

**MARKETING STRATEGIES APPLIED BY
PRIVATE MIDDLE LEVEL COLLEGES
IN NAIROBI**

BY

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Marketing strategies
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DECLARATION

This project is my original work. The project is not substantially similar to work that has been previously submitted to any university for academic fulfillment.

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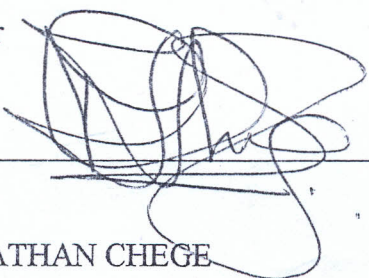
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This project has been submitted for examination with my full approval as University

Supervisor

Signature  Date 15TH AUGUST 2003

DR. JONATHAN CHEGE

DEDICATION

This research project is dedicated to my wife Anne, my son Tony, my mother and my father. Thank you for your support.

ACKNOWLEDGEMENTS

An academic endeavor of this magnitude cannot be attained single handedly. It calls for consolidated support from intellectual authorities, colleagues, family members and friends.

It is with this pleasure and joy that I take this opportunity to appreciate the concerted efforts of my supervisor, Dr Jonathan Chege, for his dedication to imparting knowledge and for his invaluable assistance in this project.

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ABSTRACT

The Private Middle Level Colleges (PMLCs) play a significant role in providing tertiary education in Kenya. They compliment the government owned middle level colleges in providing career focused education and training programmes to the post secondary clientele. PMLCs bridge the gap between supply and demand of tertiary education in Kenya, which is created by the inability of the public institutions to meet the demand.

The demand of tertiary education has led to establishment of many PMLCs especially in Nairobi. This has led to competition among these colleges. The competition has made it necessary for the PMLCs to apply marketing practices in their business.

The primary objective of the study was to investigate the marketing strategies employed by the PMLCs. These strategies included the course strategies, fees strategies, promotional strategies, place strategies, marketing research and people strategies.

The target population of the study comprised all PMLCs in Nairobi. The sample frame was obtained from the Kenya Telephone Directory Yellow Pages. Using the simple random sampling method, 40 PMLCs were selected. The data was collected using a structured questionnaire. The Statistical Package for Social Sciences (SPSS) was used to analyse the data. Descriptive statistical tools were used in actual analysis.

The study established that most PMLCs are young and growing institutions. The PMLCs mainly offer courses that are in high demand in the in the job market including Computer and Business courses. Advertisement, Word of Mouth and Networking are the major promotional tools used by the PMLCs. PMLCs have Marketing Intelligence Systems which collect information necessary for decision-making. PMLCs rent their premises rather than owning them. It was established that PMLCs set their fees using cost-plus method and also going by the competitors charges. Finally, PMLCs allow the students to pay their fees in installments. The study concluded that PMLCs are marketing oriented institutions. They apply conventional marketing practices in their business.

The study recommended ways in which PMLCs can be able to market themselves better. These include adopting strategies like joint ventures, franchising, accreditation, augmenting their services and sourcing for international clientele. The study also recommended that the government and the financial institutions should formulate better policies which will help to build this sector.

Finally, the study suggested that further research should be carried out on marketing in Private Primary and Secondary Schools in Nairobi and also marketing in Private and Public Universities in Kenya.

CHAPTER ONE

1.0 INTRODUCTION

1.1. Background

Education in Kenya has witnessed tremendous expansion since Kenya attained its independence in 1963. The literacy level of Kenya rose from 40 percent in 1963 to 80 percent in 2000 (African Development Indicators, 2000). The last three decades have seen the educational sector experience large leaps of expansion. At the primary school level, the enrollment rose from 2,994,892 pupils in 1978 to six million pupils in 2002. At the secondary level, the enrollment rose from 361,622 students to 600,000 students. At the university level, the number rose from 6,421 students to 41,000 students over the same period (Education and Training, 2003).

Only a small percentage of students who graduate from secondary school in Kenya today manage to get places in public universities. Out of about 150,000 students who sit for Kenya Certificate of Secondary Education (K.C.S.E) every year only about 9,000 get places in public universities. (Education and Training, 2003). This represents a mere 5.7 percent of the secondary school graduates. Although the number of public universities has increased from one to seven over the last 20 years, they have not been able to admit all the secondary school graduates who attain the minimum entry qualification. Every year, there are at least 35,000 students who attain the minimum entry qualification of C+ but do not get places in the public universities.

Apart from the public universities, there are number of public middle level colleges which provide training for middle level manpower. These colleges include Teacher Training Colleges, Medical Training Colleges,

Technical Training institutions among others. But like the public universities, they too are unable to meet the demand for Tertiary Education. Each year there is a large number of students who apply for vacancies in these colleges but fail to get places there.

These public institutions face many challenges which lead to their inability to meet the demand. These include fiscal and physical resources constraints, inflexibility, insensitivity to new market needs, lack of motivated faculty, outmoded teaching methods, mismanagement, corruption and political interference.

In the last 10 years, Kenya's 15 private universities have contributed significantly in improving access to university education. But with a capacity of less than 6,000 students, only a small percentage of the students leaving secondary schools manage to get places there. Access to university education abroad has remained open to only a few Kenyans because of their prohibitive cost, ranging from Kshs. 600,000 to Kshs. 1.5 million, depending on the country and the course taken (Education and Training 2003).

1.2 The development and the role of private middle level colleges (PMLCs) in Kenya

The first PMLCs in Kenya were started back in the colonial days, mainly by the missionaries. After establishing primary and secondary schools, there was a need to establish colleges which could provide vocational education and training to the school leavers. There was also an urgent need to train people who could provide services at the institutions which had been established, including hospitals, schools, churches among others. The missionaries therefore started PMLCs which complemented the government owned middle level colleges in providing vocational education and training.

But most PMLCs in Kenya were established in the last two decades (Karmokolias, 2000). This coincided with the period when Kenya experienced tremendous growth of education with the enrollment in both primary and secondary school levels doubling over the period. This means that there has been an increase in the number of students graduating from secondary schools each year. On the contrary, the public expenditure on education recurrent and investment, has fallen in real terms since 1989 (Owino, 2002). This has been made worse by the fact that a big percentage of the Ministry of Education budget goes to recurrent expenditure, leaving only a small percentage of the budget for expansion of the public institutions to cater for the growing demand.

The PMLCs play a crucial role of complimenting the public institutions in providing Tertiary Education in Kenya. These colleges are popular for their career focused education and training programmes. They cater for a variety of post-secondary clientele and offer courses leading to certificate, diploma and higher diploma awards. They are geared towards the production of technically skilled human resources. For the students who miss places in public institutions, the PMLCs offer an alternative where they can obtain training in middle level courses. Some of the students who join PMLCs are those who obtain places in the public institutions but decline to join them if they are admitted to do courses which they don't like or feel are not marketable in the job market. The PMLCs do not only train the secondary school graduates but also target people who are already in employment and would like to advance their careers or change their careers.

The PMLCs are also popular with students who have graduated from other post-secondary institutions, who enroll in order to learn new skills which would enable them to be more marketable in the job market. With

25 percent of the labour force currently being unemployed in Kenya, (African Development Indicators 2000) multi-skilled students have an edge over others in the competitive labour market. The PMLCs also play an important role of offering competition to the public institutions and thus forcing them to change into market-driven institutions.

The economic changes in Kenya have led to establishment of many PMLCs. The Structural Adjustment Programmes (SAPS) imposed on Kenya by the IMF and the World Bank led to Public Enterprises Reforms leading to public enterprises divestiture and restructuring. This led to massive downsizing in the public sector and the problem of unemployment escalated. Many of the retrenched employees inflexed into the private sector, especially into the Small Medium Enterprises (SMEs). With the growing demand of education in Kenya, the private education sector was a lucrative one, and therefore attracted many private investors who started private primary schools, secondary schools and PMLCs. Infact, some institutions started as primary schools and then vertically integrated into secondary schools and PMLCs.

