 0.05$ ). innovation was found to have the least contribution to the competitiveness of these private universities ( $t = 1.9504$ ,  $p < 0.05$ ). These individual significant beta values imply that the strategic positioning have statistically significant effect on competitiveness.

| Predictors              | Unstandardized Coefficients |            | Standardized Coefficients |        |       |
|-------------------------|-----------------------------|------------|---------------------------|--------|-------|
|                         | B                           | Std. Error | Beta                      | T      | Sig.  |
| (Constant)              | 0.198                       | 0.105      |                           | 1.8857 | 0.023 |
| Cost Leadership         | 0.532                       | 0.113      | 0.508                     | 4.708  | 0.000 |
| Market Focus            | 0.309                       | 0.127      | 0.286                     | 2.4331 | 0.002 |
| Product Differentiation | 0.487                       | 0.11       | 0.459                     | 4.4273 | 0.000 |
| Innovation              | 0.236                       | 0.121      | 0.207                     | 1.9504 | 0.009 |

Table 14: Model Coefficients

The current study results are consistent with study results by (Varghese, 2016) that revealed that strategic positioning including new market-friendly programs courses that are more attractive to the students thus making them more attractive and competitive despite the high charges of these courses. This is consistent with arguments by Hasan (2018) that the need for universities to build competitive advantage is not in doubt calling for strategies that can make the universities to thrive and prosper. Moreover, the role of strategic positioning is to coordinate and integrate the activities of the various functional areas of a business in order to achieve long-term organizational objectives. According to Arie de Geus (2007), there exists strategic consistency when the actions of an organization are consistent with the expectations of management, and these, in turn, are with the market and the context. Strategic management involves analysis of the firm's

external and internal environments towards making strategic decisions and drawing out comprehensive action-plan for achieving long-term organizational goals.

From the study results as presented in Table 14, the regression model hence can be rewritten in the form of: Competitiveness = 0.198 + 0.532 (Cost Leadership) + 0.309 (Market Focus) 0.487 (Product Differentiation) + 0.236 (Innovation).

According to the regression model, when all the independent factors (Leadership, Market Focus, Differentiation Strategy, and Innovation) are held constant at zero, the competitiveness of these private universities in Nairobi City County, Kenya, will be 1.8857 ( $p < 0.05$ ).

## 5. Summary, Conclusion and Recommendations

### 5.1. Cost Leadership and Competitiveness

The objective was to explore the influence of cost leadership on the competitiveness of private universities in Nairobi City County. The respondents were requested to indicate their level of agreement on various statements relating to cost leadership and competitiveness of private universities in Kenya. From the descriptive statistics, the respondents strongly agreed that the university prioritizes economies of scale and that their university courses are bundled together to save on cost. Moreover, the majority of respondents strongly agreed that their university is keen on the capacity utilization of resources.

In comparison, the majority of respondents generally agreed that the capacity utilization of resources has had a positive influence on the competitiveness of the university. In order to determine whether the capacity utilization is a large component of efforts to reduce operating costs, the respondents strongly agreed while the majority of respondents equally agreed that in their university, there is a large emphasis on the low cost of production. Moreover, in order to show the strategy used by the university, the majority of the respondents generally agreed that low cost is not part of the strategy employed by the university. However, on the average, the respondents generally agreed that cost leadership as a strategy has an influence on the competitiveness of private universities in Kenya.

Moreover, the inferential statistics revealed that cost leadership has a strong, positive and statistically significant relationship with competitiveness of the private universities in Kenya. This means that there is a direct relationship between cost leadership and competitiveness implying that an increase in cost strategy would cause a significant positive change in the competitiveness of the university.

### 5.2. Market Focus and Competitiveness

The second objective was to establish the influence of market focus on the competitiveness of private universities in Kenya. The responses were interpreted using the means and standard deviations as measure of central tendencies. From the descriptive statistics, the surveyed respondents generally agreed that the institution has set out strategies to reduce costs of operation. The respondents generally agreed that their institution has put in place measures to ensure the cost of services offered is affordable at a reasonable price. To determine if low cost of services and operation is healthy for the growth of the institution, the respondents strongly agreed. The respondents further generally agreed that the majority of their services/courses are unique and distinct. There was a strong agreement amongst the respondents that these private universities serve distinct group of customers.

Required to state whether they can sustain the need for different distinct services in the market, the respondents remained neutral. Majority of respondents generally agreed that these institutions command a good number of the market share. On equal measure, the majority of the respondents generally agreed that the institution prioritizes strategies to enhance better market share. Meanwhile, the majority of respondents generally agreed that their institution is not focused on specific market share. Otherwise, on the average, the respondents generally agreed that market focus has an influence on the competitiveness of these private universities.

Inferentially, the relationship between market focus and competitiveness of private universities was strong and statistically significant indicating a unit change in market focus strategy shall have a strong and significant effect on the competitiveness of these private universities in Kenya. However, the study found a moderate relationship between market focus and cost leadership strategies. The relationship is thus considered to be direct.

