

**DETERMINANTS OF COMPETITIVE ADVANTAGE AMONG PRIVATE
UNIVERSITIES IN KENYA**

**BY
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AWARD OF A DEGREE OF MASTER OF BUSINESS ADMINISTRATION IN
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DECLARATION

This project is my own work and has not been submitted to any other University or College for an award.

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To my grandmother Ndungwa Kyumu from which the seed of education you carried. My Mother Grace King'oo for your encouragement and willingness to bring the best out of me in my incessant search for a sunlight pathway.

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ABSTRACT

Over the last ten years, there has been a significant growth in the Education sector. This has been created by the high demand of higher education in the market. Public universities through the joint admission board (J.A.B) can only admit approximately 10,000 students of all the qualified students. This has led to the introduction of private universities which admit the remaining qualified students who do not get to be admitted in the public universities. In Kenya today, the private universities have grown significantly such that the competition in the market has become so stiff since the public universities have also extended their hand in providing admission to the self-sponsored students. In Kenya, we have twenty seven private universities which are offering parallel degrees. The purpose of this paper was to investigate the determinants of competitive advantage which each university is using in order to remain relevant in the market by studying how cost leadership, growth strategies, differentiation strategies and market focus strategies are used as tools of creating competitive advantage. A descriptive sample survey of 20 respondents representing the various stakeholders of the twenty seven universities was surveyed using questionnaires and the data collected will be analyzed using descriptive analysis. The results of the study should contribute to establish of the determinants of competitive advantage in private universities in Kenya. The study established that cost leadership strategies had a positive impact on the competitive advantage in private universities in Kenya. The study revealed that corporate growth strategies had a positive impact on competitive advantage in private universities in Kenya. The study further established that differentiation strategies had a positive impact on competitive advantage in private universities in Kenya. From the research it was established that market focus strategies had a positive impact on the on competitive advantage in private universities in Kenya.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The demands and needs of the environment are constantly evolving and management is about adjusting the organization according to the needs and demands of the environment. One of the environmental influences to a business arises from competition. Increased competition threatens the attractiveness of an industry and reducing the profitability of the players. It exerts pressure on firms to be proactive and to formulate successful strategies that facilitate proactive response to anticipated and actual changes in the competitive environment, (Drucker, 2009).

Organizations therefore focus on gaining competitive advantage to enable them respond to, and compete effectively in the market. By identifying their core competences, firms are able to concentrate on areas that give them a lead over competitors, and provide a competitive advantage, according to Johnson and Scholes (2007), core competences are more robust and difficult to imitate because they relate to the management of linkages within the organizations value chain and to linkages into the supply and distribution chains.

A company has competitive advantage whenever it has an edge over its rivals in securing customers and defending against competitive forces (Thompson and Strickland, 2002). Sustainable competitive advantage is born out of core competencies that yield long-term benefit to the company. To succeed in building a sustainable competitive advantage, a firm must try to provide what buyers will, perceive as superior value. This entails either a good quality product at a low price, or a better quality product that is worth paying more for.

Competitive strategy consists of all those moves and approaches that a firm has and is taking to attract buyers, withstand competitive pressure and improve its market position (Thompson and Strickland, 2002). It concerns what a firm is doing in order to gain a sustainable competitive advantage. Poddar and Gadhave, (2007) , outlines the three approaches to competitive strategy these being striving to be the overall low cost producer, (that is, low cost leadership strategy), seeking to differentiate one's product offering from that of its rivals, (that is, differentiation strategy) and lastly focus on a narrow portion of the market, (that is, focus or niche strategy).

Over the past years, public universities in Kenya have faced many challenges among them enrollment beyond their capacity to plan and finance, fiscal challenges beyond their control, decline in quality beyond their anticipation and weak management practices. To help solve some of these problems, private universities have increasingly emerged and gained ground in the country as an alternative to higher education provision (Oketch, 2003).

As the number of private universities continue to grow, so does the competition for market survival intensify. Competition for survival has been the guiding force for existence and it has been associated with the creation of wealth. With the development and progress of civilization, the competition has become more complex. There has been clamor for optimum utilization of scarce resources, thereby adding optimum values. The firms are engaged in various activities to produce products with minimum cost and maximum profits. Thus, the core competencies of the organization are reflected in their commercial activities and the most competent is the winner in grabbing a large chunk of market share and leads the industry (Poddar and Gadhave, 2007).

In this study, the researcher seeks to determine the determinants of competitive advantage among private universities in Kenya over other players in the same industry. In their study, Poddar & Gadhave (2007) defines competitive advantage as the advantage that one firm has, relative to competing firms in the industry. It is the advantage a firm has over others which help the firm to fight out others in the race and trap the consumers. The competitive advantage can be in any form or manner, which helps the firm in increasing and retaining the market share. In simple terms then, competitive advantage is an advantage over competitors gained by offering consumers greater value, either by means of lower prices or by providing greater benefits and services that justifies higher prices.

1.1.1 Competitive advantage

A company has a competitive advantage whenever it has an edge over its rivals in securing customer and defending against competitive forces (Pearce and Robinson, 2005). Sustainable competitive advantage is born out of core competencies that yield the long term benefit to the company. Johnson, Whittington and Scholes (2011) define a core competence as an area of specialized expertise that is the result of harmonizing complex streams of technology and work activity. They further explain that a core competence has three characteristics; one it provides access to a wide variety of markets, secondly it increases perceived customer benefits and lastly, it is hard for a competitor to imitate. Competitive advantage is also defined as the strategic advantage one business entity has over its rival entities within its competitive industry. Achieving competitive advantage strengthens and positions a business better within the business environment.

According to Bharadwaj (2003), competitive advantage can be developed from a particular resources and capabilities that the firm possesses that are not available to competitors. The transformation of available skills and resources into a strategic position can only take place under conditions that provide a customer benefit, and normally requires the transformation of multiple competitive methods. The ability to implant a cost leadership, differentiation, or focus strategy is dependent on a firm's ability to develop a specific set of competitive methods.

Competitive advantage occurs when an organization acquires or develops an attribute or combination of attributes that allows it to outperform its competitors. These attributes can include access to natural resources, such as high grade ores or inexpensive power, or access to highly trained and skilled personnel human resources. New technologies such as robotics and information technology either to be included as a part of the product, or to assist making it. Information technology has become such a prominent part of the modern business world that it can also contribute to competitive advantage by outperforming competitors with regard to internet presence from the very beginning (Johnson, et , al, 2011).

1.1.2 Private Universities in Kenya

Private Universities are universities established in accordance with the Universities Act 1985(CAP 210B) and the Universities Rules, 1989 (Establishment of Universities, Standardization, accreditation and Supervision). Private universities in Kenya operate under a full charter or an interim charter as they await full charter. The private universities offer both undergraduate and postgraduate programs. The Commission of Higher Education (CHE) is mandated with responsibility of ensuring that private universities adhere to the standards of a

university. In Kenya currently we have 19 registered private Universities. Kenya is currently leading the East Africa countries of Tanzania and Uganda in the number of private Universities. This is because Kenya was the region's first country to recognize the importance of private universities (Oketch, 2003).

Private universities in Kenya have notably increased owing to the growing demand for higher education and a subsequent strain on public universities to handle this demand. Oketch (2004), argues that the growth of Private University sector in Kenya has been fuelled by several factors, including: the limited opportunities available in public universities; the constant closures of state funded universities; the need to complement government- managed higher institutions largely for their followers. As profit making organizations, fees are charged strictly in accordance with market forces on the basis of full cost recovery.

In Kenya over 40,000 students qualify for university admission each year, but the public universities through the Joint Admissions Board (JAB) can absorb only approximately 8,000-10,000 students. Banya (2001) noted in 1996 the sharpest increase in higher education enrollment worldwide was reported in sub-Saharan Africa, where the number of students registered was 7.5% more than the previous year. In Kenya, higher education has been the fastest growing segment of the education sector in the past 10 years, averaging 6.2% each year (Republic of Kenya, 1997-1998).