Apart from being a source of income to the investors, the PMLCs have other economic benefits, including offering employment to many people in Kenya, both in teaching and non-teaching capacity. The PMLCs also pay taxes to the government. The economic role played by the PMLCs cannot be over-emphasized.

A study conducted by Karmokolias (2000) identifies several challenges faced by the PMLCs. The high demand of Tertiary Education has led to more and more PMLCs being established, leading to competition among these institutions. This has also led to establishment of colleges which simply capitalize on the 'thirst' for the tertiary education to make a quick profit. These colleges offer low quality education and therefore dilute the

quality of education offered by the PMLCs. Limited financial management is another challenge. The study showed that most of the PMLCs owners and administrators are trained as educationists and lack financial management skills, which is essential for survival in a competitive environment. The PMLCs also experience limited access to investment funds, limited foreign exchange and physical constraints. They also lack student's loan schemes and face cumbersome legal and institutional framework.

In conclusion, for the PMLCs to play their vital role and to overcome the challenges which they face, they need to apply marketing strategies which will enable them to produce and market their services professionally.

1.3 Statement of the problem

The Public Universities and Middle Level Colleges in Kenya have been unable to meet the growing demand for tertiary education. Only a small percentage of the students graduating from the secondary schools manage to get places in these public institutions each year. This growing demand for tertiary education and the inability of the public institutions to meet it has led to establishment of PMLCs.

For the PMLCs to be able to effectively meet this demand, they need to develop and implement sound marketing strategies which will enable them to understand the needs of their customers and therefore develop courses which will meet these needs. These strategies will also help them to price their courses strategically and communicate effectively with their customers and other relevant publics. They need to establish ways in which to systematically identify, collect, analyse and communicate data and important information for decision-making. These strategies will also help them to make these colleges attractive and

also to deliver their services more effectively. Finally, the strategies will help them to develop and retain efficient and effective human resources who will meet the expectations of their customers. All this spells out the need for application of the marketing mix elements namely: product, price, promotion, place, probe and people. The question that arises is; how do the PMLCs use these marketing strategies in order to meet the growing demand of tertiary education in Kenya?

1.4 Research objectives

the general objective of this study was to determine how the PMLCs apply marketing strategies in their business.

The specific objectives of this study were:

- ◆ To identify the course strategies used by the PMLCs.
- ◆ To determine how the PMLCs set their fees.
- ◆ To find out how the PMLCs collect and use marketing intelligence.
- ◆ To determine the place strategies that PMLCs use
- ◆ To determine how the PMLCs ensure effective service delivery by their human resources.
- ◆ To identify the challenges faced by the PMLCs.

1.5 Research questions

This study sought to answer the following questions;

- ◆ Which course strategies do the PMLCs use?
- ◆ How do the PMLCs set their fees?
- ◆ How do the PMLCs collect and use marketing intelligence?
- ◆ Which place strategies do the PMLCs use ?
- ◆ Which promotional strategies do the PMLCs use to attract students?
- ◆ How do the PMLCs ensure that their staff is effective and efficient?
- ◆ Which challenges do the PMLCs face?

1.6 Importance of the study

This study was meant to be of significance to the PMLCs in helping the management to appreciate the role of marketing in their business and hence apply marketing strategies professionally. The study would also contribute to the general knowledge of marketing in education sector. Finally, it was expected to stimulate academic researches on marketing in educational institutions of which the study will not have exhausted.

1.7 Scope of the study

This study was limited to the PMLCs within Nairobi Province. Nairobi Province was selected due to a number of reasons: the province has a high concentration of PMLCS; the concentration has led to competition which has necessitated application of marketing strategies by the PMLCs in order to remain competitive; financial and time constraints also necessitated the study to be limited to Nairobi Province only.

1.8 Organization of the study

The rest of the study is to be organized into the following sections; Literature Review, Methodology, Research Findings, Conclusion and Recommendations.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

In this chapter, a review of literature on PMLCs shall be carried out. The literature shall look at the marketing strategies used by the PMLCs.

2.2 Marketing strategies used by the PMLCs

PMLCs play a very important role in bridging the gap between supply and demand of the tertiary education in Kenya. As noted earlier, in order for the PMLCs to perform their role effectively, they need to apply marketing strategies in their business.

Marketing has been defined as a social and management process by which individuals and groups obtain what they need and want through creating and exchanging products of value with others (Kotler, 2000). The study of the marketing strategies include the conventional marketing mix elements, or the 6 ps of marketing namely; product, place, price, promotion, probe and people.

Kibera (1997) has defined product as anything that is offered to consumer for possible purchase and consumption with an ultimate goal of satisfying a need. It includes visible and invisible goods, places, people and ideas. Price is the monetary value on a good or service. It takes the form of rent, wage, fee, fare among others (Livingstone and Ord, 1988). In marketing, pricing is set using three approaches. Cost plus pricing, demand based pricing, and competition oriented pricing. Price affects both sales volume and profits. Marketers have a task of determining an acceptable price to the consumer and a profitable one to the organization.

Place refers to the product distribution. This is the channel or the path that a product follows as it moves from the producer to the final consumer. Olago (1977) identifies four main channels of distribution as manufacturer to consumer, manufacturer to retailer to consumer, manufacturer to wholesaler to wholesaler to retailer to consumer and manufacturer to wholesaler to retailer to consumer.

Promotional strategy has been defined by Kinner (1991) as a controlled, integrated program or communicating methods and materials designed to present an organization and its products to prospective consumers to communicate need satisfying attributes of a product to facilitate sales and thus contribute to long run performance. Promotional tools include; sales promotion, personal selling, advertising, publicity, public relations and direct marketing.

Marketing research (probe) can be defined as the process of identifying, collecting, analyzing and interpreting information and communication of the same to help in decision marking process. It has several steps including problem definition, problem formation, data collection, data preparation and analysis and report writing and presentation. The sixth P, which is people, refers to the employees of the organization including the management, staff and the support staff in an organization. They form an important resource to the organization and should be managed in the best way possible for the efficiency and effectiveness of the organization.

Marketing strategies are used in both physical product industries and the service industries. A service can be defined as any act of performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product. (Kotler, 2000).

Services as a form of product have several characteristics. They are immaterial, unlike physical product which is tangible. The ownership of a service is not transferred. The other characteristics are that the production and consumption coincide, the buyer takes part in production, heterogeneity and perishability.

Services can either be professional or consumer oriented. Examples of services include legal, engineering, management, consultancy, security, banking, health and education. This study is concerned with educational services.

Until recent decades, marketing in educational institutions has been done unprofessionally, apologetically and instinctively (Gray 1998). There has been only occasional references to the canons of marketing which shape the marketing operations of industrial and commercial organizations.

Gray (1998) further notes that education sectors can make use of the principles and concepts underpinning marketing in other sectors as well as appreciate the limitations of such adaptations from other sectors. He maintains that there is no need of reinventing marketing wheels, when solutions to similar problems to those facing education sector are available for scrutiny and adaption.

Education institutions and PMLCs in particular are increasingly becoming more responsive to the customers. Customers here refer to the students, potential students, parents and guardians and other people who influence the student in making decision about education institutions (M'iweta, 2000). Market forces are reshaping the education sector. Competition has forced PMLCs to be customer driven. Students, parents, guardians and employees are increasingly considered by the

PMLCs in their marketing practices. PLMCs are adopting a marketing orientation in their business.

A marketing orientation is the one in which the needs of students as customer are central. Other customers are also recognized and attention given to their concerns and needs. Their needs are regarded as the central reason for the organization's existence. This perspective is largely concerned with the customer's satisfaction and ways in which existing services might be offered to new market segments. It seeks to anticipate the changing needs of the customers and develop new services, which meet their needs. It looks at ways in which the resources might be used to provide quite new kinds of services to the new users.

