POSITIONING STRATEGY AS A SOURCE OF COMPETITIVE ADVANTAGE TO PRIVATE UNIVERSITIES IN KENYA

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NOVEMBER, 2014

DECLARATION

This project is my original work and has not been presented to any university or institution of higher learning and that all the sources I have used or quoted have been indicated and acknowledged by means of complete references.

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This research project has been submitted with my approval as the university supervisor.

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DEDICATION

I dedicate this project to my family for their unfailing encouragement and love.

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ABSTRACT

The business environment has become extremely competitive and complex. Organizations must be flexible in order to adapt to changes, to compete effectively and thus prosper and grow.A good corporate strategy should therefore integrate an organization's goals, policies, and action sequences (tactics) into a cohesive whole, and must be based on business realities.This is because one of the challenges facing business entities is choosing and implementing a good response strategy. It therefore means that effective respond strategies are a major determinant of the organizational performance and therefore the leadership of the organization should consider it a key duty to set. The objective of the study was to determine the response strategies adopted by mobile phone companies in Kenya to changes in the telecommunication industry. The research design adopted by the study wascross sectional survey design. The population of the study consisted of all the four mobile phone companies operating in Kenya. The study used primary data which was collected using self-administered questionnaires. The data was analyzed using the Statistical Package for Social Sciences (SPSS) software and presented using tables and figures. The study established that the there are changes that have taken place in the telecommunication industry and these changes included technological, customer preference, decrease in the interconnectivity charges, changes in socio-cultural dynamics, tax regime changes, financial regulations,increased cost of network infrastructure and consumer protection laws. The companies responded to the changes through information technology, marketing, change management, leadership and culture and restructuring. The response by the companies resulted in development new products, services, processes and capabilities that give a business a strategic advantage over the competitive forces, improve productivity and reduce costs, communicating with its clients and staff, respond to competition pressures without delays, nurture key themes or dominant values that reinforce the competitive advantages, shape the culture to fit with opportunities and challenges.The study concludes that the major positioning strategies used as a competitive advantage to private universities are cost leadership and quality of service to remain competitive.

Positioning strategies that have been adopted by the private universities enables them to reduce operational cost, improve student loyalty, increase student population, increase revenue and increase student numbers.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

A strategy is a set of decisions and actions that managers make and take to achieve greater business performance compared to rivals (Parthasarthy, 2007). It therefore implies that business-level strategies are determining factors in explaining an organizations profitability and long term sustainability in the face of competitive business environment. Naturally, a business entity competes for every consumer it seeks to attract and as a result, the firm competes for consumers' attention and involvement, for their effort and time in the buying process and for their willingness to deal with the technical complexity found in many products and the corresponding need for services – and the firm competes for the funds consumers are willing to spend in acquiring a product or service. But before any of this can happen, the firm must compete for the consumers' attention and secure a recognizable comparative position in their minds in harmony with their cultural base (Nakata and Sivakumar, 1996).

The intensity of competition in an industry is not a matter of luck. Rather, competition is rooted in underlying industry economics and goes well beyond the established competitors. Not all industries have equal potential. They differ fundamentally in their ultimate profit potential as the collective strength of the forces of competition differs (Woodward, 2008). As competition intensifies, many businesses continue to seek profitable ways in which to differentiate themselves from competitors. According to Smarta (2004), the new wave of liberalization and competitive business environment has forced organizations to awaken from the slumber, overhaul their thinking and wear new caps to re-assess the external and internal environment. Organizations need to acquire new skills to develop a strategic vision for the future course of their business.

Many institutions know their business needs and the struggles required for success. However, many institutions including private universities, struggle to translate theory intoaction(HaxandMajluf, 2006). Positioning plays a pivotal role, since it links market analysis, segment analysis and competitive analysis to internal corporate analysis. The private universities in Kenya have not been left behind, and they have also adopted various strategies in dealing with challenges brought about by competition from other universities, globalization and liberalization. In the competitive higher education industry, positioning reflects how consumers perceive the product's/service's or organization's performance on specific attributes relative to that of the competitors. Thus, private universities have to either reinforce or modify customers' perception or image.