Private universities face numerous challenges. This includes; maintaining a steady supply of students who can afford to pay for private university education, stiff competition from their public universities counterpart who have introduced parallel degree courses for full paying students , aggressive competition from foreign universities who have launched an aggressive campaign for recruiting local students, lacking a research focus comparable to public

universities and offering specific and narrow programs (Oketch, 2004).

1.2 Statement of the Problem

As competition intensifies in the higher education sector, private universities are forced to craft superior strategies that will help them gain a competitive edge against their competitors.

Previous studies have focused on competitive strategies adopted by universities in Kenya (Kitoto, 2005). The researcher explored the competitive strategies adopted by Kenyan Universities and the challenges experienced in implementing these strategies. Mutua (2004), focused on the responses to changing environment by the University of Nairobi. The researcher found out that the university faces many challenges but the greatest of them all is competition from other institutions. Kagwira (2004), looked at the extent to which Kenyan Universities practice education marketing and the study revealed that it is practiced to different extent. The study explored the various strategies but it did not address how these strategies help the institutions achieve competitive advantage.

In the above studies, it is evident that the researchers have not really narrowed down to focus on the determinants of competitive advantage among private Universities in Kenya despite their rapid growth in the past few years.

In this study, the researcher will therefore concentrate on private universities and the determinant of their competitive advantage in order to survive in this era of great competition. This study will be guided by the following question: Which are the determinants of competitive advantage among private Universities in Kenya?

1.3 Objectives of the Study

The general objective of the study was to establish the determinants of competitive advantage among private Universities in Kenya

1.3.1 Specific Objectives

The specific objectives of this study are:

- i. To investigate the effect of cost leadership strategies on competitive advantage in private universities in Kenya
- ii. To determine the effect of growth strategies on competitive advantage in private universities in Kenya
- iii. To establish the effect of differentiation strategies on competitive advantage in private universities in Kenya
- iv. To find out the effects of market focus strategies on competitive advantage in private universities in Kenya.

1.4 Research Questions

The research sought to answer the following research questions.

- i. What are the effects of cost leadership strategies on competitive advantage in private universities in Kenya?
- ii. What are the effects of corporate growth strategies on competitive advantage in private universities in Kenya?

- iii. To what extent does a differentiation strategy affect the competitive advantage in private universities in Kenya?
- iv. What are the effects of market focus strategies on competitive advantage in private universities in Kenya?

1.5 Significance of the Study

The outcome of this study is expected to benefit several categories of people in different ways. The findings of this study will also benefit other researchers in both Private and Public University in Kenya. Universities are currently faced with cut throat competition and knowledge on competitive strategies deployment will be help in enhancing competitive advantage. The findings of this study will be of great importance to researchers and scholars in field of strategic management as they will benefit from the knowledge gained on various determinants of competitive advantage among private Universities s in Kenya.

1.6 Scope of the Study

The study sought to establish the determinants of competitive advantage among private Universities in Kenya; the study targeted all private universities in Kenya. The researcher believed that this provided an adequate population and sample for the study and therefore give reliable results and findings.

1.7 Limitations of the study

Some of the questionnaires given were not returned. To overcome this limitation, the researcher filled questionnaire as he interviewed the respondents. In addition, the university's rigid policies and regulations posed a limitation as the respondents were not free

enough to give information. The study overcomes this limitation by requesting for an introductory letter from the University which helped to introduce the researcher to the management of the institution.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

In this chapter the researcher looks at past studies carried out by other researchers which are related to the topic under research. The researcher looks at both theoretical and empirical studies on the determinants of competitive advantage among private Universities in Kenya. The researcher then identifies the research gaps and draws up a conceptual framework showing how the independent variables relate to depend variable.

2.2 Theoretical Literature Review

This study is guided by the resource based view theory, knowledge-based view theory and dynamic capabilities theory. These theories explains the determinants of competitive advantage among private Universities in Kenya

2.2.1 Resource-Based View Theory

The resource-based view (RBV) of Wernerfelt (2004) suggests that competitiveness can be achieved by innovatively delivering superior value to customers. The extant literature focuses on the strategic identification and use of resources by a firm for developing a sustained competitive advantage (Barney, 2011). International business theorists also explain the success and failures of firms across boundaries by considering the competitiveness of their subsidiaries or local alliances in emerging markets (Luo, 2003). Local knowledge provided by a subsidiary or local alliance becomes an important resource for conceptualizing value as per the local requirements (Gupta *et al.*, 2011).

According to Resource Based Theory resources are inputs into a firm's production process; can be classified into three categories as; physical capital, human capital and organizational capital (Crook, 2008). A capability is a capacity for a set of resources to perform a stretch task of an activity. Each organization is a collection of unique resources and capabilities that provides the basis for its strategy and the primary source of its returns. In the 21st-century hyper-competitive landscape, a firm is a collection of evolving capabilities that is managed dynamically in pursuit of above-average returns. Thus, differences in firm's performances across time are driven primarily by their unique resources and capabilities rather than by an industry's structural characteristics (Crook, 2008). The Resource based view theory is used to explain how private Universities gain competitiveness through innovatively delivering superior value to customers, they focus on the strategic identification and use of resources for developing a sustained competitive advantage.

2.2.2 Knowledge-Based View Theory

The KBV of the firm is an extension of the RBV. The main tenet of the approach is that a firm is an institution for generating and applying various types of knowledge (Grant, 2006). While incorporating much of the content of the RBV, the KBV pays more attention to the process or path by which specific firm capabilities evolve and develop over time. This kind of development of knowledge through learning could be seen as a key element in achieving competitive advantage and superior performance (McEvily and Chakravarthy, 2002). Firm growth is not sustainable without the dynamic re-development of knowledge-based resources and capabilities because an organization is less capable of discovering new opportunities.

Although the emphasis on knowledge and capabilities has strengthened during the last decade it seems that empirical research has still not reached maturity, and there are no universally accepted guidelines for studying capabilities (Spanos and Lioukas, 2005). It could be concluded from a review of the extant literature that there are many ways of defining “knowledge” and “capabilities”. Knowledge in particular is an ambiguous phenomenon, but the same applies to capabilities, regardless of the many efforts to reframe and simplify the two concepts (Eisenhardt and Martin, 2010). For the purposes of this paper, the following working definitions are sufficient. First, knowledge could be seen as a distinctive production factor that has a huge impact on productivity, innovation, and product development, for example (Spender, 2006). It is also important to note that organizational capabilities such as marketing and technical capabilities are not the only things that matter, as often it is the nature of the knowledge that has an effect on the sustainability of the competitive advantage, and accordingly of the potential growth strategies (Kogut and Zander, 2008). Private Universities use the knowledge based view theory to gain competitive advantage through generating and applying various types of knowledge

2.2.3 Dynamic Capabilities Theory

Business has entered a new era of hyper-competition in which competition is violent and intense (D'Aveni, 1994). In order to sustain competitive advantage, business firms must continually reconfigure internal resources and capabilities to assume corporate responsibility for adapting turbulent environment. Dynamic capabilities are raised and defined as a firm's strategy to constantly integrate, reconfigure, renew, and recreate internal and external resources in response to dynamic and rapidly shifting market environments in order to attain

and sustain competitive advantage (Winter, 2003).

Dynamic capabilities can explain how business firms create, define, discover, and exploit entrepreneurial opportunities in complex and volatile external environments in search for a strategic matching of resources and market needs (Teece, 2007). Especially, a firm's particular dynamic capabilities of stakeholder relationship management can determine the effectiveness of strategic alliance, in return influencing sustainability which has some of implications for corporate responsibility and emerging markets. Private Universities in Kenya gain competitive advantage through continually reconfigure their internal resources and capabilities to assume corporate responsibility for adapting turbulent environment in the higher education sector in Kenya.