Marketing is also concerned with enhancing the image of the institution and its services. Marketing also helps the PMLCs to investigate on the needs of the students (pre-training research) and their level of satisfaction (post training research).

According to M'iweta (2000), the PMLCs management should focus on delivery of quality services in the most effective and efficient manner. In other words, use the minimal resources for the maximum effect. In order to achieve this, careful planning should be done. PMLCs also need to understand the market including the needs of the customers, the competitors and other environmental factors which shape the market.

Williams (1998) identifies the kind of information needed by colleges. This includes information on the market potential customers, competition, new training needs, the extent to which the current provision is taken up and the levels of success achieved by those taking up this provision, the capabilities of an institution to deliver existing and new services and the perception of current and former customers and the sponsors about the value of the services provided and the levels satisfaction.

Information about geographical areas of the students, variations of recurrent rates of students from different areas, the courses, students success, failure, dropouts, income and expenditure trends, staff employment and the students complaints, is important for marketing purposes in a college. Internal information should be complimented by external information from reports by visitors, intelligence systems, surveys, media etc.

Marketing research is an important tool in collecting, analyzing and communicating all this information for decision making. Harry and Gibson (1997) underscores the importance of marketing research in marketing segmentation, targeting and positioning by the educational institutions.

The other element in the marketing mix which is important to PMLCs is product. Product here refers to the range of services provided by a college. This includes the courses on offer to the students, extra curricular activities, contract research programmes, consultancy services, catering services, transport, accommodation and others. The courses usually are the core services while the others form the peripheral services. These supplementary and non-educational services augment the basic educational provision.

According to Gray (1998), the product mix of a PMLC needs to be reviewed regularly to determine whether it is still relevant, whether the college still has the capacity etc. Some courses are seen more central to the institution product mix than others. Gray (1998) identifies five constraints in determining the product mix of PMLC. These includes the educational system constraints, financial constraints, personnel constraints, political constraints and demographic constraints.

Gray (1998) further notes that the recommendations concerning the developments of the institution's product mix can be derived from an analysis of the constraints and the application of marketing techniques including marketing research, product life cycle and portfolio analysis. The resultant strategies will include those designed primarily to reduce or eradicate unnecessary constraints, as well as to develop a course portfolio, which matches as closely as possible the needs of the customers.

Recent studies have established that courses have a 'course life' which is similar to the product life. When a new course is introduced, the enrollment is low. During the growth and maturity stages, more students enroll in the course. Competition then sets in and when too many of PMLCs offer the course, the maturity and decline stages are experienced. At this point a college can decide to relaunch the course with new features and intensive promotion or eliminate it from its mix.

Decisions concerning course development, expansion and closure are determined by both external and internal forces. The external factors include the needs of the learners, the need of the labour market, competition, government regulations etc. Internal forces include physical and fiscal resources, availability of human resources, the structures of the institution among other factors. A careful SWOT analysis therefore needs to be done prior to these course decisions. Mbugua (1997) underscores the importance of PMLCs ensuring high quality of the courses they offer. Quality control systems need to be put in place to ensure high and consistent standards.

According to Gray (1998) price in PMLCS is made up of 2 components; costing and pricing. Costing involves calculation of the real costs of providing a service. Pricing on the other hand, is the amount paid by the

consumer. A marketing perspective helps the PLMCs to relate the expenditure and income to its mission and customer needs. Objectives of pricing need to be set and taken into consideration. Costing must also take into consideration the market and the current and forthcoming changes in that market.

The major cost areas in a PMLC includes the teaching and non-teaching staff costs, training materials, promotional costs, residential costs, transport costs, catering, health, maintenance among other costs. According to Karmokolias (2000), pricing policies in PLMCs are shaped by costs, nature of competition and the level of demand. A college may decide to use differential policy strategy where different students are charged differently for the same or different levels of courses.

Kotler (2000) stresses the need of a comprehensive and accurate marketing information system for accessibility of information about costs levels of demand, ways of stimulating these demands, competitors prices etc. All this information is important in making effective pricing policy.

An effective promotional strategy for a college is crucial for its success. M'iweta (2000) identifies the most common promotional tools used by PMLCs in Nairobi as radio and newspaper advertisements, brochure and booklets, posters and leaflets, directories, the internet advertisements, the e-mail and the television advertisements.

In order to communicate effectively, the PMLCs must first understand the decision making process which the customer follows before buying a product or service. A number of models of consumer decision process have been developed. Their applicability in the context of educational decisions has not however been researched on extensively (Karmokolias, 2000). With many groups of people involved in decision making in education, i.e. the students, parents, siblings, friends, former teachers,

counselors and many other, the decision making process in education is a difficult and a complex one. Gray (1998) underscores the importance of colleges understanding each group individually and developing appropriate promotional strategies bearing their input in decision making in mind.

The PMLCs can consider the application of AIDA model in their promotion. This model can be used along with various methods for conveying information available for marketing. Four basic approaches can be identified; personal selling, advertising, publicity and promotional events. They are likely to vary in their impact, according to the stage reached in the communication process. Advertising might be a valuable way of attracting the attention of a lot of potential customers but it is less likely to involve people to the extent that they will commit themselves to enrolling without further persuasion. At these later stages, promotional tools such as personal selling is likely to be more effective.

In deciding which promotional tools to use, the PMLCs need to consider the cost the audience, the reach, the impact and the availability of the tool. Kotler (2000) outlines the promotional planning which PLMCs could find useful. This includes setting the promotional objectives, identifying the target audience, preparing the promotional mix, implementing the plans, controlling and evaluating the plans.

In service industry the personnel is very important. This element is usually integrated with other elements of marketing mix. The personnel quality influences the value attached to the service by the customers. The quality of the service and the service providers are inseparable (Kotler, 2000).

Therefore, personnel which is highly qualified experienced and motivated is a major strength to any PLMC. PMLCs in Kenya are taking up this challenge by ensuring employment of highly qualified teachers. A study conducted by Karmokolias (2000) revealed that majority of teachers in PLMCs in Kenya are of graduate level.

Place, an element of marketing mix, largely determines the success of the PMLCs. According to Gray (1998) this element of the marketing mix includes all those features of a PMLC which influence the accessibility and availability of the service. It is concerned with the location of the institution and its appearance as well as the facilities. It is also concerned with those services offered outside the institution and the means by which they are distributed.

According to Karmokolias (2000) PMLCs' choice of their location is determined by a number of factors. These include the ease of accessibility, the cost of the premises, the availability of students, and the availability of expansion space.

Some of the PLMCs have been forced to change their location in order to cope with new challenges which come up. Kenya College of Accountancy relocation to the outskirts of Nairobi was driven by the need for a quiet learning environment, need for space for expansion and the convenience of transport (Education and Training, 2003). However, the cost of abandoning an inappropriate location are now so high that it rarely happens (Stokes 1997). Today, institutions are more likely to try and adjust their services to changed circumstances than to make to a new and distant site.

Stokes (1997), identifies several ways in which Educational Institutions are able to distribute their services to match more closely the needs of

their customer. The first one is by establishing satellite or outreach services in premises where particular groups of customers can obtain the service more conveniently than at the main site. The notion of work-based learning is gaining currency, where the college provides training on the employer's premises using the employer's equipment and working in partnership with employer's staff.

The second way in which educational services are distributed more effectively is by extending the period of time in which the services are made available. This includes offering holiday classes which are particularly popular with Teacher Training Colleges, offering evening classes and weekend classes. This enables the college to offer training to the non-traditional groups including employed people and students who are enrolled in other institutions.

The third way is through open learning/distant learning. This method is *becoming more and more popular in the world today*. This is where the correspondence text and electronic media provide the tuition. Although this method of distribution of education services isn't very much developed in PMLCs in Kenya, it has been a success in other countries like the UK and has also been used in Higher Educational Institutions in Africa. The PMLCs can borrow a leaf from there institutions.

