

**EFFECT OF COMPETITIVE STRATEGIES ON THE
PERFORMANCE OF STRATHMORE UNIVERSITY IN KENYA**

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FULFILLMENT OF THE REQUIREMENT FOR THE DEGREE
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DECLARATION

I the undersigned declare that this research project is my original work and has not been submitted for a degree in any other university.

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D61/80851/2015

This research project has been submitted for examination with my approval as the University supervisor.

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DEDICATION

This work is dedicated to my family who played a big role in ensuring that it was carried out to completion and to the Almighty God for His sufficient grace.

ACKNOWLEDGEMENT

I acknowledge the Almighty God for His continuous grace bestowed upon me during this period of study. This work was made possible through the relentless support of my supervisor Dr. Kennedy Ogollah. I acknowledge my family and relatives for their prayers and moral support throughout the project. My sincere gratitude to Strathmore University staff who provided most of the data used in this project.

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ACRONYMS AND ABBREVIATIONS

CTH	:	Centre of Tourism and Hospitality
FIT	:	Faculty of Information and Technology
ILAB	:	Ilab Africa
SBS	:	Strathmore Business School
SHSS	:	School of Humanities and Social Sciences
SI	:	Strathmore Institute
SIMS	:	Strathmore Institute of Mathematical Sciences
SLS	:	Strathmore law School
SMC	:	School of Management and Commerce

ABSTRACT

Competitive strategy is concerned with what a firm does to gain competitive advantage. In order to outperform other firms in a given industry, firms need to craft superior strategies that align their operations to the changes taking place in the operating environment. Therefore this study sought to determine the Effects of Competitive Strategies on Performance of Strathmore University. The objective and purpose of this study was to determine the Effects of Competitive Strategies on Performance of Strathmore University in Kenya. The research design adopted is a case study as the unit of analysis was one organization. The study used primary data which was collected through an interview guide from the employees of Strathmore University. The data in the study was analyzed using content analysis. From the study Strathmore University had adopted differentiation strategy and focus strategy. The study established that differentiation strategy is what Strathmore University thrives on. The recommendation of the study is that the University should continue enhancing the differentiation of their services since it provides highest competitive strategy. The University should also invest in coming up with more unique programs to continue differentiating themselves. This will ensure they are able to remain competitive in the market. From the study cost leadership strategy was established not to be effective. The study recommends the University to try other ways of implementing the strategy and as a result they will gain competitive advantage and be able to offer quality services at a low cost. Organizations that embrace cost leadership are able to offer the same at an affordable fee. This means the organization is able to gain competitive advantage.

CHAPTER ONE

INTRODUCTION

This chapter discusses the background of the study, in particular the concept of strategy, competitive strategies, organization performance, private universities in Kenya and Strathmore University in Kenya. The chapter also discusses research problem and objectives of the study. The value of the study was also discussed in this chapter.

1.1 Background of the study

Competitive strategy is the direction and scope which an organization takes over a long period of time. Strategy is usually critical in achieving competitiveness in a turbulent environment through configuration of resources and competences with the aim of fulfilling stakeholder expectations (Johnson, G., & Scholes, 1999). As higher education globally is being adjusted to meet stakeholder expectations mainly through provision of excellent education and research, the need for competitive strategies cannot be underscored. Competitive strategies assists in attracting customer, remain competitive and as a result superior strategies should be crafted which leads to superior performance.

There exists stiff competition among existing Private Universities and there is also threat of new entrants and establishment of satellite campuses by public universities. According to Grant (2002), long term strategy derives from an organization effort to aim and remain competitive in accordance with one of the Porter's generic strategies which comprise of differentiation which was developing unique products for different customer groups, cost leadership and focus strategies.

The study was anchored in the resource based view theory and open systems theory. Resource based view theory suggested that in order for an organization to achieve competitiveness it must innovatively deliver superior value to customers. The focus on the literature was to identify the strategy and using organization resources in order to develop a competitive advantage that was sustainable (Barney, 1991). The open systems theory holds that an organization as an open system operates in an environment and is affected in the same measures as they affect it.

Open system views organizations as both hierarchical system and loosely coupled system, and it has the assumption that large organizations comprise of several subsystems in which the inputs are received from other subsystems which they are turned into outputs to be used by other systems (Hatch, 1997). The subsystems comprise of departments and activities in an organizations. The environmental influences can either be general or specific. There are four influences in the general environment whose origin is the geographical area where the organization operates in while specific environment to the network of suppliers, government bodies and competitors. Organizations need to consider operating environment while formulating strategies, failure to which it may result to failure.

The motivation behind this study was that Kenyan universities were operating in a more competitive environment than they did a decade ago. The Universities overall sustainability was determined by how well they reposition themselves to increase student enrolment in the competitive environment. In the past, the public universities had an upper hand in student enrollment through Joint Admission Board students and full reliance on funding by the government.

Public universities were required to seek alternative funding arrangements to increase on their finances. This therefore led to public and private universities to rely on self-sponsored programs to increase their financial resource thus creating stiff competition for university students in Kenya. The Universities were therefore required to be proactive and to formulate strategies that attract more students. With increased enrollment there should be assurance of growth and also sustainability of the university. A number of studies were carried out on competitive strategies employed by universities to attract and increase student enrolment. However, there was no study on the effects of competitive strategies on performance of Strathmore University hence the principal motivation of the study.

1.1.1 Concept of Strategy

Strategy is the outcome that arises from planning, organized process for anticipating and acting in the future in order to carry out an organization's mission (Baker, 2007). The drivers of strategy in an organization are visionaries, innovators and entrepreneurs. They take risks and try new ways of doing things. Strategy specifies how a business aims to achieve and maintain competitive advantage within the industry. Strategy is the game plan that an organization adopts to gain competitive advantage. In the absence of strategy, any decisions made could have a negative impact on future results. Strategy is a tool, which helps an organization to respond to turbulent environment (Ansoff & Mc Donnell, 1990).