2.3 Empirical Review of Literature

2.3.1 Competitive advantage among private Universities

In their study focused on Indian students, O'Brien and Webb (2006) emphasize that Universities today operate in an increasingly competitive market place facing new and complex social-technical and economic challenges. They further contend that knowledge in this area is usually insufficient as the changing environment and diversity of student home cultures challenge previous assumptions and common wisdom, hence the need to identify factors responsible for influencing Indian students' choice of international University. The study emphasizes the need to fully understand students from diverse cultural settings in University marketing and student recruitment process. The study revealed that with sufficient knowledge of the students, there are a number of ways that a University can influence the choice making process by a student.

Maringe (2006) in a study based in Britain noted that that higher education has been transformed from a domesticated, centrally funded non-marketwise entity to a highly marketwise and competitive environment. As a result, the motivating factors for students in picking a University have undergone changes. He concludes that factors influencing a student's choice of University revolve mainly around programs offered, price (tuition and living expenses), location, and prominence (reputation or ranking).

Porter (2012) found out that firms create and sustain competitive advantage because of the capacity to continuously improve, innovate, and upgrade their competitive advantages over time. Upgrading is the process of shifting advantages throughout the value chain to more sophisticated types, and employing higher levels of skill and technology. Successful firms are those that improve and innovate in ways that are valued not only at home but elsewhere. Competitive success is enhanced by moving early in each product or process generation, provided that the movement is along a path that reflects evolving technology and buyer need, and that early movers subsequently upgrade their positions rather than rest upon them. In this view, firms have considerable discretion in relaxing external and internal constraints.

Wang (2009) in his study conclude that the needs, perceptions and preferences for higher education vary among students of different national cultures. Further, the study contends that in order to improve market position, higher education institutions should identify values, choice factors and relative priorities and then practice diversified marketing tactics across different groups of potential students. Joseph and Joseph (2000) point out the need to develop

different strategies for different markets. It also highlights the importance of identifying and understanding the important factors that potential students consider when choosing a tertiary institution. It concludes that if higher educational institutions are to develop strategies that will attract a sustainable share of the market, they need to know their customers understand their needs and develop strategies to satisfy these needs. Joseph and Joseph (1998) identified academic and programme issues, cost of education, location and recreation facilities and peer and family influences as four of the most important factors that influence students' choice of tertiary institution.

2.3.2 Relationship between Cost Leadership and Competitive Advantage

This is Porter's generic strategies known as cost leadership (Malburg, 2000). This strategy focuses on gaining competitive advantage by having the lowest cost in the industry (Porter, 1987, 1996; Cross, 1999). In order to achieve a low-cost advantage, an organization must have a low-cost leadership strategy, low-cost manufacturing, and a workforce committed to the low-cost strategy (Malburg, 2000). The organization must be willing to discontinue any activities in which they do not have a cost advantage and should consider outsourcing activities to other organizations with a cost advantage (Malburg, 2000). For an effective cost leadership strategy, a firm must have a large market share (Hyatt, 2001). There are many areas to achieve cost leadership such as mass production, mass distribution, economies of scale, technology, product design, input cost, capacity utilization of resources, and access to raw materials (Malburg, 2000). Porter (1985) purports only one firm in an industry can be the cost leader (Sy, 2002) and if this is the only difference between a firm and competitors, the best strategic choice is the low cost leadership role (Malburg, 2000).

Lower costs and cost advantages result from process innovations, learning curve benefits, and economics of scale, product designs reducing manufacturing time and costs, and reengineering activities. A low-cost or cost leadership strategy is effectively implemented when the business designs, produces, and markets a comparable product more efficiently than its competitors. The firm may have access to raw materials or superior proprietary technology which helps to lower costs.

Firms do not have to sacrifice revenue to be the cost leader since high revenue is achieved through obtaining a large market share (Porter, 1987). Lower prices lead to higher demand and, therefore, to a larger market share (Helms et al., 1997). As a low cost leader, an organization can present barriers against new market entrants who would need large amounts of capital to enter the market (Hyatt, 2001). The leader then is somewhat insulated from industry wide price reductions (Malburg, 2000). The cost leadership strategy does have disadvantages. It creates little customer loyalty and if a firm lowers prices too much, it may lose revenues (Cross, 1999).

This generic strategy calls for being the low cost producer in an industry for a given level of quality. The firm sells its products either at average industry prices to earn a profit higher than that of rivals, or below the average industry prices to gain market share. In the event of a price war, the firm can maintain some profitability while the competition suffers losses. Even without a price war, as the industry matures and prices decline, the firms that can produce more cheaply will remain profitable for a longer period of time. The cost leadership strategy usually targets a broad market, (Davidson, 2001).

Cost leadership is based on lower overall costs than competitors. Firms that achieve low cost

leadership generally make low cost relative to competitors the theme of their business strategy. The firm opens up a sustainable cost advantage over competitors and uses that lower cost as a basis for either under pricing the competitors and gaining a larger market share at their expense or earning a higher profit margin by selling at the going price.

A low cost leader's basis for competitive advantage is lower overall costs than competitors. This requires the firm to: be better than rivals on efficiency and cost control and continuously seek creative and innovative ways of cutting costs. Successful low cost producers achieve cost advantages by exhaustively pursuing cost savings throughout the activity cost chain. A cost leadership strategy is designed to produce goods or services more cheaply than competitors by stressing efficient scale of operation. When a firm designs, produces, and sells a comparable product more efficiently than its competitors as well as its market scope is industry-wide, it means that the firm is carrying out the cost leadership strategy successfully (Brooks, 1993).

Firms often drive their cost lower through investments in efficient-scale facilities, tight cost and overhead control, and cost minimizations in such areas as service, selling and advertising (Porter, 1980). They often sell no-frills, standardized products to the most typical customers in the industry. Thus, the primary thing for a firm seeking competitively valuable way by reducing cost is to concentrate on maintaining efficiency through all activities in order to effectively control every expense and find new sources of potential cost reduction (Dess and Davis, 1984)

2.3.3 Relationship between Market Focus and Competitive Advantage

The focuser's basis for competitive advantage is either lower costs than competitors serving that market segment or an ability to offer niche members something different from competitors. Focusing is based on selecting a market niche where buyers have distinctive preferences. The niche is defined by geographical uniqueness, specialized requirements in using the product or by special attributes that appeal to members, (Stone, 1995).

A focus strategy based on low cost depends on there being a buyer segment whose needs are less costly to satisfy than the rest of the market. On the other hand, a focus strategy based on differentiation depends on there being a buyer segment that demands unique product attributes. In the focus strategy, a firm targets a specific segment of the market (Porter, 1996). The firm can choose to focus on a select customer group, product range, geographical area, or service line (Martin, 1999). For example, some service firms focus solely on the service customers (Stone, 1995). Focus also is based on adopting a narrow competitive scope within an industry.

Focus aims at growing market share through operating in a niche market or in markets either not attractive to, or overlooked by, larger competitors. These niches arise from a number of factors including geography, buyer characteristics, and product specifications or requirements. A successful focus strategy (Porter, 1980) depends upon an industry segment large enough to have good growth potential but not of key importance to other major competitors. Market penetration or market development can be an important focus strategy. Midsize and large firms use focus-based strategies but only in conjunction with differentiation or cost leadership generic strategies. But, focus strategies are most effective

when consumers have distinct preferences and when the niche has not been pursued by rival firms (David, 2000).

2.3.4 Relationship between Differentiation and Competitive Advantage

Differentiation strategies are marketing techniques used by a firm to establish strong identity in a specific market; also called segmentation strategy. Using this strategy, a firm will introduce different varieties of the same basic product under the same name into a particular product category and thus cover the range of products available in that category. Differentiation strategy can also be defined as positioning a brand in such a way as to differentiate it from the competition and establish an image that is unique, (Davidow and Uttal, 2006).