Finally a rather different approach to the distribution of educational services follows a commercial service model of selling by franchising and joint ventures. PMLCs are getting into arrangements with other organizations, normally from the Higher Educational Institutions to deliver courses planned and validated by the Higher Educational Institutions. The college buying a franchise pays a portion of the student's fees to the parent institution in return for the use of the course and usually some monitoring and external examination. Joint venture is

a variant of this, whereby a college enters into partnership with a reputable institution and delivers programmes affiliated to the institution.

Most of the PMLCs rent rather than own their own premises. According to Karmokolias (2000). Most PMLCs in Nairobi have rented their premises for a number of reasons. Building or buying a premises will mean that a substantial amount of capital will be tied, which isn't prudent to the PLMCs which have limited access to investment funds. In case the PMLC wants to close or relocate its premises, the rental premises is more convenient and less expensive. In any case, the cost of buying a building premises at a prime location may be well beyond the means of the proprietor.

The appearance of the premises of an institution is an important influence on the perception of the institution quality (Gray, 2000). The outside appearance of the building, the décor, the quality of the furniture, the state of the lawns and other tangibles are usually used by the potential customer as clues on the quality of the services offered by the college. Some of the PMLCs have taken up this challenge by building state of art buildings, spacious libraries, buying attractive vehicles and ensuring good maintenance of their premises.

2.3 Summary of literature

This chapter has underscored the relevance of marketing in educational institutions, particularly the PMLCs. It is worth noting that this being a relatively young and growing sector in Kenya, limited research has been done on the application of marketing in PMLCs, with the few studies that have been done focusing only on certain elements of marketing. This study will therefore look at the marketing mix as a whole, and how it is applied in PMLCs in Nairobi.

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the methodology adopted in the study. It is divided into four parts namely; the target population, the sample and sampling procedure, data collection and data analysis.

3.2 Target population

The population of study comprised all Private Middle Level Colleges in Nairobi.

3.3 The sample and sampling procedure

The sample frame was obtained from Kenya Telephone Directory's Yellow Pages. There were 80 Private Middle Level Colleges in Nairobi listed in the yellow pages. The sample population was obtained by using simple random sampling method. 40 Private Middle Level Colleges were selected from the target population. This represented 50% of the target population.

3.4 Data collection

The data was collected from the primary sources. A structured questionnaire (see appendix 1) was pilot tested with selected respondents and relevant adjustments were made. The questionnaires were then personally administered to the respondents. The respondents were college administrators.

3.5 Data analysis

The questionnaires were edited and coded before the commencement of the actual analysis. The Statistical Package for Social Sciences (SPSS)

was used to analyze the data. Descriptive statistical tools were used in actual analysis

CHAPTER FOUR

4.0 RESULTS

4.1 Introduction

In this chapter, the results of the study are presented. The chapter is broadly divided into: sample characteristics, the course strategies, promotional strategies, place strategies, marketing intelligence, fees strategies, staff strategies and the challenges facing PMLCs.

4.2 Sample characteristics

The table below summarizes information on the years of establishment of PMLCs under study, the student enrollment, where the students come from, the target groups, number of employees, legal status of the PMLCs, level of education of the PMLCs owners, and the line of professional training of the owners. From the table below, most of the PMLCs were started in 1990`s. This represents 42.5% of the PMLCs under study. 40% were started in 2000`s while 17.5% were started in and before 1980`s. This supports earlier findings by Karmokolias (2000) that most of the colleges in Nairobi were started in the last two decades. Reasons explaining this observation included tremendous growth of education sector and the inability of the government to meet the high demand of tertiary education, the recent influx of investors into private education sector, the growing and changing job market needs among others. This also shows that the private Post – Secondary Education Sector is a relatively young one. The observation that 40% of the colleges were started in this decade alone indicates that the sector is fast growing.

From the table below, most of the PMLCs have 100 students and below (82.5%). 15% have between 101 and 200 students, while only 2.5% have more than 200 students. Several factors could explain this level of enrollment including financial and physical constraints, competition, the

fact that most of the PMLCs are in their growth stage and preference for smaller number of students for greater flexibility by the PMLCs.

Table 1 Sample Characteristics

| Characteristics | Frequency | Percentage |
|------------------------------------------------|------------------|-------------------|
| Year of establishment | | |
| Up to 1989 | 7 | 17.5 |
| 1990 - 1999 | 17 | 42.5 |
| 2000 - 2003 | 16 | 40.0 |
| Total | 40 | 100.0 |
| Student enrollment | | |
| 1 - 100 | 33 | 82.5 |
| 101 - 200 | 6 | 15.0 |
| 201 - 300 | 1 | 2.5 |
| Total | 40 | 100.0 |
| Where the student come from | | |
| Nairobi area | 36 | 43.2 |
| Rest of the country | 32 | 38.4 |
| Other countries | 14 | 16.8 |
| Total | 93 | 100.0 |
| Target group | | |
| Secondary school graduates | 40 | 43.0 |
| Employed people | 30 | 32.3 |
| Graduates from other institutions | 23 | 24.7 |
| Total | 93 | 100.0 |
| No. of employees | | |
| 1 - 20 | 35 | 82.0 |
| 21 - 40 | 5 | 18.0 |
| Total | 40 | 100.0 |
| Legal status of PMLCs | | |
| Sole proprietorship | 15 | 37.5 |
| Limited company | 14 | 35.0 |
| Partnership | 9 | 22.5 |
| Total | 40 | 100.0 |
| Level of education of owners | | |
| University | 34 | 81.0 |
| College | 6 | 19.0 |
| Total | 42 | 100.0 |
| Line of professional training of owners | | |
| Business related professions | 23 | 57.5 |
| Technical related professions | 13 | 32.5 |
| Other | 4 | 10.0 |
| Total | 40 | 100.0 |

Most of the students in PMLCs come from Nairobi area. The table shows that 43.2% of the students come from Nairobi area, while 38.4% come from the rest of the country. Only 16.8% come from other countries.

The above table also shows the groups that are targeted by the PMLCs in Nairobi 43% of the PMLCs target secondary school graduates. 32.3% target people already in employment while 24.7% target graduates from other institutions. This shows that PMLCs don't just target the traditional group (secondary school graduates) but also provide training for the already – employed people and students who graduate from other institutions and would like to undergo further training. Majority of the PMLCs are Small to Medium Enterprises. The table shows that most of the PMLCs have 210 employees and below. This is represented by 82% of the PMLCs. Only 18% have more than 20 employees.

The table above shows that PMLCs in Nairobi are mainly owned through sole proprietorship (37.5%). 35% of the PMLCs are owned through limited company while 22.5% are owned through partnership. The table also shows the level of education of the PMLCs owners. The majority are of university level (81%) while the other 19% are of college level. Finally, the table shows that 57.5% of the PMLCs owner are trained in business related professions, 32.5% in technical related professions while 10% are trained in other professions.

4.3 Course strategies

4.3.1 Courses offered

The table below shows the courses which are offered in PMLCs. The table shows that the most popular courses in PMLCs are Computer

related courses with 18.3% of the PMLCs under study offering them. The least popular is Theology with only 1.1% of the PMLCs offering it.