### 5.3. Product Differentiation and Competitiveness

The third specific objective was to influence of product differentiation on the competitiveness of private universities in Kenya. From the descriptive results, the respondents generally agreed that their university has adopted the use of AI to enhance staff performance. In addition, the majority of the respondents generally agreed that their institution has a plan of improving service innovation. On equal measure, the majority of respondents agreed that their institution considers the need of customers when formulating innovation strategies. To test if the university invests money in research and development activities, the majority of the respondents generally agreed. In order to determine whether the employees in these universities are updated on the emerging technological innovation through training, the majority of the respondents generally agreed. Meanwhile, the respondents were required to indicate if the university has embraced the use of new IT ideas to enhance competitiveness, the majority of respondents generally agreed. Moreover, the majority of respondents generally agreed that their clients can use online platforms to communicate with corresponding departments in our university. Moreover, the majority of the respondents generally agreed that their university has adopted the use of new IT idea to enhance customers' experience. Equally, the majority of respondents generally agreed that the teaching staff in our university use AI algorithms in determining customer expectation. In order to determine if artificial

intelligence (AI) has made service delivery more effective and therefore improved effectiveness, the majority of the respondents generally agreed.

On average, the majority of respondents generally agreed that innovation influences the level of competitiveness of these private universities in Kenya. The inferential statistics revealed that product differentiation has a strong and statistically significant relationship with competitiveness of these private universities in Kenya this implies that a unit increase in product differentiation strategy leads to an increased in the competitiveness of the se universities in Kenya.

#### *5.4. Innovation and Competitiveness*

The fourth specific objective was to examine the influence of innovation on competitiveness of private universities in Kenya. From the study results, the respondents generally agreed that their university has adopted the use of AI to enhance staff performance. In addition, the majority of the respondents generally agreed that their institution has a plan of improving service innovation. On equal measure, the majority of respondents agreed that their institution considers the need of customers when formulating innovation strategies. To test if the university invests money in research and development activities, the majority of the respondents generally agreed. In order to determine whether the employees in these universities are updated on the emerging technological innovation through training, the majority of the respondents generally agreed. The respondents were required to indicate if the university has embraced the use of new IT ideas to enhance competitiveness, the majority of respondents generally agreed. Moreover, the majority of respondents generally agreed that their clients can use online platforms to communicate with corresponding departments in our university. Moreover, the majority of the respondents generally agreed that their university has adopted the use of new IT idea to enhance customers' experience. Equally, the majority of respondents generally agreed that the teaching staff in our university use AI algorithms in determining customer expectation. In order to determine if artificial intelligence (AI) has made service delivery more effective and therefore improved effectiveness, the majority of the respondents generally agreed. On average, the majority of respondents generally agreed that innovation influences the level of competitiveness of these private universities in Kenya.

The correlation analyses revealed a strong, positive and statistically significant relationship between innovation strategy and competitiveness of private universities in Kenya. This therefore, implies that a unit improvement of innovative strategies improves the competitiveness. Moreover, the study revealed that strategic positioning positively affects the competitiveness of these private universities in Kenya. In essence, the study showed that cost leadership strategy used by these universities had the most contribution to competitiveness, followed by product differentiation, market focus while innovation was found to have the least contribution to the competitiveness of these private universities. However, the strategic positioning was found to have a statistically significant effect on competitiveness.

### **6. Conclusions**

This study concludes that there is a positive and statistically significant relationship cost leadership strategy and competitiveness of the private universities in Nairobi City County, Kenya. The study equally showed that cost leadership had the most contributory power to competitiveness. This makes the cost leadership strategy the preferred strategy that is to be implemented by these universities. The study further revealed a positive and significant relationship between market focus and competitiveness of private universities in Nairobi City County in Kenya. In addition, the study concludes that these private universities need to focus on specific market segments with special interests. This makes the university serve specific clientele better thereby improving their competitiveness. The market focus makes ensures that the private university tailor-make their courses to serve their clientele better.

The study equally revealed a positive and significant relationship between product differentiation and the competitiveness of private universities in Kenya. Since these private universities are in a murky market place, it is important the they differentiate the kind of courses they offer to appeal to different market segments. This shall make them have bigger market base, hence remaining competitive relative to other competitors. Lastly, the study equally found a positive and significant relationship between innovation and the competitiveness of private universities in Kenya. The study results are statistically significant. Hence the study concludes that these private universities for them to remain competitive, they have to remain innovative with their products. This shall make them attract more clientele into their universities and shall have more students

### **7. Recommendations**

Following the study findings, the following recommendations are provided to the management of these private universities in Nairobi City County in Kenya:

There is a need for the management of the private universities to enhance and practice cost leadership in the pricing of their products and services since the cost leadership strategy is positively correlated to the competitiveness. The management can achieve this through setting their costs relatively affordable relative to their competitors in order to remain competitive in the country, more so in Nairobi City County, where there are many universities operating withing Nairobi City.

There is a need for the management of these private universities to implement market focus strategy since the study found a positive and significant relationship with the competitiveness. The university management can achieve this through segmenting the market along homogeneous characteristics then follow up, focus on delivering their services in a unique way so as to attract a certain cadre of students. This shall make them remain competitive in the region.

Equally, since the study found a positive and statistical relationship between innovation and competitiveness of competitive in the country, more so in Nairobi City County, the management of these universities need to enhance their

innovativeness so as to have more new courses that are likely to be more appropriate and be able to attract a specific class of students, this shall make them remain competitive.

## 8. Areas for Further Research

This study was conducted in private universities operating in Nairobi City County. The study recommends that studies can be extended to equally include public universities. Equally, the study further established that cost leadership, market focus, product differentiation, and innovation jointly account for 70.7% of variations in the competitiveness of these private universities in Nairobi City County in Kenya. The remaining 29.3% is accounted by other determinants that are not considered by the current study. The study therefore recommends another study on other indicators of strategic positioning not included in the current study.

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