Differentiation strategy is an approach under which a firm aims to develop and market unique products for different customer segments. Usually employed where a firm has clear competitive advantages, and can sustain an expensive advertising campaign. It is one of three generic marketing strategies that can be adopted by any firm. To maintain this strategy the firm should have: strong research and development skills, strong product engineering skills, strong creativity skills, good cooperation with distribution channels, strong marketing skills, and incentives based largely on subjective measures, be able to communicate the importance of the differentiating product characteristics, stress continuous improvement and innovation and attract highly skilled, creative people, (Baum and Oliver, 2007). Research within service sector (Phillips and Peterson, 2011) concludes that product differentiation is a common way of differentiating the firm's offerings from those of its competitors.

A differentiation strategy calls for the development of a product or service that offers unique attributes that are valued by customers and that customers perceive to be better than or different from the products of the competition. The value added by the uniqueness of the product may allow the firm to charge a premium price for it. The firm hopes that the higher price will more than cover the extra costs incurred in offering the unique product. Because of the product's unique attributes, if suppliers increase their prices the firm may be able to pass along the costs to its customers who cannot find substitute products easily, (Porter, 1985).

Firms that succeed in a differentiation strategy often have access to leading scientific research, highly skilled and creative product development team, strong sales team with the ability to successfully communicate the perceived strengths of the product and corporate reputation for quality and innovation, (Baum and Oliver, 2007). Successful differentiation is based on a study of buyers' needs and behaviour in order to learn what they consider important and valuable. The desired features are then incorporated into the product to encourage buyer preference for the product. The basis for competitive advantage is a product whose attributes differ significantly from rivals' products. Efforts to differentiate often result in higher costs. Profitable differentiation is achieved by either keeping the cost of differentiation below the price premium that the differentiating features command, or by offsetting the lower profit margins through more sales volumes, (Grant, 2000).

With the differentiation strategy, on the other hand, the unique attributes or perceptions of uniqueness and characteristics of a firm's product other than cost provide value to customers. The firm pursuing differentiation seeks to be unique in its industry along some dimension that is valued by customers, which means investing in product development and marketing

(Porter, 1980). It is the ability to sell its differentiated product at a price that exceeds what was spent to create it that allows the firm to outperform its rivals and earn above-average returns, (Dess and Davis, 2004).

A product can be differentiated in various ways. Unusual features, responsive customer service, rapid product innovations and technological leadership, perceived prestige and status, different tastes, and engineering design and performance are examples of approaches to differentiation (Porter, 1980). Rather than cost reduction, a firm using the differentiation needs to concentrate on investing in and developing such things that are distinguishable and customers will perceive. Overall, the essential success factor of differentiation in terms of strategy implementation is to develop and maintain innovativeness, creativeness, and organizational learning within a firm (Porter, 1985).

Kotler (2001) insists that anything that a firm can do to create buyer value represents a potential basis for differentiation. Once it finds a good source of buyer value, it must build the value, creating attributes into its products at an acceptable cost. These attributes may raise the product's performance or make it more economical to use. Differentiation possibilities can grow out of possibilities performed anywhere in the activity cost chain, (Dess and Davis, 2004).

Porter (1980, 1985) posited that a firm may obtain a competitive advantage by creating a higher value for its customers than the cost of creating it, either by adopting a differentiation strategy or an efficiency strategy. Firms pursuing a differentiation strategy attempt to differentiate themselves from their rivals using a variety of sales, marketing and other related activities or product and technology innovations. Differentiation relates to the degree to

which a product and its enhancements are perceived as unique. A firm adopting a differentiation strategy command above-market prices made possible by the customers' perception of the product being special in some way (Berman et. al., 2009). Miller (2006) noted that there are at least two different types of differentiation strategy: those based on product innovation and those based on intensive marketing and image management. The key success factors which contribute to the profitability of a differentiator include creative flair, strong basic research and product engineering (Kotha and Vadlamani, 2005).

2.3.5 Relationship between Corporate Growth and Competitive Advantage

To portray alternative corporate growth strategies, Ansoff presented a matrix that focused on the firm's present and potential products and markets (customers). By considering ways to grow via existing products and new products, and in existing markets and new markets, there are four possible product-market combinations.

Ansoff's matrix provides four different growth strategies: Market Penetration - the firm seeks to achieve growth with existing products in their current market segments, aiming to increase its market share, market development - the firm seeks growth by targeting its existing products to new market segments, product development - the firms develops new products targeted to its existing market segments and diversification - the firm grows by diversifying into new businesses by developing new products for new markets, (Porter, 1996).

The market penetration strategy is the least risky since it leverages many of the firm's existing resources and capabilities. In a growing market, simply maintaining market share will result in growth, and there may exist opportunities to increase market share if

competitors reach capacity limits. However, market penetration has limits, and once the market approaches saturation another strategy must be pursued if the firm is to continue to grow, (Mintzberg, 2003).

Market development options include the pursuit of additional market segments or geographical regions. The development of new markets for the product may be a good strategy if the firm's core competencies are related more to the specific product than to its experience with a specific market segment. Because the firm is expanding into a new market, a market development strategy typically has more risk than a market penetration strategy, (David, 2010).

A product development strategy may be appropriate if the firm's strengths are related to its specific customers rather than to the specific product itself. In this situation, it can leverage its strengths by developing a new product targeted to its existing customers. Similar to the case of new market development, new product development carries more risk than simply attempting to increase market share, (Bourgeo, 1980).

Diversification is the most risky of the four growth strategies since it requires both product and market development and may be outside the core competencies of the firm. In fact, this quadrant of the matrix has been referred to by some as the suicide cell. However, diversification may be a reasonable choice if the high risk is compensated by the chance of a high rate of return. Other advantages of diversification include the potential to gain a foothold in an attractive industry and the reduction of overall business portfolio risk, (Barney, 1991). Continuing improvement in operational efficiency at a pace faster than competitors is necessary to sustain superior profitability over time. The rapid diffusion of

best practices, though, allows competitors to quickly imitate management techniques and practices. Most generic solutions that can be used in multiple settings diffuse the fastest (Porter, 1996).

2.4 Summary of literature review and Research Gaps

In order to survive in the competitive environment, it becomes necessary for the Private Universities to be aggressive in their search and development of strategies that provide competitive advantage as they step up defensive strategies to protect their competitive advantages held, (D'Aveni, 2004).

Previous research studies have concentrated on the implementation of the competitive strategies adopted by various institutions rather than the strategies adopted to gain competitive advantage; Chege (2008) researched on the competitive strategies adopted by Equity Bank Limited; he found that competitive strategies had been put in place to provide essential services to help them respond to the demand among the banks. Warucu (2004) studied the competitive strategies employed by commercial banks, where he found that the strategies are put in place through strong marketing abilities, highly differentiated, high quality services, good service engineering and good customer reputation.