An organization that adopts competitive strategies gains a competitive advantage. Competitive strategy includes a number of both strategic and tactical decisions which includes; pricing of products, research, investment in production and distribution facilities, contracting practices with customers and development expenditures.

Competitive strategy helps an organization to position itself in the industry, create mechanism to counter competitive forces or influencing them in its favor. Competitive strategy to be effective takes an offensive or defensive action so as to create a defendable position thereby yielding a superior return to the organization (Kathura et al, 2007). A strategy needs to change in accordance to the ever changing environment, and as a result the organization will be most successful in the industry (Marren, 2010).

1.1.2 Competitive Strategies

Competitive strategies comprise of the steps and means that an organization employs to get customers, overcome competitive pressure and improve on the share in the market (Thompson & Strickland, 2002). It is mainly concerned with what an organization is focusing on, and this will enable then gain sustainable competitive advantage. According to Porter (1998), firm's long term strategy should be derived from it seeking competitive advantage which is based on any of the three generic strategies: low cost leadership in the industry, the firm seeks to provide services to its customers at a low cost, differentiation that is, a firm making effort to produce unique products for varied customer groups and striving to appeal to one or many target customer, focusing on their cost or differentiation concerns.

Cost leadership strategy is achieved when an organization seeks economy of scale through automation of processes or having preference in accessing raw materials. Firms that have embraced low cost strategy normally sell a standard product or service (Porter, 1998). This strategy is inappropriate in the education sector as attractive premises, modern facilities and technology are the standard bench marks for quality institutions and they make low cost strategy not achievable (Hua, 2011).

Differentiation strategy focuses on creating unique goods and services which are distinct from those of competitors. A firm is deemed to be unique based on some dimensions that customer's value and also attributes which are different from those of their competitors (Porter, 2004). Universities achieve these through developing and implementing academic programs that are perceived to be unique throughout the industry, strong brand names and strong marketing skills. According to Pearce and Robinson (1997), focus strategies whether based on low cost or differentiation, concentrate on a particular market segment needs. The variants of focus strategy depend on segments which has customers with unusual needs and also different delivery systems from other industries (Hua, 2011).

1.1.3 Organization Performance

An organization assessment is a systematic process for obtaining information about organization performance and also factors that have effect on performance. The assessment is different from other types of evaluation because it focuses on the organization as the primary unit. Academics and practitioners have recently garnered much interest in measurement of performance and productivity of an organization. There is significant progress which has been made to establishing a performance management system (P.M.Ss). The performance management system has a number of measures that aims to balance the conventional concentration on profitability of an organization. There exists relationship between competitive strategies and the performance of an organization however it is problematic, unresolved and controversial (Pearce *et al.*, 1997).

Measuring the performance of an organization as pointed out by Huber (2004) ensures that strategic activities are aligned to the strategic plan further improving organizations profitability by cutting cost and enhancing productivity. Many organizations have in recent years adopted the balance score card methodology where organizational performance is structured and measured. Organization performance is measured along four key measuring dimensions; financial performance (profitability, market share, shareholder returns), customer service excellence, internal business processes, learning and growth.

1.1.4 Private Universities in Kenya

Private Universities are established in conformity with the Universities Act 1985 (CAP 210B) and the Universities Rules, 1989 (Establishment of Universities, Accreditation, Standardization and Supervision). Private universities in Kenya operate under a full charter or an interim charter as they await full charter. The private universities offer undergraduate and also 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 today there are sixteen chartered private Universities. There are other private Universities that operate with Letters of Interim Authority while other Private Universities operate as Constituent Colleges. In the East Africa countries of Uganda and Tanzania, Kenya is leading in the number of private Universities. This was as a result of Kenya being the first country to recognize the significance of private (Oketch, 2003).

In Kenya private universities have notably increased owing to the growing higher education demand and a subsequent strain on public universities to handle this demand. Oketch (2004) argues that there are numerous factors that fuel the expansion of Private University sector in Kenya which include: constant closure of state funded Universities, complementing institutions by government and few opportunities in public universities. As the organizations are geared towards making profits, they charge fees based on the market forces as aim at recovering costs.

1.1.5 Strathmore University

A University is an institution where students study and are awarded degrees and also where academic research is done. Strathmore University is a private University which was established in accordance with the Universities Act 1985 (CAP 210B) and the Universities (Establishment of Universities, Accreditation, Standardization and Supervision) Rules, 1989 (Strathmore University Charter, 2008). The University was chartered in year 2008 and is offering degree programs that is; undergraduate and post graduate degrees. The University has ten schools and faculties offering different programs.

Strathmore University encountered numerous challenges including: ensuring they admit students who had the ability to pay high fees in a private university, stiff competition from other private universities and public universities who had introduced parallel degree courses, competition from foreign universities, lacking a research focus comparable to public universities and offering specific and narrow programs (Oketch, 2004). To achieve the required number of students the University had to employ different marketing strategies. The strategies adopted had to be reexamined from now and then to ensure flow of students to the University.

The pillars which guide the University include providing an environment that offers all-round education. This ensures the University is able to meet the needs of customer. The University offers select disciplines in management science, information technology and computer science, hospitality, mathematical sciences, health sciences, law, and the arts. This is fully complemented by the teaching of humanities to further augment the understanding of the human person. The University uses a triple-helix research cooperation model that ensured students joining Strathmore are exposed to research opportunities. It has vibrant research centres and projects spanning across: mobile application and cyber security, health and health care management, public policy, renewable energy and energy efficiency, entrepreneurship, governance and integrity, mathematical modeling and applied statistics, sustainable tourism, intellectual property and extractive industries (Strathmore University Strategic Plan, 2015).