Table 2 The courses offered in PMLCs.

| Courses | Frequency | Percentage |
|--------------------------|------------------|-------------------|
| Computer courses | 33 | 18.3 |
| Business Administration | 20 | 11.1 |
| Languages | 20 | 11.1 |
| Secretarial | 17 | 9.4 |
| Sales and Marketing | 16 | 8.9 |
| Accountancy | 15 | 8.3 |
| Technical courses | 13 | 7.2 |
| Hospitality courses | 12 | 6.7 |
| Purchasing and Supplying | 7 | 3.9 |
| Clearing and Forwarding | 7 | 3.9 |
| Human Resources Man. | 7 | 3.9 |
| Journalism | 5 | 2.8 |
| Beauty | 5 | 2.8 |
| Theology | 2 | 1.1 |
| Total | 180 | 100 |

The five leading courses in PMLCs are Computer Courses (18.3%), Business Administration (11.1%), Languages (11.1%), Secretarial (9.4 %) and Sales and Marketing (8.9%). The high demand of computer related courses is in line with the growing needs for computer skills in the Job market. The study shows that some of traditional courses that are popular with the public colleges aren't popular with the PMLCs. These include Educational courses and Medical courses. This is due to the low demand of these courses in the job market, which makes them less popular with students.

4.3.2 Factors considered when determining the courses to be offered

Results from the study showed that the factors that the PMLCs consider when deciding the type of the courses to offer include demand by the students, the competitors' courses, availability of physical and fiscal

resources, availability of the staff and the government regulations. The table below shows these factors and the percentage of the colleges which consider them when deciding the courses to offer.

Table 3 Factors affecting the type of courses offered.

| Factors | Frequency | Percentage |
|----------------------------------|------------------|-------------------|
| Students demand | 33 | 35.9 |
| Physical and Financial resources | 20 | 21.7 |
| Government regulations | 17 | 18.5 |
| Competitors courses | 12 | 13 |
| Availability of staff | 10 | 10.9 |
| Total | 92 | 100 |

From the table above, students demand is the factor that is considered most with 35.9% of the PMLCs saying that they considered it. This is followed by the availability of physical and fiscal resources. Availability of staff is the factor that is considered least with 10.9%.

4.3.3 Other services offered by the PMLCs to the students

The study revealed that 57.5% of the PMLCs under study offer non – educational services to their students while 42.5% do not. Among the PMLCs which offer non – educational services, 34.8% offer accommodation, 34.8% offer catering services, 26.0% offer sports and recreational services while only 4.3% offer medical services to the students. These non – educational services are important as they augment the basic educational provision. The table below represents this information.

Table 4 Non – educational services offered by PMLCs.

| Services | Frequency | Percentage |
|-----------------|------------------|-------------------|
| Accommodation | 8 | 34.8 |
| Catering | 8 | 34.8 |
| Sports | 6 | 26.0 |
| Medical | 1 | 4.3 |
| Total | 23 | 100 |

4.3.4 Maintenance of competitive quality

The table below shows the strategies which the PMLCs use in order to ensure that the quality of their courses is competitive.

Table 5 Strategies applied to ensure competitive course quality

| Strategies | Frequency | Percentage |
|-----------------------------|-----------|------------|
| Employing qualified staff | 22 | 36.7 |
| Adequate/updated facilities | 11 | 18.3 |
| External exams | 7 | 11.7 |
| Strict syllabus following | 7 | 11.7 |
| Accreditation | 8 | 13.3 |
| Training manuals | 1 | 1.7 |
| No sharing of computers | 2 | 3.3 |
| Small sized classes | 2 | 3.3 |
| Total | 60 | 100 |

From the table above, it can be seen that most of the PMLCs maintain a competitive quality of their courses by ensuring that they employ qualified staff. This represents 37% of the respondents. Other strategies included adequate facilities (18%), External exams (12%) among others.

4.4 Promotion strategies

4.4.1 promotional tools

The table below shows common promotional tools used by the PMLCs to attract students. From the table, the most popular promotional tools used by the PMLCs include Brochures (13.8%), Word of Mouth and Networking (13.5%), Newspaper advertisements (12%), Posters and Leaflets (9.9%) and Directory advertisements (6.7%). The findings on the use of Word of Mouth and Networking supports findings in an earlier study, Stokes (2000), which noted that Small to Medium Enterprises rely on such methods as talking well to their customers in bid to build a long lasting relationship with them, while a majority of them also depend on their old clients in different regions talking well of them and bringing or guiding other customers to their business. In fact, when asked if they

offered any kind of discount to the students, some PMLCs indicated that they offered a discount on fees to the students who introduced other students to the college. Some said that they gave commissions to the employees who introduced students to the college. This can be seen as a strategy of encouraging the Word of Mouth and Networking by motivating the people already in college to pass round a good word about the college.

Table 6 promotional tools

| Tools | Frequency | Percentage |
|------------------------------|------------------|-------------------|
| Brochures | 39 | 13.8 |
| Word of mouth and networking | 38 | 13.5 |
| Newspaper ads. | 34 | 12.0 |
| Poster and leaflets | 28 | 9.9 |
| Directory | 19 | 6.7 |
| Telephone | 15 | 5.7 |
| Radio ads | 14 | 5.0 |
| T.V ads | 12 | 4.3 |
| Identity media | 11 | 3.9 |
| Community support programmes | 10 | 3.5 |
| Exhibitions | 9 | 3.2 |
| Events | 9 | 3.2 |
| Emails | 8 | 2.8 |
| Mailing | 8 | 2.8 |
| Seminars | 7 | 2.5 |
| Sponsorships | 7 | 2.5 |
| Symbols | 6 | 2.1 |
| Media relations | 5 | 1.8 |
| Internet | 3 | 1.1 |
| Total | 282 | 100 |

4.4.2 Factors considered in selecting promotional tools

The table below shows the factors which colleges consider when selecting the promotional tools to use.

Table 7 Factors considered in promotional tool selection.

| Factors | Frequency | Percentage |
|----------------|------------------|-------------------|
| Reach | 38 | 37.0 |
| Cost | 34 | 32.7 |
| Speed | 16 | 15.4 |
| Availability | 16 | 15.4 |
| Total | 104 | 100 |

From the above table, the reach is the most considered factor, with 37% of the respondents considering this factor. This is followed by the cost (32.7%), speed (15.4%) and availability of tool (15.4%).

4.5 Place strategies

4.5.1 The premises

The study showed that the majority of the PMLCs have rented their premises. 90% of the PMLCs said that they rented their premises while 10% said that they owned the premises.

This supports findings in earlier study, Karmokolias (2000), which noted that most of the PMLCs prefer renting premises to owning their own premises. Karmokolias (2000) gave several reasons for this. Firstly, the cost of purchasing property in prime areas in Nairobi is prohibitive. Given the financial constraints that PMLCs have, few would manage to buy their own premises. Karmokolias (2000) noted that even those who could offer were unwilling to tie up huge capital in buying premises. Secondly, the property may not be available for sale in the area where the PMLC wants to locate. Thirdly, owning the premises would mean inflexibility in case the PMLC want to relocate.

The table below illustrates the information about premises status

Table 8 Premises status

| Status | Frequency | Percentage |
|--------|-----------|------------|
| Owned | 4 | 10 |
| Rented | 36 | 90 |
| Total | 40 | 100 |

4.5.2 Choice of location

The table below shows the factors that the PMLCs considers when choosing the location of their premises.

Table 9 Factors considered in choice of location

| Factors in location choice | Frequency | percentage |
|----------------------------|-----------|------------|
| Accessibility | 36 | 58.0 |
| Cost | 16 | 25.0 |
| Closeness to students | 7 | 11.3 |
| Availability | 3 | 4.8 |
| Total | 62 | 100 |

The table above shows that accessibility is the major factor with 58%, followed by cost (26%), closeness to students (11%) and availability (4.8%).

4.5.3 Other Branches

The study showed that most of PMLCs in Nairobi do not have other branches. According to the study, 72.5% of the PMLCs have no branches while only 27.5% do have. This is shown in the table below.

Table 10 PMLCs' Branches

| Branches | Frequency | Percentage |
|------------------|-----------|------------|
| With branches | 11 | 27.5 |
| Without branches | 29 | 72.5 |
| Total | 40 | 100 |

Among the PMLCs who said that they had branches, 55% said their branches were located in Nairobi while 45% said that they were located outside Nairobi. This is shown in the table below.