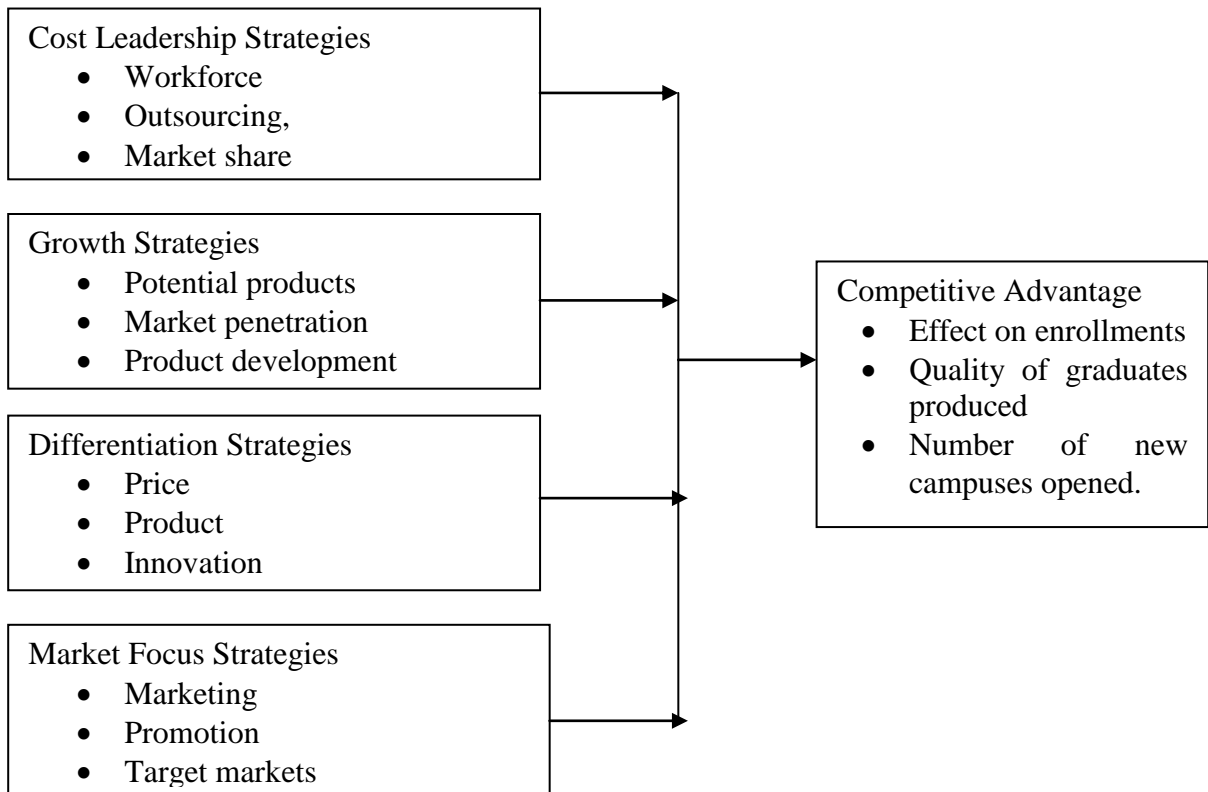
Nyakang'o (2007) carried out a research on the competitive strategies adopted by audit firms in Nairobi. Gitonga (2008) studied on the various response strategies of Equity Bank Ltd to competition in the Kenyan banking industry, he found that Equity bank had implemented various competitive strategies which were ;differentiation strategy, combination strategy, cost leadership strategy, focus strategy. Kibe (2011) researched on the strategy implementation at Equity Bank Limited. There is limited empirical evidence on determinants

of competitive advantage among Private Universities in Kenya to gain competitive advantage in the market. The researcher wants to bridge this gap by carrying out a survey that investigated the determinants of competitive advantage among private Universities in Kenya

2.5 Conceptual Framework

Independent Variable

Dependent Variable



Source, Porter M.E (2008)

Figure 2.1: Conceptual Framework

A conceptual framework is a figure that shows the relationship between the dependent variable and the independent variable. In this study the dependent variable is competitive advantage while the independent variables are cost leadership strategies, market focus strategies, differentiation strategies and growth strategies. A conceptual framework has been drawn to show the relationship of the dependent variable and the independent variables. The

determinants of competitive advantage by private Universities can be understood by looking at the different aspects of competitive strategies such as cost leadership strategies, market focus strategies, differentiation strategies and growth strategies. To easily understand the aspects of competitive advantage by private Universities, aspects of cost leadership strategies, market focus strategies, differentiation strategies and growth strategies need to be investigated in study. In this study, to investigate the aspect of cost leadership strategies, the researcher investigates factors of cost leadership like cost of the workforce, outsourcing, market share and price reductions. Growth strategies can be investigated using potential products, market penetration, product development and diversification while differentiation strategies can be investigated by looking at price differentiation, product differentiation, innovation differentiation and market differentiation strategies.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the methods that was employed to provide answers to the research questions in this study as listed in chapter one. The following aspects of research methodology are discussed; research design, study population, research instruments, validity and reliability, data collection procedure and data analysis.

3.2 Research Design

This study adopted a descriptive survey design which according to Kothari (2004) is appropriate where the study sought to describe the characteristics of certain groups, estimate the proportion of people who have certain characteristics and make predictions. Khan, (1993) recommends descriptive survey design for its ability to produce statistical information about aspects of education that interest policy makers and researchers. Descriptive survey research designs are used in preliminary and exploratory studies to allow researchers to gather information and summarize, present and interpret data for the purpose of clarification (Orodho, 2003).

3.3 Target Population

A population refers to an entire group of individuals, events or objects having common observable characteristics (Mugenda and Mugenda, 2003). Target population is defined as a computed set of individuals, cases or objects with some common observable characteristics of a particular nature distinct from other population. According to Ngechu (2004), a population is a well-defined or set of people, services, elements, and events, group of things

or households that are being investigated. This definition ensures that population of interest is homogeneous. The population of study consisted of 27 Private Universities in Kenya. The target population for this study was 10 private universities within Nairobi County. They include, Daystar University, St. Paul's University (SPU), Strathmore University, Mt Kenya University (MKU), United states international University (USIU), Catholic University of Eastern Africa (CUEA), KCA University, Inoorero University, African Nazarene University and Kenya Methodist university (KEMU).

3.4 Sample and Sampling Design

A sample is a small group obtained from accessible population, (Mugenda & Mugenda, 2003). Sampling is the procedure a researcher uses to gather people, places or things to study, (Kombo & Tromp, 2006). It is the process of selecting a number of individuals or objects from a population such that the selected group contains elements representative of characteristics found in the entire group, (Orotho and Kombo, 2002). Ten private universities within Nairobi County were used to provide the target population of study. The top ten management officials in each university provided the sample population of study. They included the Vice chancellor, Deputy Vice chancellor, Academic registrar, Finance officer, Administration officer, Human resource officer, Public relations and Marketing officer and Academic Deans. Of the ten, according to Mugenda & Mugenda, 2003, a sample representing at least 10% of the individuals of study was used to represent the population. Thus in each university, two management officials were sampled. This gave the total number of respondents to be 20.

3.5 Data Collection Procedure

Data was collected using structured questioners. Structured questionnaires refer to questions which are accompanied by a list of all possible alternatives from which the respondents select the answer that best describe their situation, (Mugenda & Mugenda, 2003). Structured questions are easier to analyze since they are in the immediate usable form, (Orotho and Kombo, 2002). Likert type of scale was used for example beside each statements presented below, please indicate whether you are extremely satisfied, satisfied, dissatisfied or extremely dissatisfied. Likert scales are often used in matrix questions and compose of 5-7 categories, and are ordered in such a way that they indicate the presence or absence of the characteristic being measured, (Mugenda & Mugenda, 2003). Questionnaires was mainly be administered to the respondent to complete the questions themselves, the questioners was hand-delivered to them. Secondary data was collected through reviews of both empirical and theoretical data from books, journals, magazine and the internet.

3.6 Pilot Testing

The questionnaires were tried out. A sample size of five respondents was chosen to form the pilot study. A pilot study is a small scale preliminary study before the main research in order to measure the validity and reliability of data collection instruments, (Kothari, 2006).

Validity refers the extent we are measuring what we hope to measure (and we think we are measuring). A questionnaire which has been well structured should yield valid results. A valid measure should satisfy two criteria; face validity and content validity.

Face validity is the assessment whether a measure appears on the face of it to measure the concept it is intended to measure. A measure should satisfy this criterion. Content validity

concerns the extent to which a measure adequately represents all the facets of a concept. A series of questions which serve as indicators of a certain behavior are included in the index.