1.2 Research Problem

Universities are encountered by challenge of scarce resources and as a result they are involved in generating additional funds to supplement inadequate resources. To be able to overcome the challenge universities are diversifying their competitive strategies by among others adjusting their academic programs in response to apparent higher education demand in the country and region (Hardy & J., 2004). The higher education atmosphere has increasingly become competitive, and institutions of higher learning have to compete with each other to attract students in the recruitment markets (Maring et al, 2006).

Competition in the higher education sector continues to intensify and players are forced to craft superior strategies that help them gain a competitive advantage against their competitors. The competitive strategies adopted ensure firm remains competitive in the long run. A competitive strategy establishes a position that is profitable and sustainable to encounter forces that decide industry competition (Porter, 1980).

Various researchers had studied the effects of competitive strategies on performance of an organization. Mauti (2010) did a case study on the influence of competitive strategy on performance of international schools offering British Curriculum in Nairobi. The study established that offering a wide range of extra-curricular activities and employing competent and qualified staff influences the performance of an organization. Gathoga (2011) studied on the competitive strategies employed by commercial banks in Kenya. The study showed that banks in Kenya had put in place various means hence remaining competitive. Wanjere (2004) proposed that companies should be more involved in strategic marketing as they are in environment which is turbulent and competitive. Karanja (2002) studied on real estate firms competitive strategies on the basis of Porter generic model. The study revealed different competitive strategies are adopted by firms in different industries.

Several studies had carried on effects of competitive strategies on performance of organizations; however there exists a knowledge gap on a Private University. None studies the effects of competitive strategies on performance of Strathmore University. There existed a knowledge gap which the study needed to address by considering the following research question: what effect does a competitive strategy have on performance of Strathmore University?

1.3 Objectives of the study

The objective of the study was to determine the effects of competitive strategies on performance of Strathmore University.

1.4 Value of the study

The study would be of benefit to the government as the regulator of firms in the education sector as it would be enlightened on the competitive strategies that can be adopted by institutions to influence their performance. The government would use the information gathered to formulate policies beneficial on the best competitive strategies in the various sectors in Kenya. The policies formulated would be of great help to organizations as they would be in a position to make informed decision and adopt strategies that make them remain competitive in the long run.

The study would be of great benefit to the management. The management would be able to get information on whether the competitive strategies adopted are effective. The research would enable these firms to understand their competitive strengths in the market. The study would highlight specific innovative responses which could be adopted to strengthen the firm's ability to capitalize on opportunities in the market. The management would be in a position to know the effects of the strategies to performance and as a result adopt those that would make the organization remain competitive. Management would also be in position to create clearly defined and achievable goals and also be in position to deal with failures.

The study would benefit academic researchers in developing theories related to the study and educating the public on competitive strategies used and research on them further. The researchers would be able to give more information on which strategies are more effective and hence becoming a market leader. The study would provide more information hence enable the researcher to compare with other private universities. The study would also provide information to scholars on effects of competitive strategies. This would expand their knowledge on strategic responses in education institutions and identify areas of further study. The scholars could also study whether the strategies adopted can be used in other industries.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter summarized the work done by other researchers in the same field of study. The materials were drawn from several sources which were closely related to the theme and the objectives of the study. It focused on the various competitive strategies and organization performance as presented by various scholars and researchers.

2.2 Theoretical Foundations

This section of literature examined the body of theories that had been done in regards to concepts of competitive strategy and competitive advantage. It also explained the theories that exist, the relationship between these theories and the area of study and the extent which these theories had been investigated. A theoretical foundation presents the general set of propositions which were derived and supported by evidence or data (Kombo & Tromp, 2006).

2.2.1 Resource Based View Theory

In the history of management theories, Resource Based View Theory has been recognized as one of the theories that is cited and influential. It strives to describe a firm's internal sources for sustained competitive advantage (Bates & Flynn, 2005). Penrose (2007) first provides a logical explanation to the growth rate of the firm by clarifying the causal relationship among firm resources, production capability and performance of the firm. Her major concern was mainly on innovative and efficient use of resources. She affirmed that a firm's productive resources could be improved to a great extent and that the firms were fundamentally heterogeneous if ever they were in the same industry. Penrose (1959) was the first to recognize the importance of resources

to an organization's competitive growth before the emergence of Resource Based View. She affirmed that an organization growth is determined by the manner in which the productive resources are employed. As a result of the early work in the development of Resource Based View (Teece et al., 2000), Barney (1991) based on the resources perspective was able to formalize an extensive theoretical framework. According to Barney (1991), organization could be conceptualized as of resources and capabilities that are shared among organizations and are not perfectly mobile. Resource based competitive advantage is gained through resources abilities across organizations over time.

According to Barney (1991), the focus on the literature was on identifying the strategy and use of firm's resources to enable them develops a competitive advantage. According to International business theorists the success and failure of firms across boundaries depends upon competitiveness of their local alliances and subsidiaries in the emerging markets. Local alliances and subsidiaries provide local knowledge which is an important resource for conceptualizing value as per local requirements.

According to the theory, resources are inputs into an organization's production process which include following; human capital, physical capital and organizational capital. Every organization has unique capabilities and resources that becomes the foundation for its strategy and the basic source of its returns. The environment in the 21st century is hyper competitive and a firm being a collection of evolving capabilities is managed to achieve above average returns.

A firm's different performance over time is driven by their unique capabilities and resources rather than by the structural characteristics in the industry. The Resource based view theory was used to explain how Strathmore University gains competitiveness through innovatively delivery of superior value to its customers. The theory also focuses on identifying strategies and utilization of unique resources to develop a competitive advantage that is sustainable.

2.2.2 Open Systems Theory

According to traditional theories organizations were viewed closed systems as autonomous and also isolated from the outside world. Most researchers and theorists embraced an open view of organizations because traditional theory had not taken into account several environmental influences that had an impact on efficiency of organizations. According to open to open systems assumption all organizations are unique and their structure should be able to accommodate unique opportunities and problems. Open systems are affected by environmental influences which can either be specific or general. The specific environment attributes to the network of suppliers, distributors, government agencies and competitors which interacts with a business enterprise (Hatch, 1997).

