AN INVESTIGATION OF THE EFFECTS OF PORTER'S
GENERIC STRATEGIES ON THE PERFORMANCE OF THE
EDUCATION SECTOR
(A SURVEY OF TERTIARY INSTITUTIONS IN THE NYERI TOWN)

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A Research Project Submitted to the School of Business in Partial
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University.

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DECLARATION

I declare that this research project is my original work and has not been submitted to any University or any institution of higher education.

Signature ___________________________ Date 13 June 2013

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(D53/OL/15323/2008)

I confirm that the work reported in this project was carried out by the candidate under my supervision.

Signature: ___________________________ Date 13/6/2013

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ABSTRACT

The growth and expansion of higher education in Kenya in the last decade and the resultant competition for students by these institutions necessitated an investigation on the effect of Michael Porter's competitive generic strategies of cost leadership, focus strategy and differentiation strategies in their marketing. The research established how these generic strategies affect the organizational performance of these tertiary institutions in Nyeri town namely the strategies effects on revenues, graduation rates, ranking, student enrolment, break-even of new courses and industry reputation.

The census method of research was employed to interrogate some 53 senior officials of the ten major tertiary institutions in Nyeri town using questionnaires. The data was analysed using both qualitative and quantitative techniques and descriptive statistics and content analysis employed. The data presented using tables, pie charts, various graphs and written narratives.

The research confirmed the use of the strategies as well as their effect on the performance of these institutions. It emerged that the cost leadership strategies of offering standardized courses to many students and relying on government subsidies to lower fees being rampant. There was a dearth of differentiation strategies save for offering courses perceived to be unique and marketing courses using non-price issues. The focus strategies of offering weekend and evening classes and targeting a particular segment of students were among the strategies with greater effect on the performance of the tertiary institutions. A recommendation was made to future researchers to conduct studies on effects of each of the generic strategies on the performance of other sectors of the economy.