Reliability refers to a condition where a measurement process yields consisted results over repeat measurements. A test-Retest criterion is best placed to measure reliability since the same measurement tool is administered multiple times following the same research procedures. The results obtained should be consisted since there has been no change in what is being measured.

3.7 Data Analysis and Presentation

Data obtained from the field in raw form is difficult to interpret, such data must be cleaned, coded, key punched into a computer and analyzed, (Mugenda & Mugenda, 2003). Data collected, was tabulated and analyzed for purpose of clarity, using SPSS version 20 software. It is a computer program used for statistical analysis and has the ability to handle statistical presentation with array of formulas for ease of interpretation. In addition, a multiple regression was used to measure the quantitative data and was analyzed using SPSS too.

Multiple regression help to understand how the typical value of the dependent variable changes when any one of the in depended variables is varied while the others in depended variables are held fixed.

In this study the formula that will be used to compute multiple regression is

$$Y=a+b_1X_1+b_2X_2+b_3X_3+b_4X_4+e$$

Where

Y is the value of the dependent variable

a is the regression constant

b_1, b_2, b_3 and b_4 are the partial coefficients to the independent variables

x_1, x_2, x_3 and x_4 are the independent variables

e is the error of prediction

Data was presented using tables and pie charts. These tools are selected because of their ease of understanding and clarity in representation.

CHAPTER FOUR

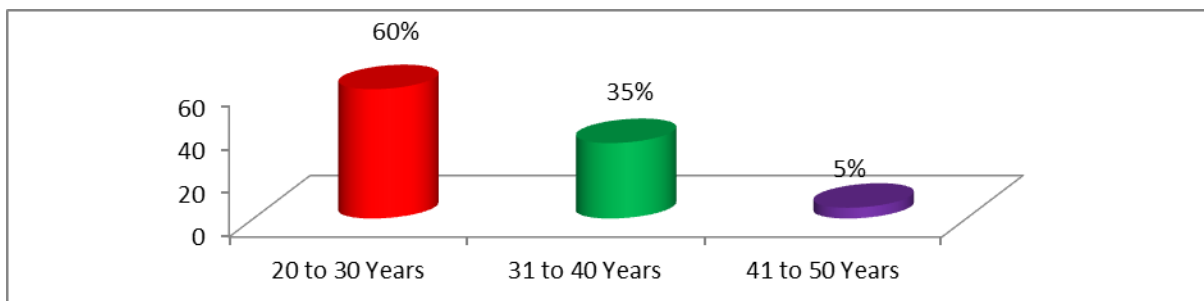
DATA ANALYSIS, INTERPRETATIONS AND PRESENTATIONS

4.1 Introduction

This chapter discusses the interpretation and presentation of the findings obtained from the field. The chapter presents the background information of the respondents, findings of the analysis based on the objectives of the study. Descriptive and inferential statistics have been used to discuss the findings of the study. The study targeted a sample size of 20 respondents from which 20 filled in and returned the questionnaires making a response rate of 100%. This response rate was satisfactory to make conclusions for the study. The response rate was representative. According to Mugenda and Mugenda (1999), a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent. Based on the assertion, the response rate was considered to excellent.

4.2 Background information

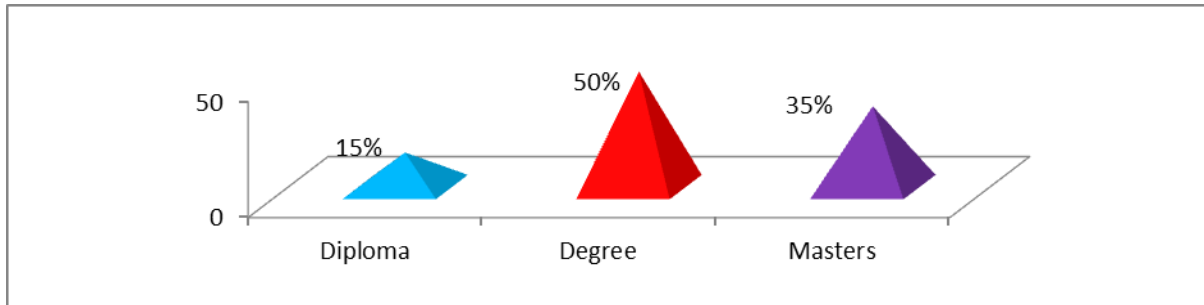
Figure 4.2: Age distribution



The study requested the respondent to indicate their age category, from the research findings as shown in figure 4.1 above the study established that majority of the respondents as shown by 60% were aged between 20 to 30 years, 35% of the respondents were aged between 31 to 40 years, whereas 5 % of the respondents indicated that they were aged 41 to 50 years, this is

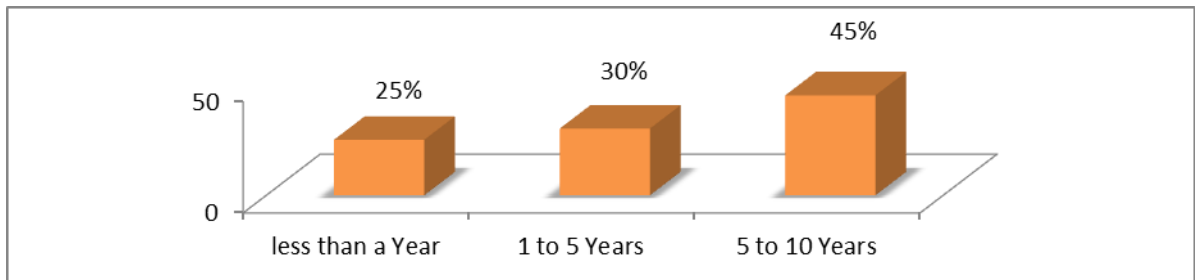
an indication that respondents were well distributed in terms of age.

Figure 4.3: Highest Academic Qualification



The study requested the respondent to indicate their highest level of education. From the findings as shown in figure 4.2 above, 50% of the respondents indicated their highest education level as bachelor's degree, 35% of the respondent indicated their highest education level as master's degree whereas 15% of the respondents indicated their highest education level as diploma. This is an indication that most of the respondents held Bachelor's degree certificates.

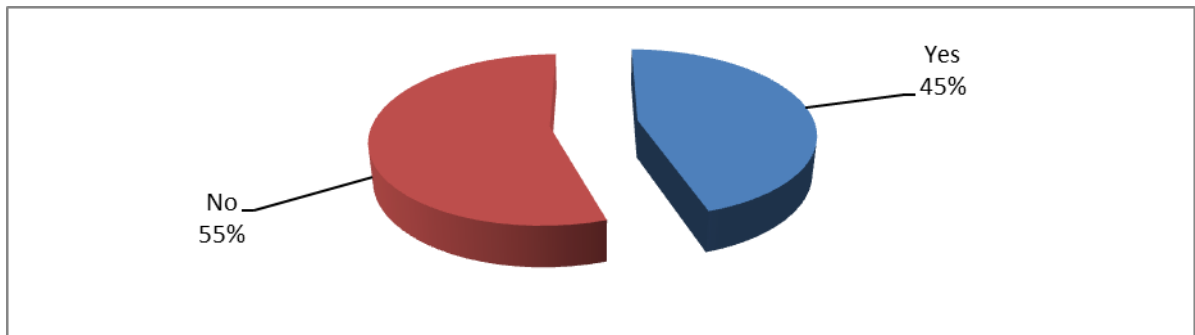
Figure 4.4: Number of Years in the University



The study requested respondent to indicate the number of years they had had been in the university. From the research findings most of the respondents as shown by 45% indicated to have been in the institution for a period of 5 to 10 years, 30% of the respondent indicated to have been in the institution for a period of 1 to 5 years whereas 25% of the respondents indicated to have to have been in the institution for a period not exceeding 1 year, this

indicates that most of the respondents had been in the institution for a considerable period of time and thus they were in a position to give credible information relating to this research

Figure 4.5: Whether the respondent had been to any other institution of higher learning



The research sought to determine whether the respondents had been to any other institution of higher learning, from the research findings 45% of the respondents indicated that they had been to a another higher learning institute whereas 55% of the respondents indicated to have not. This implies that quite significant number of the respondents were in position to compare the extent to which strategic management practices were applied within the organizational management an attribute that enriched their opinion.