The proponents of open systems theory argue that as firms conduct their businesses, they will be influenced by occurrences and changes or factors from external environments (Burnes, 2000). As a result of this, for any firm to be successful, they must continuously interact with the ever changing external environment. Firms that endeavor to be successful and effective should adapt to the changes that occur in their respective environment. This is because firms are environment serving and dependent Ansoff et al. (1990) and to sustain competitiveness they must create a fit to the environment (Duncan, 1972).

Lawrence and Lorsch (1967) established that in any system, firms can sustain its operations by interacting with its external environment. It is feeding upon itself by being permeable to through no boundaries and interacts with the environment. Open systems are living systems and maintain themselves in exchange of inputs with external environment. Firms operating under open systems are highly adaptive while closed ones not because they are not permeable as they do not make any exchanges with external environment. Firms should always continuously interact with their external environment to attract the resources that can sustain or enhance their performance. Carmeli and Tischer (2004) argued that firms have to compete for the scarce resources responsible for their survival and only firms that are compatible with the immediate environment avoid being extinct.

2.3 Competitive Strategies and Organization Performance

Recent studies investigated the relationship that exists between environment on one hand, strategy and performance variables of a firm on the other hand (Hambrick, 1983). However Prescott argued that although considerable research had been covered on the topic, it had not adequately addressed the issue of whether environments are independently related to performance or they were moderators of the relationship between strategy and performance or some combination of the two. The performance of Universities is based on the number of students, programs offered and number of graduates.

In China, Saif (2015) studied how competitive strategies influence firm performance. The study focused on marketing strategy involved in promotion, pricing, distribution and those that standardize products and their impact on the firm performance as measured by sales changes, customer satisfaction, and other financial ratios. The study

established that marketing strategy focusing on customer had a great impact on firm performance. The study examined focus strategy and negated other competitive strategies. This means the study focused only on one of the competitive strategies. The current research aimed at filling this gap by looking at the holistic competitive strategies, that is, cost leadership, differentiation and focus.

Ilovi (2011) focused on sustainability of competitive advantage in reference to the insurance business in Kenya. The research recommended that players in the insurance sector should constantly evaluate their strategies with the aim of outdoing competition. The author suggested adoption of cost reduction strategies, focus strategy and investing in resources as some of the measures of addressing issues of competition in the industry. To be able to fill the research gap, the current study aimed at looking at all competitive strategies. This ensured that the researcher is not limited to studying few competitive strategies.

Yasar (2010) focused on analyzing the competitive strategies and performance of a firm of a carpeting sector in Beijing. The researcher annulled existence of any relationship between competitive strategies and an organization performance of carpeting business. The research found out that competitive strategies were outlived by transient management theory which held that competitive advantage may not be sustainable in the long run hence not suitable to influence performance on a carpeting industry. The current research aimed to fill the gap by focusing on competitive strategies over a long period of time. The focus was to view the strategies over a long period of time as opposed to a short period of time.

Njiru (2015) studied the effects of competitive strategies on performance of Express Connections Limited in Kenya. The research established that Express Connections Limited adopted a number of competitive strategies; standard pricing was being used within the respective timings for instance peak and off peak differentiation, usage of standard colors so as to identify the fleet and the creation of a sister company to help build the bus bodies and in repair of the vehicles and segmented market on the basis of routes being covered by the fleets and zones in order to ensure effective coverage of all routes.

The study concluded that service quality and customer relationship are the most effective competitive strategy used by Express Connections Limited as well as differentiation of services to suit their clients. The author recommended that the company continue investing and coming up with unique services. The current research would fill the gap by ensuring aim that all the competitive strategies are covered.

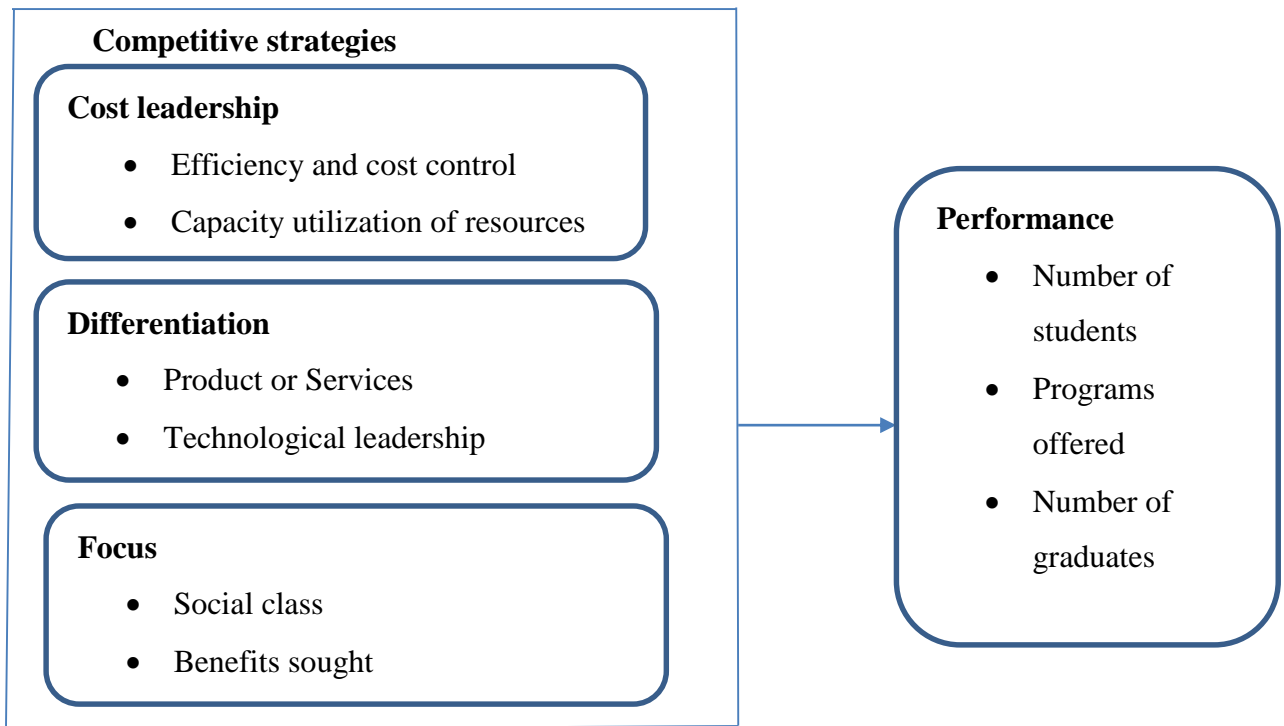
Aykan and Aksoylu (2013) examined the effect of competitive strategies and strategic management accounting techniques on performance of business. The study grouped competitive strategies into three; cost leadership, focus leadership and differentiation strategy from manufacturing firms in Turkey. Regression analysis showed that there was a positive and significant relationship between focus leadership and performance of a firm. Arasa and Gathanji (2014) examined the relationship between focus leadership and performance of an organization in the telecommunication business in Kenya. Both correlation and regression analysis revealed a positive and significant relationship between focus leadership and firm performance. The aim of the current research is to fill the gap by studying the relationship on a local contest.