Table 11 Location of the Branches

| Location of branches | Frequency | Percentage |
|-----------------------------|------------------|-------------------|
| Nairobi | 6 | 55 |
| Other parts of the country | 5 | 45 |
| Total | 11 | 100 |

4.5.4 Methods of extending services

The table below shows the methods that the PMLCs use to ensure that their services reach more people.

Table 12 Methods for extending services.

| Methods of extending services | Frequency | Percentage |
|--------------------------------------|------------------|-------------------|
| Weekend classes | 28 | 36.0 |
| Evening classes | 26 | 33.0 |
| Work based learning | 10 | 13.0 |
| Open learning/ joint ventures | 8 | 10.0 |
| Home based learning | 3 | 3.8 |
| Franchising | 3 | 3.8 |
| Total | 78 | 100.0 |

The table above shows that the most common method in which the PMLCs in Nairobi use to ensure that their services reach more people is weekend classes (36%) followed by evening classes (33%) and work based learning (13%).

4.6 Marketing intelligence

4.6.1 Collection of marketing intelligence

Most of the PMLCs (85%) said that they collect information about their markets while the remaining 15% said they don't. This is shown in the table below.

Table 13 PMLCs collecting Marketing Intelligence

| Marketing intelligence | Frequency | Percentage |
|------------------------------------------|------------------|-------------------|
| PMLCs collecting Market Intelligence | 34 | 85.0 |
| PMLCs not collecting Market Intelligence | 6 | 15.0 |
| Total | 40 | 100 |

4.6.2 The parties collecting marketing intelligence

In gathering the Marketing Information, 91% of the colleges said that they collect the information themselves while 9% said that they commission external parties to do it for them. The table below represents this information.

Table 14 Parties collecting marketing intelligence.

| The party | Frequency | Percentage |
|--------------------|------------------|-------------------|
| The college itself | 36 | 91.0 |
| External Parties | 4 | 9.0 |
| Total | 40 | 100 |

4.6.3 Areas in which Marketing Intelligence is collected.

PMLCs which collect Marketing Intelligence collect intelligence in the following areas: courses (20%), Students satisfaction (18%), Competition (17%), Fees (17%), among other areas. This is shown in the table below.

Table 15 Areas in which Marketing Intelligence is collected

| Areas | Frequency | Percentage |
|-----------------------|-----------|------------|
| Courses | 32 | 20.7 |
| Students satisfaction | 27 | 18.0 |
| Competition | 26 | 17.0 |
| Fees | 26 | 17.0 |
| New markets | 16 | 10.3 |
| Marketing problems | 15 | 9.7 |
| Location | 7 | 4.5 |
| Total | 154 | 100 |

4.7 Fees Strategies

4.7.1 Factors considered in setting fees

The table shows the factors that PMLCs consider when setting their fees.

Table 16 Factors in setting fees

| Factors | Frequency | Percentage |
|---------------------------|-----------|------------|
| Competitors charges | 26 | 31.0 |
| Affordability by students | 18 | 21.4 |
| Fixed and recurrent cost | 34 | 40.5 |
| Quality of the programmes | 6 | 7.1 |
| Totals | 84 | 100 |

From the table above 40.5% of the respondents consider the cost of providing the services when setting the fees. 31% consider the

competitors charges while 21.4% and 7.1% consider affordability and quality of the courses respectively.

4.7.2 Method of setting fees

When asked the methods they used while setting fees, 44% said they used cost plus margin method, 41% went by what the competitors were charging, 7.6% charged low in order to get more students while 7.6% charged high to reflect high quality. This is shown in the table below.

Table 17 Methods of setting fees

| Method | Frequency | Percentage |
|-----------------------------------|-----------|------------|
| Cost-plus method | 29 | 44.0 |
| Going by competitors prices | 27 | 41.0 |
| Charging low to get more students | 5 | 7.6 |
| Charging high to reflect quality | 5 | 7.6 |
| Total | 66 | 100 |

4.7.3 How PMLCs ensure payment in time

The table below shows the strategies the PMLCs use to ensure payment of fees in time.

Table 18 Strategies to ensure timely fees payment

| Strategies | Frequency | Percentage |
|------------------|-----------|------------|
| Reminders | 27 | 46.6 |
| Deadlines | 19 | 32.8 |
| Commitment forms | 12 | 20.7 |
| Total | 58 | 100 |

From the above study, the most common method is sending reminders to the students who have not paid the full fees (46.6%). 32.8% of the respondents said that they set deadlines for fees clearance while 20.7% get their students to sign commitment forms.

4.7.4 Flexibility in fees payment

All the PMLCs said that they make payment of fees flexible by allowing the students to pay in installments.

4.7.5 Other income generating activities

42.5% of the PMLCs under study have other income generating activities while 57.5% do not. The common income generating activities include consultancy, computer repair and sales, typesetting and photocopying. This is shown in the table below.

Table 19 Income generating activities

| Income generating activities | Frequency | Percentage |
|----------------------------------------|------------------|-------------------|
| Type setting | 6 | 33.3 |
| Consultancy | 6 | 27.8 |
| Computer sales, repair and maintenance | 5 | 33.3 |
| Photocopy | 1 | 5.6 |
| Total | 18 | 100 |

From the table above, typesetting and consultancy are the leading income generating activities for PMLCs with 33.3% each.

4.8 Staff Strategies

4.8.1 Part time teachers and full time teachers

Out of 385 teachers in the PMLCs under study, 218 representing 57% are full time teachers while 167 representing 43% are part time teachers. Therefore more teachers in PMLCs are full time teachers than part time teachers. This is shown in the table below.

Table 20 Part time and Full time teachers

| Terms of employment | Frequency | Percentage |
|----------------------------|------------------|-------------------|
| Full time teachers | 218 | 57.0 |
| Part time teachers | 167 | 43.0 |
| Total | 385 | 100 |

4.8.2 Staff training and development programmes

The study showed that most of the PMLCs have staff training and development programmes. 63.2% of the PMLC said they had while the remaining 36.8% said they didn't. The table below shows this information

Table 21 Staff training and development programmes

| Training and development programmes | Frequency | Percentage |
|--------------------------------------------|------------------|-------------------|
| Yes | 25 | 63.2 |
| No | 15 | 36.8 |
| Total | 40 | 100 |

4.8.3 Incentives offered to staffs

The common incentives offered by the PMLCs under study include end of year bonuses (25%), commission on introducing new students (20%), free meals (15%), free training and seminars (22.5%) and prizes for good performance (17.5%). This is shown in the table below

Table 22 Incentives offered to the staff

| Incentives | Frequency | Percentage |
|----------------------------------------|-----------|------------|
| Free training and seminars | 9 | 22.5 |
| End of year bonuses | 10 | 25.0 |
| Commission on introducing new students | 8 | 20.0 |
| Prizes for good performance | 7 | 17.5 |
| Free meals | 6 | 15.0 |
| Total | 40 | 100 |

4.8.4 Strategies used to ensure effective staff performance

When asked the strategies PMLCs use ensure effective staff performance, the PMLCs gave the following strategies as shown below

Table 23 Strategies for effective staff performance.

| Strategy | Frequency | Percentage |
|----------------------------------|-----------|------------|
| Rigorous recruitment exercise | 6 | 10.2 |
| Performance evaluation | 23 | 39.0 |
| Appraisal through students | 13 | 22.0 |
| Conducive working atmosphere | 7 | 11.9 |
| Strict supervision by management | 10 | 16.9 |
| Total | 59 | 100 |

From the above table, it can be seen that the most popular method that the PMLCs use is through the assessment of students' performance, whereby the performance of the student is used as a reflection of performance of teachers. 39% of the respondents claimed to use this method. Other strategies used include appraisal through the students

(22%) strict supervision by management (16.9%) rigorous recruitment exercise (10.2%) and creation of conducive working atmosphere (11.9%)