4.3 Cost Leadership and Competitive Advantage

Table 4.1: Statements relating to Cost Leadership and Competitive Advantage

Statement	N	Minimum	Maximum	Mean	Std. Deviation
proper management and training of the staff on the use of current technology in managing the university affairs lowered the cost of on managing the workforce thus being able to produce much results with little resources	20	1	3	1.60	0.60

to achieve cost leadership, the university should seek to outsource some of the services which are not among the core business of the university	20	1	3	1.75	0.79
low cost leadership by the university by the university promotes greater market share in comparison with other universities with high cost leadership	20	1	4	2.20	0.89
the students enrollment in the university is motivated by the cost of the study in the university.	20	1	4	1.85	0.88

On the respondents level of agreement with the above statements , the study established that majority of the respondents agreed that proper management and training of the staff on the use of current technology in managing the university affairs lowered the cost of on managing the workforce thus being able to produce much results with little resources as shown by mean of 1.60, to achieve cost leadership, the university should seek to outsource some of the services which are not among the core business of the university as shown by a mean of 1.75, the students enrollment in the university is motivated by the cost of the study in the university, as shown by a mean of 1.85, low cost leadership by the university by the university promotes greater market share in comparison with other universities with high cost leadership as shown by a mean of 2.20.the above findings concurs with the research findings by (Malburg, 2000) he asserts that the organization must be willing to discontinue any activities in which they do not have a cost advantage and should consider outsourcing activities to other organizations with a cost advantage .

4.4 Differentiation and Competitive Advantage strategy

Table 4.2: Statements relating to Differentiation and Competitive Advantage strategy

Statement	N	Minimum	Maximum	Mean	Std. Deviation
The institution has greatly been able to differentiate itself by pricing its programs according to the quality of the of the service offered by the institution and determined by the completion in the market.	20	1.0	5.0	2.20	1.01
the university has identified and majored in providing its core competences and the areas of its specializes expertise which has greatly motivated enrollment of students	20	1.0	5.0	2.05	1.10
The institution seek to create more programs through innovations of new programmes which seek to address a wider scope of in the society and the corporate world	20	1.0	3.0	1.80	0.83

The research sought to determine the extent to which respondents agreed with the above statements relating to program differentiation, from the research findings majority of the respondents agreed that; the institution seek to create more programs through innovations of new programmes which seek to address a wider scope of in the society and the corporate world as shown by a mean of 1.80, the university has identified and majored in providing its core competences and the areas of its specializes expertise which has greatly motivated enrollment of students as shown by a mean of 2.05, the institution has greatly been able to differentiate itself by pricing its programs according to the quality of the of the service offered by the institution and determined by the completion in the market as shown by a

mean of 2.20. the study also established that in order to maintain program differentiation strategy the university need a team with: strong research and development skills, strong creativity skills, strong marketing skills, and incentives based largely on subjective measures, team members should be able to communicate the importance of the differentiating programs characteristics, stress continuous improvement and innovation and attract highly skilled creative people. The above findings concurs with the research findings by Phillips and Peterson, 2011) concludes that product differentiation is a common way of differentiating the firm's offerings from those of its competitors.

4.5 Marker focus strategies

Table 4.3: Statements relating to Market Focus and Competitive Advantage

Statement	N	Minimum	Maximum	Mean	Std. Deviation
The University has embarked on serious marketing of its programs in order to create awareness in the target markets.	20	1	2	1.20	0.41
Occasionally the university undertakes promotion activities with their target market which has raised the awareness of the university programmes within the market.	20	1	3	1.70	0.57
The university has a specific target in the market which enables it to give it a specialized focus especially when doing marketing and while undertaking promotional activities like advertising.	20	1	4	2.00	1.08

The study sought to determine the extent to which respondents agreed or disagreed with the above statements relating to market focus and competitive advantage, from the research findings the study established that majority of the respondents strongly agreed that the

University has embarked on serious marketing of its programs in order to create awareness in the target markets as shown by a 1.20, others agreed that occasionally the university undertakes promotion activities with their target market which has raised the awareness of the university programmes within the market as shown by a mean of 1.70, the university has a specific target in the market which enables it to give it a specializes focus especially when doing marketing and while undertaking promotional activities like advertising as shown by a mean of 2.00. The study further established that focus strategies to private universities are most effective when targeted population have distinct preferences and when the niche has not been pursued by rival universities. The above findings concurs with the study findings by Porter, (1980) he asserts that a successful focus strategy depends upon an industry segment large enough to have good growth potential but not of key importance to other major competitors.

4.6 Corporate Growth Strategies

Table 4.4: Statements relating to corporate growth strategies

Statement	N	Minimum	Maximum	Mean	Std. Deviation
in pursuing greater market the university is embarking on creating more potential programmes which are more relevant to the market	20	1	2	1.65	0.49
the university is seeking to penetrate more in the market through opening of new campuses and increasing the number of collaborations with other colleges	20	1	3	1.80	0.52

The university is working much on enriching the current programs and modes of study so that they are more satisfactory to the students and market at large.	20	1	4	1.65	0.81
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The study sought to determine the extent to which respondents agreed with the above statement relating to corporate growth strategies, from the research findings the study established that majority of the respondents agreed that; in pursuing greater market the university is embarking on creating more potential programmes which are more relevant to the market, the university is working much on enriching the current programs and modes of study so that they are more satisfactory to the students and market at large as shown by a mean of 1.65 in each case, the university is seeking to penetrate more in the market through opening of new campuses and increasing the number of collaborations with other colleges as shown by a mean of 1.80, the study also established that Market development options should include the pursuit of additional market segments or geographical regions. The above findings concurs with the study findings by (Barney, 1991), continuing improvement in operational efficiency at a pace faster than competitors is necessary to sustain superior profitability over time.

4.7 Regression Analysis

In this study, a multiple regression analysis was conducted to test the influence among predictor variables. The research used statistical package for social sciences (SPSS V 20) to code, enter and compute the measurements of the multiple regressions.

Table 4.5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.691(a)	.653	.645	.19440

Adjusted R squared is coefficient of determination which tells us the variation in the dependent variable due to changes in the independent variable, from the findings in the above table the value of adjusted R squared was 0.643 an indication that there was variation of 64.5% on competitive advantage due to changes in cost leadership strategies, growth strategies, differentiation strategies and market focus strategies at 95% confidence interval . This shows that 64.5% changes in competitive advantage could be accounted for by cost leadership strategies, growth strategies, differentiation strategies and market focus strategies. R is the correlation coefficient which shows the relationship between the study variables, from the findings shown in the table above there was a strong positive relationship between the study variables as shown by 0.691.

Table 4.6: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.232	6	0.372	3.131	.048 ^b
	Residual	28.294	13	0.329		
	Total	30.526	19			

From the ANOVA statics in table above, the processed data, which is the population parameters, had a significance level of 4.8% which shows that the data is ideal for making a conclusion on the population's parameter as the value of significance (p-value) is less than

5%. The F critical at 5% level of significance was 3.131 since F calculated is greater than the F critical (value = 1.684), this shows that the overall model was significant.