Gathoga (2011) concentrated on aggressive systems by banks in Kenya. The research uncovered that banks utilize different avenues with specific end goal to stay focused and improve on firm performance; he likewise inferred that venturing into different regions with the main aim of having new branches was utilized as one of the system. The current research aimed at focusing on education sector and zero down to one institution to assess the effect on performance.

The above studies presented an avenue for this research to fill in an important segment of information. Most of the studies carried out concentrated on one of the competitive strategies. The study focused on institutions of higher learning and it sought to establish the effects of competitive strategies on performance of Strathmore University.

2.4 Conceptual Framework

The conceptual framework included the independent and dependent variables. The independent variables included; cost leadership strategy, differentiation strategy and focus strategy while the dependent variable included organizational performance. The conceptual framework showed the relationship between dependent variables and independent variables.



Independent variables variables

Dependent

Figure 2.1: Conceptual Framework

2.5 Summary of Literature Review and Research Gaps

Several studies had been carried out on effects of competitive strategies on performance of Organizations. Saif (2015) studied how marketing strategy influence firm success in its operations. Ilovi (2011) focused on sustainability of competitive advantage in reference to the insurance business in Kenya. Njiru (2015) studied the effects of competitive strategies on performance of Express Connections Limited in Kenya. These studies focused on one of the competitive strategies to assess it effect on performance. The current study filled the gap by studying all competitive strategies.

Yasar (2010) focused on analyzing the competitive strategies and the firm performance of a carpeting sector in Beijing. The researcher annulled any relationship existing between competitive strategy and the firm performance of the carpeting business due to transient management theory. The current research aimed to fill the gap by focusing on competitive strategies over a long run. The focus was to view the strategies over a long run as opposed to a short period of time.

Aykan and Aksoylu (2013) examined the effect of competitive strategies and strategic management accounting techniques on performance of business. The study grouped competitive strategies into three; cost leadership, focus leadership and differentiation strategy from manufacturing firms in Turkey. Regression analysis showed that there was a positive and significant relationship between focus leadership and firm performance. The target of the current study is to fill the gap by studying the relationship on a local contest.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter contained the research methodology and also covered the research design. The chapter also covered the population of the study, data collection and data measurement. It detailed how the information relating to competitive strategies adopted by Strathmore University in Kenya was collected. The chapter also covered how the researcher analyzed the data.

3.2 Research Design

Research design refers to the steps that were taken in linking research question, data collection, analysis and interpretation (Hartley, 2004). The study adopted a case study approach which assisted to determine the effects of competitive strategies on performance of Strathmore University. Young (1960) acknowledged case study as a form of qualitative analysis which involved observation of a social unit under study in a careful and complete way.

A case study provides an in-depth description of the phenomenon (Kiddler, 1982), a thorough investigation of the topic (Mugenda & Mugenda, 1999) and placed emphasis on full contextual analysis of fewer elements (Cooper & Schindler, 2008). The research design was appropriate as the objective of the study required an in-depth understanding of the effects of competitive strategies on performance of Strathmore University. The application of the case study design at the University was beneficial as the findings collected were substantial.

3.3 Data Collection

The study used both primary data and secondary data. The primary data was the raw data that was collected using a comprehensive open ended interview guide. The secondary data was the information that was gathered from existing records. The interview guide facilitated the study to collect detailed qualitative data. Each item on the questionnaire addressed a research question. This was used to get a deeper understanding of the results from the study. The researcher conducted the interview and records all the responses from the targeted respondents.

The interview guide was used to gain a better understanding of the study on the effects of competitive strategies on performance of Strathmore University. It enabled a better interpretation of the findings from the study. The interview guide was divided into three parts. The first part gathered data on the demographic aspect of Strathmore University. This included title, gender and years of the respondent serving in that post, schools in the university and years of operation.

This information helped to determine the weaknesses and strengths of the university. The second part needed to establish the strategies which were employed by Strathmore University to gain competitive advantage in the industry. This helped to determine the extent to which some strategies were used as opposed to others. The third part examined the effects of competitive strategies on performance of Strathmore University.

The interviewees from whom primary data was to be collected were management team from all the ten schools/faculties who are in charge of formulation and implementation of strategies. The guide had bio data of the interviewees and questions on strategies and its effects of performance. Secondary data was obtained from existing records. This relates to the number of students who graduated each year. This was able to show the growth in the number of students graduating each year. The secondary data is advantageous as it accurate and precise.