4.9 Challenges faced by PMLCs

The study revealed that PMLCs in Nairobi face several challenges. The biggest challenge is competition (43.5%). This is as a result of the influx of private investors into this sector. The fast growth of this sector has led to competition hence forcing PMLCs to be client-centred and marketing oriented institutions. The second challenge is financial constraints (36.1%). These PMLCs said that they have a problem with getting credit facilities from financial institutions and hence they have limited financial resources to expand their premises, add physical facilities, develop more courses and market themselves. The third challenge is high rents (8.1%). These colleges said that they are charged highly for rent, which being a recurrent expenditure becomes a financial burden to the colleges. The fourth one is marketing expenses and lack of marketing expertise (6.5%). These colleges said that they could only afford to allocate little funds to marketing activities which are otherwise expensive to undertake. Others said they didn't have professional marketers in their institutions and therefore were unable to undertake marketing professionally. Finally, 4.8% of PMLCs said that they found it difficult to place their students for attachment. These challenges are shown in the table below

Table 24 Challenges facing PMLCs

| Challenges | Frequency | Percentage |
|----------------------------------|------------------|-------------------|
| Competition | 27 | 43.5 |
| Financial constraints | 23 | 36.1 |
| High rents | 5 | 8.1 |
| Marketing expenses and expertise | 4 | 6.5 |
| Student attachment placement | 3 | 4.8 |
| Total | 62 | 100 |

CHAPTER FIVE

5.0 SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

A summary of this study is given in the following order: sample characteristics, course strategies, promotion strategies, place strategies, marketing intelligence, fees strategies, staff strategies and the challenges facing PMLCs.

5.1.1 Sample Characteristics

Most of the PMLCs were started in the last two decades. 40% of the PMLCs under study were started in this decade alone. This shows that this sector is a relatively young and fast growing sector. PMLCs are Small to Medium Enterprises. Two indicators can be used to support this including the level of student enrollment and the number of the employees. PMLCs have an average of 80 students. 82% of the PMLCs under study have not more than 20 employees. Students in PMLCs come from Nairobi as well as other parts of the country. Only a few come from other countries. PMLCs not only target the secondary school graduates but also graduates from other institutions and people already in employment. PMLCs are mainly owned through sole proprietorship and limited company. Majority of the PMLCs owner- managers are of university level. Finally, owner- managers of the PMLCs are mainly trained in Business and Technical areas.

5.1.2 Course strategies

The most popular courses offered by the PMLCs include computer related courses, business administration / management, languages, secretarial and sales and marketing. The two most important factors in deciding which courses to offer include students demand, physical and financial

resources Only a few PMLCs offer other services to the students including accommodation, catering, sports and medical services.

PMLCs ensure high quality in their courses, mainly by employing qualified staff, ensuring adequate and updated facilities, and course materials and offering external international exams.

5.1.3 Promotion strategies

The PMLCs mainly rely on advertisement for their promotion. Word of mouth and networking are also very popular promotion tools among the PMLCs. However, only few use direct marketing and publicity to market their services. When choosing the promotional tool to use, the PMLCs consider mainly the reach and the cost of the tool. .

5.1.4 Place strategies

Majority of the PMLCs rent their premises. Only a few own their premises. Accessibility and cost are major factors which PMLCs consider when choosing their location. Majority of the PMLCs don't have other branches. The ones that do have branches have them mainly in Nairobi. The most commonly used methods to ensure that services reach more people are weekend classes and evening classes.

5.1.5 Marketing intelligence

The Majority of the PMLCs have marketing intelligence systems. Most of the PMLCs collecting marketing intelligence do it themselves rather than commissioning external parties. The four main areas that intelligence is collected include courses, students' satisfaction, competition and fees.

5.1.6 Fees strategies

The fixed and recurrent cost of providing the services is the most important factor considered when setting the fees level. This is followed by the competitors' charges. Consequently, the cost plus margin and going by the competition charges are the most common methods of setting the fees. Sending fees reminders is the most common method that the PMLCs use to ensure payment of fees on time. Almost all of the PMLCs allow students to pay the fees in installments hence making the payment flexible. Most of the PMLCs don't have other income generating activities. For the PMLCs which have the activities include typesetting, consultancy and computer sales and repair.

5.1.7 Staff strategies

There are more full time teachers in PMLCs than part time teachers. The incentives given to the employees include free training, free meals, commissions, prizes and end of year bonuses. The most commonly used methods to ensure staff effectiveness include performance evaluation and appraisals by students.

5.1.8 Challenges facing PMLCs

The challenges, which PMLCs face, include high competition, financial constraints, high rents and difficulty in placing students for attachment.

5.2 Conclusion.

In the last two decades, there has been an influx of many private investors into the Private Post-Secondary Education Sector in Kenya. The establishment of PMLCs has come at the right time when the public tertiary institutions are unable to meet the demand of tertiary education. As a result of this demand, many PMLCs have been established especially in Nairobi, leading to a very fast growth of this sector. Due to

their high concentration in Nairobi area, these PMLCs have been compelled to market themselves in order to compete effectively. They have been compelled to make their institutions market oriented. There has been a successful adoption of conventional marketing practices in the context of the PMLCs business.

These institutions have a great potential of meeting the educational and training needs of the country. They have also created employment to many people and also earn income to both the owners and the government. However, only by effective marketing can this potential be realized. Therefore PMLCs have positioned themselves as Student – Centered Institutions rather than service provider – centered institutions. With a teacher – student ratio of about 1: 8 the PMLCs have smaller classes and can be able to give individualized attention to the students. Since PMLCs are Small to Medium Enterprises (SMEs) they have greater flexibility. The form of ownership, which is mostly by sole proprietorship, makes decision-making in these institutions easy and fast. The organizational structures of the PMLCs are client friendly and most of the owner-managers of these institutions are accessible. The fact that most of the owners – managers of the PMLCs are of University level means that they can be able to appreciate the role of marketing in their Institutions. Most of them are trained in business area and hence they bring professionalism into the Institutions.

The popularity of computer related courses in the PMLCs shows that the PMLCs are driven by the students` demand. The strategies to ensure effective service delivery by the staff, including appraisals by the students, enhance the quality of the services provided to the students. The marketing intelligence systems, which most PMLCs have in place, ensure that the PMLCs have information on how they can best improve their services. In order to promote their services, the PMLCs rely heavily

on Word of Mouth and Networking in order to obtain more customers. Despite its informal nature, this tool proves to be a very popular tool among the PMLCs. The PMLCs level of fees is largely determined by the market forces. All these strategies show conscious and professional application of marketing practices by the PMLCs. However, there are challenges which PMLCs encounters in their business. The colleges can overcome these challenges by improving their marketing strategies.

5.3 Recommendations

The results led to the following recommendations.

1. The PMLCs mainly rely on the domestic clientele in their business, which lead to stiff competition. They should open up new markets by sourcing for students from other countries. Promotional tools with international reach like Email, fax, Internet advertisements, and education fairs among others should be used. The PMLCs should ensure that their services are of International standards in order to establish and sustain their new markets.
2. The financial Institutions should make available low interest and long-term credit facilities to the PMLCs. This would help the PMLCs meet their financial obligations including renting bigger and better premises, purchasing modern physical facilities, developing new courses etc.
3. The PMLCs should augment their services by offering non – educational services to the students. Such services include accommodation, medical, catering sports and recreational services. These services will help the PMLCs to differentiate their services. Catering and accommodation will help the PMLCs attract clientele from outside Nairobi.
4. The PMLCs should encourage more part – time teachers. This will ensure a cost – effective utilization of the human resources. These

- teachers will also bring in much needed experience from other institutions.
5. In order to reduce the risks of a Single Business Strategy, the PMLCs should diversify their business by venturing into other related businesses. For example, a college offering hospitality courses can run a hotel. A college offering computer and secretarial courses can offer typing services, photocopying, computer maintenance and repair. This will also help to solve the problem of placement of students for attachment.
 6. The government needs to formulate better policies through the Ministry of Education in order to encourage and streamline this relatively young sector, which has a great potential in terms of job creation, bridging the supply – demand gap for tertiary education and earning revenue for the government. The registration process of the PMLCs should be made investor friendly and the taxes should be lower in order to encourage the young sector.
 7. The PMLCs should form joint ventures with Institutions of Higher Learning both local and foreign, which will be means of reducing capital risks and achieving access to foreign students. They should also forge other forms of partnership with these Institutions including franchising and seeking for accreditation.