Table 4.7: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	Constant	.298	.453		2.165	.006
	Cost Leadership Strategies	.237	.160	.198	1.479	.012
	Growth Strategies	.231	.126	.245	1.834	.001
	Differentiation Strategies	.239	.145	.008	.065	.023
	Market Focus Strategies	.281	.114	.031	.246	.016

From the data in the above table the established regression equation was

$$Y = 0.298 + 0.237 X_1 + 0.231 X_2 + 0.239 X_3 + 0.281 X_4$$

From the above regression equation it was revealed that holding cost leadership strategies, growth strategies, differentiation strategies and market focus strategies to a constant zero, competitive advantage would be at 0.298, a unit increase in cost leadership strategies would lead to increase in competitive advantage by a factors of 0.237, unit increase in growth strategies would lead to increase in competitive advantage by factors of 0.231, a unit increase in differentiation strategies would lead to increase in competitive advantage by a factor of 0.239 and unit increase in market focus strategies would lead to increase in competitive advantage by a factors of 0.281. All the variables were significant ($p < 0.05$).

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presented the discussion of key data findings, conclusion drawn from the findings highlighted and recommendation made there-to. The conclusions and recommendations drawn were focused on addressing the objective of the study. The researcher had intended to investigate the effect of cost leadership strategies on competitive advantage in private universities in Kenya, to determine the effect of growth strategies on competitive advantage in private universities in Kenya, to establish the effect of differentiation strategies on competitive advantage in private universities in Kenya and to find out the effects of market focus strategies on competitive advantage in private universities in Kenya.

5.2 Summary of Findings

From the analysis the study that; proper management and training of the staff on the use of current technology in managing the university affairs lowered the cost of on managing the workforce thus being able to produce much results with little resources as it was shown by mean of 1.60, in order to achieve cost leadership private universities should seek to outsource some of the services which are not among the core business of the university , students from different regions enrollment in the university after being motivated by the cost of the study in the university, low cost leadership by the university by the university could possibly promote greater market share in comparison with other universities with high cost leadership.

The research also revealed; the institution should seek to create more programs through innovations of new programmes which address a wider scope of in the society and the corporate world, private universities have identified and majored in providing its core competences and the areas of its specializes expertise which has greatly motivated enrollment of students, the institution has greatly been able to differentiate itself by pricing its programs according to the quality of the of the service offered by the institution and determined by the completion in the market. the research also established that in order to maintain program differentiation strategy the university need a team with: strong research and development skills, strong creativity skills, strong marketing skills, and incentives based largely on subjective measures, team members should be able to communicate the importance of the differentiating programs characteristics, stress continuous improvement and innovation and attract highly skilled creative people.

The study established that private Universities have embarked on serious marketing of their programs in order to create awareness in the target markets, occasionally most of the university undertook promotion activities with their target market which has raised the awareness of the university programmes within the market, most of the private universities have specific target in the market which enables them to give specializes focus especially when doing marketing and while undertaking promotional activities like advertising. The study further established that focus strategies to private universities are most effective when targeted population have distinct preferences and when the niche has not been pursued by rival universities.

The study established that in pursuing greater market the university is embarking on

creating more potential programmes which are more relevant to the market, the university is working much on enriching the current programs and modes of study so that they are more satisfactory to the students and market at large, private universities were seeking to penetrate more in the market through opening of new campuses and increasing the number of collaborations with other colleges, Market development options should include the pursuit of additional market segments or geographical regions and that Continuing improvement in operational efficiency at a pace faster than competitors is necessary to sustain superior profitability over time.

5.3 Conclusions

From the research findings the research established that to achieve cost leadership, the university should seek to outsource some of the services which are not among the core business of the university thus the study concludes that cost leadership strategies had a positive impact on the competitive advantage in private universities in Kenya

The study revealed that in pursuing greater market the university is embarking on creating more potential programmes which are more relevant to the market thus the study concludes that corporate growth strategies had a positive impact on competitive advantage in private universities in Kenya.

The study further established that the institution has greatly been able to differentiate itself by pricing its programs according to the quality of the of the service offered by the institution and determined by the completion in the market thus the study concludes that differentiation strategies had a positive impact on competitive advantage in private universities in Kenya.

From the research it was established that occasionally the university undertakes promotion activities with their target market which has raised the awareness of the university programmes within the market, therefore the study concludes that market focus strategies had a positive impact on the on competitive advantage in private universities in Kenya.

5.4 Recommendations

Based on the findings the study recommends that private universities should consider opening new campuses in all counties this could possibly help to capture new markers within these regions for the cost would have been substantially reduced bringing the institution closed to the targeted population.

The study recommends that private Universities should highly invest in market research this would help in development of unique degree programs that are relevant to the current economic trends. Innovation of these distinctive programs will in selling institutions image thus helping to capture new markets.

The study recommends that private universities should consider sub-standardizing the cost of the programs they offer, this move is very critical based on the finding that the target population choice is usually influenced by cost of the programs in comparison to those of its rivals.

The research recommends that private universities should consider outsourcing some activities (but to professionals) which are not closely related to the universities strategic plan, this would allow concentration of efforts on the main strategic goal thus enhancing probability of excellence.

The study recommends that private universities should maintain numerous market campaigns

this will help to keep the targeted market segment with what the institutions offers. This may highly influence new students decision for the power of remembrance has been found be correlated with the frequency of advertising.

5.5 Recommendation For Further Studies

The study had sought to establish the determinants of competitive advantage among private Universities in Kenya. The study recommends a similar study should be conducted this time investigating the effectiveness of marketing strategies on student's enrolment.

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APPENDICES

Appendix 1: Questionnaire

The questionnaire is meant to get your opinion on the determinants of competitive advantage. Please respond to each item as asked. Your name is not necessary and is not required anywhere in the questionnaire. The information you provide will be treated with confidentiality

Section A: Answer all the questions

The questions below relate to your personal details. Kindly tick (√) as appropriate

1. By use of a tick (√) indicate your age bracket
 - 20 to 30 years ()
 - 31 to 40 years ()
 - 41 to 50 years ()
 - 51 and above ()
2. Tick your highest academic qualification
 - KCSE/KCE ()
 - Certificate ()
 - Diploma ()
 - Degree ()
 - Masters ()
 - P.H.D ()
3. How many years have you been in this University?
 - 0 to 1 year ()
 - 1 to 5 years ()
 - 5 to 10 years ()
 - 10 years and above ()
3. Have you ever been in any other institution of higher learning before?
Yes () No ()

If yes what led you to shift from that institution to the current one.

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If no, do you think that the current institution has unique attributes which are not common with other private universities? Give examples if any

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4. To what extent do you agree with the following statements relating to the effect of cost leadership on competitive advantage.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Proper management and training of staff on use of the current technology in managing the university affairs lowers the cost on managing the workforce thus being able to produce much results with little resources					
To achieve cost leadership, the university should seek to outsource some services which are not among the core business of the university.					
Low cost leadership by the university promotes greater market share in comparison with other universities with high cost leadership.					
The students' enrollment in the university is motivated by the cost of study in the university.					

5. To what extent do you agree with the following statements relating to the effects of differentiation strategies to competitive advantage.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
The institution has greatly been able to differentiate itself by pricing its programs according to the quality of service offered by the institution and not determined by the completion in the market.					
The university has identified and majored on providing its core competencies and the areas of its specialized expertise which has greatly motivated enrollment of students.					
The institution seeks to create more programs through innovations of new programs which seek to address a wider scope of issues in the society and in the corporate world.					

6. The following statements relate to market focus strategies. To what extent do you agree with them.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
The university has embarked on serious marketing of its programs in order to create awareness in the target markets					
Occasionally the university undertakes promotion					

activities within their target market which has raised the awareness of the university programs to the market.					
The university has a specific target in the market which enables it to give it a specialized focus especially when doing marketing and while undertaking promotion activities like advertising.					

7. The following statements relate to corporate growth and developments and its effect on competitive advantage

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
In pursuing greater market, the university is embarking on creating more potential programs which are more relevant to the market.					
The university is seeking to penetrate more in the market through opening of new campuses and increasing the number of collaborations with other collages.					
The university is working much on enriching the current programs and the modes of study so that they a more satisfactory to the students and the market at large					

Thank you