3.4 Data Analysis

Data analysis process began after the data collection. Data obtained was analyzed using content analysis and was qualitative in nature. The information was analyzed and evaluated to determine its usefulness, credibility, consistency and adequacy. Content analysis is the systematic replicable technique for compressing many words of text into fewer context categories based on rules of coding. It is technique for making inferences by objectively and systematically identifying characteristics of messages. This type of analysis was relevant to this study since it did not set barriers on the respondents' answers, which were fully expressed.

As stated by Mugenda and Mugenda (2003), content analysis assists in studying existing information so as to determine those factors that explain a specific phenomenon. In coding qualitative data, the researcher read all the responses, identified key information and related it to emerging patterns. The outcome was compared in an attempt to get more revelation on the effects of competitive strategies on performance of Strathmore University.

Data was obtained from management team of different schools and compared to each other to find more information on study. The research yielded qualitative data from the interview guides and content analysis was used to analyze as the study intended to get data that is qualitative in nature. Conclusions were drawn when similar information was obtained from related question.

CHAPTER FOUR

DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

The chapter presents data analysis and findings of the research as set out in the research methodology. The aim of the findings of the study was to establish the effects of competitive strategies on performance of Strathmore University. From a target of 20 respondents, 17 availed themselves for the interview representing 85%. The response rate was representative to draw conclusions for the research.

4.2 Demographic Data of the Respondents

The researcher first tried to build up the demographic information for the respondents. This included; age limits, schools or faculties they work, position in their respective schools and years served in the position. These would be able to determine their suitability in providing the information sought by the study.

4.2.1 Demographic Data of Respondents by Age Limits

From the study it intended to establish the age limits for the respondents at Strathmore University in Kenya. Table 4.1 gives a rundown of the age limits as a result of the feedback given by the staff. The respondents were able to give to the researcher their age limits without any problems.

Table 4.1: Age Limits

Age Limit	Frequency	Percentage (%)
18 – 27	4	24
28 – 37	9	52
38 – 47	4	24

Source: Researcher, (2017)

The table shows that most of the respondents 53 percent were between the age of 28 to 37 years. The respondents between the age of 18 to 27 years were 24 percent. The rest who were between the age of 38 to 47 years were 24 percent.

4.2.2 Demographic Data of Respondents by Schools

The research also intended to find out the number of respondents by the schools they work for. The number of respondents who availed themselves for the interview is shown on Table 4.2. The data collected from the different schools would be able to give strategies used and their effect on the performance of the University.

Table 4.2: Schools

Schools	Frequency	Percentage (%)
SIMS	1	6
SHSS	2	12
CTH	2	12
SLS	2	12
SMC	3	18
FIT	4	24
ILAB	1	6
SI	1	6
SBS	1	6

Source: Researcher, (2017)

Table 4.2 shows respondents from different schools. Majority of the respondents 24 percent were from FIT, 18 percent of the respondents were each from SMC, SHSS, CTH and SLS each had 12 percent of the total respondents while SIMS, ILAB, SI and SBS each had 6 percent of the respondents.

4.2.3 Demographic Data of Respondents by Position Held

The study also intended to find out the number of respondents by position held. The number of respondents by position held is shown on Table 4.3. Majority of the respondents were administrators while a few of respondents were managers and deputy principal.

Table 4.3: Position Held

Position	Frequency	Percentage (%)
DEPUTY PRINCIPAL	1	6
MANAGER	6	35
ADMINISTRATOR	10	59

Source: Researcher, (2017)

Table 4.3 shows respondents based on the position held in their respective faculties. Majority 59 percent were administrators, 35 percent were Managers while 6 percent were deputy principals. This was an indication that the respondents were in positions to make decisions and the information collected from them was reliable.

4.2.4 Demographic Data of Respondents by number of years served in the position

The study also intended to find out the number of years the respondents had served in the position. This was of great importance to the researcher as it shows how well the respondents understood their operations. This would show the experience gained by the interviews. Table 4.4 indicates the period which the respondents had worked in their respective positions.

Table 4.4: Number of Years in the Position

Age Limit	Frequency	Percentage (%)
1 – 2	11	64
3 – 4	4	24
5 – 6	1	6
7 and above	1	6

Source: Researcher, (2017)

Table 4.4 demonstrates the number of years interviews had worked in their respective positions. Majority of the respondents 64 percent had worked between 1 year to 2 years, 24 percent of the staff had worked between 3 years to 4 years while 6 percent of the respondents had worked between 5 to 6 years and also above 7 years. This shows that employees understood the operations of the University and had adopted competitive strategies and their effects on performance.

4.3 Competitive Strategies adopted by Strathmore University

The interviewees were asked to give the strategies adopted by Strathmore University in order to remain competitive. The feedback from the staff were recorded by the researcher. The following were the responses. The study sought to find out whether Strathmore University provides services at the lowest cost relative to its competitors. The study used different perspectives to establish whether provision of services at low

cost was established. From the findings only a few staff agreed, however most of the respondents did not agree. The findings affirmed that the University does not provide services at the lowest cost relative to its competitors. The study also sought to establish whether the University had set fees below its competitors. All the respondents indicated that fees were not set below the competitors. Strathmore University charges high fees as compared to its competitors.

The study was to establish whether the University concentrates on provision of unique programs different from those of competitors. All the respondents interviewed confirmed that the University concentrates on provision of unique programs. This was a clear indication that they had put much emphasis in providing unique programs different from those offered by the competitors. The staff interviewed noted that the unique programs were meeting customer needs. The provision of unique programs ensured that university remained competitive.

With regard to whether Strathmore University differentiated its services on customer value propositions. From the respondents interviewed all confirmed that the University differentiates its products based on customer value propositions. This was a confirmation that the University had managed to differentiate its services based on customer proposition. The research also sought to establish whether the University differentiated its services offering through skilled and qualified staff. From the findings most of the respondents interviewed confirmed that the University had recruited skilled and qualified staff, however a few respondent disagreed. The respondent who disagreed noted that the University recruited as long as the staff had meet qualifications required. This was an indication that the University had differentiated its services through skilled and qualified staff.