5.4 Directions for further Research

The researcher would recommend further research on marketing in both Public and Private Universities. Research on marketing in Private Primary and Secondary Schools would also be recommended.

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**QUESTIONNAIRE ON MARKETING STRATEGIES
APPLIED BY PRIVATE COLLEGES IN NAIROBI**

Please answer all the questions.

SECTION A: BACKGROUND INFORMATION

1. (a) Name of the College _____
(b) Location _____
2. Designation of the respondent _____
3. Year of establishment _____
4. Current number of students enrolled _____

SECTION B: COURSES

1. From the list below, tick the courses which the college offers.

- Business Administration/Management
- Computer Related Courses
- Hospitality Courses
- Accountancy
- Secretarial
- Languages
- Sales and Marketing
- Technical Courses
- Purchasing and Supply Management

-
-
-
-
-

Clearing and Forwarding
Journalism
Human Resource Management
Beauty Courses
Other (specify) _____

2. Which factors do you consider when determining the courses to offer in your college?

-
-
-
-
-
-

Demand by students
The courses offered by the competitors
Availability of physical and financial resources
Availability of staff
Government regulations
Other (specify) _____

3. Which other services does the College offer to students?

-
-
-
-
-
-

Accommodation
Transport
Catering
Medical
Sports
Student attachment

Other (specify) _____

4. How do you ensure that the quality of your courses is competitive?

(i) _____

(ii) _____

(iii) _____

(iv) _____

SECTION C: PROMOTION

1. Which methods do you use to attract students?

Newspaper Ads

Radio Ads

Television Ads

Internet Ads

Directories

Brochures/Prospectus/Booklets

Posters and leaflets

Symbols and logos

Media relations

Community support programmes

Identity media e.g. T-shirts, Caps, Pens etc

Events e.g. prize giving days, Graduation ceremonies etc

Seminars

- College magazines
- Charitable donations
- Annual reports
- Sponsorships
- Newsletters
- Contests/Sweepstakes/Lotteries
- Exhibitions
- Coupons
- Sales representatives
- Word of mouth
- Networking
- E-mail
- Fax mail
- Mailings
- Telephone
- Other (specify) _____

2. From the above promotional tools that you use, give three which you have found to be most effective.

- (i) _____
- (ii) _____
- (iii) _____

3. Which factors do you consider when selecting the promotional tools to use?

- The cost
- The reach
- The availability
- The speed
- Other (specify)

4. Do you have a formal promotional planning process?

- Yes
- No

SECTION D: PLACE

1. Which one below describes your premises?

- Own
- Rental

2. What reasons made you choose this particular location?

- It is close to the students
- Accessibility
- It was what was available
- Its cost
- Other (specify)

3. (a) Does the college have other branches?

Yes

No

(b) If yes, where?

In Nairobi

In other parts of the country

In other countries

4. Which of the following methods do you use to ensure that your services reach more people?

Open learning/Distant learning programmes

Franchising/Joint ventures

Evening classes

Weekend classes

Workplace based learning

Home based learning

Other (specify) _____

SECTION E: MARKETING RESEARCH

1. (a) Does your college undertake any Marketing Research?

Yes

No

2. Who undertakes the Marketing Research?

- The college itself
- External parties

3. In what areas do you research on?

- Location
- Competition
- The fees
- The courses
- The employees
- The student satisfaction
- New markets
- Marketing problems
- Other (specify) _____

4. How often do you undertake Marketing Research?

- Quarter annually
- Semi annually
- Annually
- Other (specify) _____

SECTION F: FEES

1. What factors do you consider when setting your fees?

- (i) _____
- (ii) _____
- (iii) _____
- (iv) _____

2. Which method do you use to set your fees?

- Determining total cost and adding a profit margin
- Going by what competitors are charging
- Charging low to get more students
- Charging high to take advantage of high demand/high income class
- Charging high to reflect quality
- Other (specify) _____

3. How do you ensure that students pay their fees at the required time?

- (i) _____
- (ii) _____
- (iii) _____

4. How do you make the payment of fees flexible?

- (i) _____
- (ii) _____
- (iii) _____
- (iv) _____

5. (a) Do you offer any form of discount to your students?

Yes

No

(b) If yes, explain

6. (a) Does the college have other income generating activities?

Yes

No

(b) If yes, which?

(i) _____

(ii) _____

(iii) _____

SECTION G: STUDENTS AND STAFF

1. Where do your students come from?

Neighbourhood

Other parts of Nairobi

Other parts of the country

Other countries

2. Which of the following groups do you target?

- Secondary school leavers
- Employed people
- Graduates from other tertiary institutions
- Other (specify) _____

3. How many employees do you have in this college?

4. How many of your teaching staff are;

Full timers _____

Part timers _____

5. Do you have staff training and development programmes?

Yes

No

6. Which incentives do you offer to your staff?

(i) _____

(ii) _____

(iii) _____

(iv) _____

(v) _____

7. What strategies do you use to ensure that your staff performance is up to the required standards?

- (i) _____
- (ii) _____
- (iii) _____
- (iv) _____

SECTION H: OTHERS

1. What is the legal status of your college business?

Sole proprietorship

Partnership

Limited company

Other (specify) _____

2. What is the level of formal education of the owner(s)?

Primary level

Secondary level

College level

University level

3. What is the line of professional training of the owner(s)?

4. What major challenges does your college face?

- i). _____
- ii). _____
- iii). _____
- iv). _____
- v). _____
- vi). _____

Thank you very much for your co-operation

APPENDIX II
RESEARCH BUDGET

| <u>ITEM</u> | <u>COST (KSHS)</u> |
|-------------------------------------------------|--------------------|
| Proposal Development and Data Collection | |
| Printing of 40 pages @ Kshs. 30.00 | 1,200.00 |
| Binding 5 copies @ Kshs. 60.00 | 300.00 |
| Travelling and Subsistence (5 Weeks) | 4,000.00 |
| Questionnaires Development | 3,300.00 |
| Research Assistant (5 Weeks) | 2,500.00 |
| | ----- |
| Sub Total | 11,300.00 |
| Production of the Final Document | |
| Data Processing | 7,000.00 |
| Printing 80 pages @ Kshs. 30.00 | 2,400.00 |
| Binding 5 Copies @ Kshs. 200.00 | 1,000.00 |
| Photocopy 4 Copies @ Kshs. 200 | 2,000.00 |
| | ----- |
| Sub Total | 13,000.00 |
| ----- | |
| Grand Total | 23,700.00 |
| ----- | |

APPENDIX III

TIME SCHEDULE FOR RESEARCH ACTIVITIES

- March -May - Proposal Development and Pilot Study
- May - June - Data Collection
- June - July - Data Analysis
- July - August - Project Writing and Submission

| No. | Description | | | | | | | | | | | | | | | |
|-----|--------------------------------|---|---|---|---|---|---|---|---|---|----|----|----|----|----|--|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | |
| I | Development and Pilot Study | | | | | | | | | | | | | | | |
| II | Data Collection | | | | | | | | | | | | | | | |
| III | Data Coding and Analysis | | | | | | | | | | | | | | | |
| IV | Project Writing and Submission | | | | | | | | | | | | | | | |

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