On the question of whether the University offers a wide range of differentiated services than its competitors. A few staff who were interviewed confirmed this was in place, however many of the interviews noted that the University was offering limited range of differentiated services. The respondents noted that the University was at its tender age and were developing new programs and this would make them competitive. This confirms that the Strathmore University offers limited number of differentiated services.

The study also sought to determine whether the Strathmore University differentiates its services by placing students after graduation. From the respondents interviewed most confirmed that Strathmore University differentiates its services by placing students after graduation, however a few noted that this is not fully effective. The University puts much efforts through placement office to ensure students are employed after graduation. On the questions of whether Strathmore University differentiates its services through ensuring high discipline among students, all the respondents confirmed this was in force. This ensured that students remained focused and were able to achieve their goals within stipulated time.

The study was also to establish whether Strathmore University focuses its efforts on a particular customer segment or a geographical area in marketing its services. From the findings, the staff pointed out that the University only focused on a few segments. The respondents noted other segments were not focused. This means the University does not fully focus its efforts on a particular customer segment or a geographical area in marketing its services.

The study also intended to establish whether Strathmore University monitors the trends and needs of the customers. The findings showed that majority of the respondents agreed, while a few had a contrary opinion that the trends and needs of customers are monitored. Those who agreed noted that the University reviews the curriculum based on the feedback. This implied that the University monitors the trends and needs of the customers through different schools.

From the responses given, the interviewees indicated that Strathmore University adopted differentiation strategy. This is offering unique programs different from those offered by competitors. The strategies adopted and implemented helped the University to remain competitive. The strategies also ensured that University provided quality services as compared to the competitors, hence becoming a preferred choice.

4.4 Effects of Competitive Strategies on Performance of Strathmore University in Kenya

The objective of the study was to determine the effects of competitive strategies on performance of Strathmore University. The respondents were expected to confirm whether the University concentrates on provision of unique programs different from those of competitors. From the responses most of the respondents confirmed the University provides unique programs different from those of the competitors. This ensured there is sustainable competitive advantage. The respondents were also expected to determine whether Strathmore University focused its efforts on a particular customer segment or a geographical area in marketing its services. From the respondents interviewed some of the respondents agreed that the University focused its effort on a particular customer segment. Cost leadership had a few agreeing that the University provided services at low cost.

The study was able to establish the number of students who graduated over a number of years from the University graduation records. The number of students who graduated were 892 in the year 2014, 790 in the year 2015 and 1,055 during the year 2016. The number of graduates raised in the year 2016. This showed that respondents believe that differentiation strategy wield a lot of impact on the performance of Strathmore University while focus strategy had partial effect on performance. From the study cost leadership had minimal effect on performance of Strathmore University in Kenya. The University had not embraced the strategy as compared to its competitors. They were not cost leaders in the industry hence not offering their services at lowest cost. This resulted to the University offering services at a higher fee.

4.5 Discussion of the Findings

The objective of the study was to establish the effects of competitive strategies on performance of Strathmore University. The findings of the study show that a firm's competitive advantage is sourced from factors that a firm has and that cannot be easily imitated by other competitors in the industry. The finding is similar to resource based theory and advocated by Hunt (2007) to the extent that resource advantage is necessary in a changing and competitive environment. An organization needs to develop appropriate strategy that will give it necessary competitiveness in the face of competition from other players. Porter (1980) pointed that for an effective business plan there is need to develop an appropriate strategy. An organization is able to find its business niche and learn about its customers by use of a competitive strategy which if effective. In the study, the competitive advantage that was investigated included cost leadership, differentiation and focus strategies.

An organizations unique resource are derived from specific properties and capabilities, which include business secrets, learning, certain specialized production facilities, reputation and know how. The specific properties and capabilities cannot always be gained via transactions or purchased. According to Barney (1986), if they could be, their useful lifetime is short and any capability acquired through purchase would be lost. Thus, distinctive organizational routine produces specific capabilities. In the study, it was also found out that the various sources of competitive advantage influenced a firm's performance.

This is similar to studies conducted by Powers and Hahn (2004) who researched if there exists any links between generic strategies adopted, competitive methods, and performance of a firm. According to the article cost leadership strategy performed better than focus and differentiation strategies. However, firms which embraced focus and differentiation they performed better than those that were stuck in the middle. According to Day and Wensley (1998) a strategy chosen based on competitive advantage leads to a firm's success. This depends upon the resources that are available to a firm.

The University focused on admitting students from top 100 schools and for given programs the targeted specific groups. The target could not fully provide the required number of students. This was a limited focus as there were other potentials students who did not appear within the targeted number. The focus was also on programs that suited working class. This was able to meet their needs and hence attracting more students. There were programs that targeted entrepreneurs and had a huge impact on their business as a result attracted more business people joining the program. The respondents noted that the University is in the process of developing more unique programs to remain competitive.

On the level which competitive strategies affected firm performance, the respondents noted the strategies had affected the University. It was noted that differentiation strategy had affected the University to a great extent. Focus strategy also affected the performance of the University to a moderate extent. Cost leadership strategy did not have impact on the performance of the University. The findings are in line with those by Pertusa-Ortega et al. (2008) which showed that most organizations adopt different strategies which are associated with higher levels of firm's performance.

4.6 Chapter Summary

The chapter presented data analysis, findings and discussions as collected from the interviewees according to the research objective. The findings were arranged in thematic areas to enable adequate response to the objective of the study. The chapter also covered competitive strategies adopted and performance.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMENDATION

5.1 Introduction

The study intended to explore the effects of competitive strategies on performance of Strathmore University. The chapter presents the summary of findings and also the conclusions drawn from the data findings. It presents the recommendations of the study. All this had been geared towards achieving the objective of the study.

5.2 Summary of Findings

According to the study Strathmore University offers unique services from those of the competitors. The differentiated services offered are based on what the customers perceive to be of value, and they also satisfy their needs. The study established that all the schools had differentiated some of their programs, which had added value to the customers and as result satisfying their needs. The study also established that the University differentiates its services based on customer value proposition.

The study further established that the university differentiates its products offering through skilled and qualified staff. The study also found that University offers moderate range of differentiated services. The University further differentiated its services by ensuring most students get employment after graduation. The University also differentiated its services through put in place high discipline. The University has in place a dress code which is followed by both staff and students.

The study found out that Strathmore University practices segmentation based on the benefits which are sought by the customers. The study also established that the University targets a given market segment for their services. The study also established that Strathmore University monitors the trends and needs of customers in order to ensure their needs are continuously fulfilled. The study established that differentiation strategy was the most effective, while focus strategy was partially effective while cost leadership had minimal impact.

5.3 Conclusions

The study concludes that Strathmore University adopted differentiation strategy. It offers services which are unique to those offered by the competitors and therefore leading to customer satisfaction. The study also established that the University had highly skilled and well qualified staff that ensured service is delivered to the as expected hence differentiated from what is offered by the competitors. The University also differentiates its services by ensuring students are placed after graduation and also ensuring high level of discipline. The adoption of differentiation strategy enabled the University to remain competitive. The programs offered were able to be easily identified by the customers hence increasing the student numbers.

The study concludes that the University practices segmentation based on the benefits sought by the customers. The study further concludes that the University services a targeted market segment. The study concludes that the University monitors the trends and the needs of customers to enable them fully meet their customer expectations. The study concludes that differentiation strategy is the most effective strategy adopted by Strathmore University. Focus strategy is also effective on performance of Strathmore University. Cost leadership strategy has not been effective.

5.4 Limitations of the Study

Due to the confidentiality of information the interviewees were unwilling to disclose all the information sought. To overcome this challenge, the researcher assured them that the research was meant for academic purpose and information gathered would be handled with a lot of confidentiality. The study was also limited to certain strategies, however there are many other strategies which institution may to adopt to ensure they remain competitive in the industry.

The study was carried out on one company and therefore the recommendations of this study may only be applicable to a different industry or company at a minimal extend. Therefore the applications of the study findings are limited to one company only. This would limit in giving a conclusion on the applicability of the study to the whole industry. The study could be carried out on a number of organizations in order to find out the findings from other organizations or firms.

5.5 Recommendations

The study established that differentiation strategy is what Strathmore University to a great extent thrives on. The University should continue enhancing the differentiation of their services since it provides highest competitive strategy. The University should also invest in coming up with more unique programs to continue differentiating themselves. The unique programs offered would attract more students and a result create a competitive advantage over it competitors.

From the study cost leadership strategy is not effective. The study recommends the University to try other ways of implementing the strategy. This would lead to the University gaining competitive advantage and be able to offer quality services at a low cost. Organizations that embrace cost leadership are able to offer the same at an affordable fee. This means the organization is able to gain competitive advantage.

5.6 Suggestions for Further Studies

The study suggests that since this is a case study, the research should be expanded to other private universities in order to make a comprehensive conclusion. The findings from other Universities would be compared and a conclusion drawn which will be relied by other researchers. The study should also be carried out on other industries to enhance comparison.

The target of the research was on the effect of competitive strategies on performance, thus it recommends that other strategies adopted could be put into considerations. Studies should also be carried to find out whether generic strategies (use of single strategies or combination of two) have unique contribution on performance of the firm. The generic strategies should be compared with hybrid strategies to find out which of the two have more impact on the performance of a firm.

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APPENDICES

APPENDIX I: INTRODUCTION LETTER



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DATE 24/10/2017

TO WHOM IT MAY CONCERN

The bearer of this letter MWIGAI NATALI NJORGE

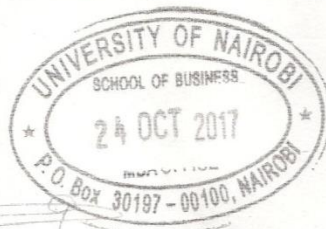
Registration No. DBI/80851/2015

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.



PATRICK NYABUTO
SENIOR ADMINISTRATIVE ASSISTANT
SCHOOL OF BUSINESS

APPENDIX II: INTERVIEW GUIDE

The interview guide seeks to collect data that will help in conducting a study on effects of competitive strategies on performance of Strathmore University. Kindly provide information honestly and frankly. Any information given will be confidential and used only for academic purposes.

Section A: General Information

1. What is your age limit?
a) 18 - 27 b) 28 – 37 c) 38 – 47 d) 48 and above
2. Which school/faculty do you work in?
3. What is your position at Strathmore University?
4. How many years have you served at the current position?

Section B: Competitive Strategies

1. Does Strathmore University focus on providing services at the lowest unit cost relative to its competitors?
2. If yes, how has the University management achieved the low cost leadership?
3. Does Strathmore University sets its prices slightly below its competitors?
4. Does Strathmore University concentrate on provision of unique programs different from those of competitors?
5. Does the University differentiates its products on customer value propositions?
6. Does the University differentiates its products offering through skilled and qualified staff?
7. Does the University offers a wide range of differentiated services than its competitors?

8. Is the University committed to place students after graduation?
9. Is the University is committed to ensure high discipline but with freedom and responsibility
10. Does Strathmore University focus its efforts on a particular customer segment or a geographical area in marketing its services?
11. Does Strathmore University monitors the trends and needs of the customers?

Section C: Effects of Competitive Strategies on performance of Strathmore University in Kenya.

1. What effect does cost leadership strategy have on performance of Strathmore University?
2. How does differentiation strategy or offering unique products affect performance of Strathmore University?
3. How is performance of Strathmore University affected by customer focus strategy?