1.1.1 Positioning Strategies

Strategic positioning is a managerial process within theorganization to develop an organization level positioning strategy that aims to effectivelydistinguish the organization from other service providers (Chew, 2003). Kotler and Andreasen (2006) argued that a positioning strategy is a key componentof the strategic marketing planning processand is aligned with organizational goals/objectives, internal resource capabilities and external market opportunities. Thepositioning strategy comprises of three major inter-related components: the choice of target audience, the choice of generic positioning strategy, and the choice of positioning dimensions that the organization uses to distinguishing itself and to support its generic positioning strategy (Chew, 2003). Strategic positioning is outward-focused, more fully recognizing the competitive and market environment within which an organization operates (Hooley *et al.*, 2004).

Strategic positioning is outward-focused, more fully recognizing the competitive and market environment within which an organization operates (Hooley *et al.*, 2004). With a strong strategic position, the organization is poised for ongoing success, sustainability, and distinct competitive advantage. Organizations that are well positioned have a presence which allows them to achieve strategic goals in a seemingly effortless manner. Pashiardis (2009) claims that, defining the strategic position of the organization is the base of effective strategic planning, because, before any decision, organization needs to know about its environment to adapt to it. Experts in strategic management believe that strategic positioning is the most serious phase of strategic planning process

(Kalafatis*etal.,* 2000). It's obvious that organizations enhance their chance of developing strategies that optimize the environmental opportunities by analyzing their competitive position. Comparing rivals in the industry, let the manager to define the weaknesses and strengths of each rival versus his organization's strategies.

1.1.2 Competitive Advantage

Competitive advantage exists when a firm has a product or service that is perceived by its target market customers as better than that of its competitors. It is an advantage an organization has over competitors, gained by offering consumers greater value, either by means of lower prices or by providing greater benefits and service that justifies higher prices.Peteraf and Barney (2003), define competitive advantage as superior differentiation and/or lower costs by comparison with the marginal (breakeven) competitor in the product market. "An enterprise has a competitive advantage if it is able to create more economic value than the marginal (breakeven) competitor in its product market (Peteraf and Barney, 2003).

According to Porter (1985), competitive advantage is the ability to earn returns on investment consistently above the average for the industry. This therefore means that competitive advantage can be achieved if the firm implements a value-creating strategy that is not simultaneously being implemented by any current or potential competitors. Once established, competitive advantage is subject to erosion by competition. Insofar as they are successful, they may ultimately undermine the company's competitive advantage and surpass the company's superior profits. As (Grant 1997 & Hill *et al.*,2001) observe, the speed of imitation has a bearing upon the durability of a company's competitive advantage.

1.1.3 Private Universities in Kenya

Kenya has experienced a rapid expansion in private University education in the last two decades (Onsongo, 2010). Private higher education in Kenya can be traced to the colonial period when missionaries established schools and colleges for their converts. The higher education fraternity has undergone tremendous transformation in the recent past. Key among them is the enactment of Universities Act No. 42 of 2012 which commenced on 12th December 2012.This brought the establishment, governance and administration of universities under same legal framework. This caused repealing of Acts of Parliament for seven (7) universities which operated under individual Acts. The new law also caused 15 public university constituent colleges operating under Legal Orders to be upgraded to fully-fledged public universities, giving rise to a total of 22 public universities.

Private universities in Kenya have emerged as viable options for acquiring higher education. Such universities offer market-driven courses and compete the overcrowded public universities in providing a conducive environment for academic excellence (Oketch 2009). This is because most of them have modern infrastructure including libraries, information and communication technologies that are vital for academic excellence and research. Private universities are known for their good performance compared to public universities. This is attributed partly to good facilities and infrastructure and close policing by the Commission for Higher Education, which ensures that the institutions adhere to strict standards and regulations set by the government. The universities therefore strive to provide education commensurate with the fees they collect from students (Mutula 2012).

1.2 Problem Statement

One of the principal tasks of an organizations management is ensuring that an organization competes effectively in the marketplace and this will be achieved through development of an effective strategy.A sound business strategy is central to the success of an organization as well as creation of a superior value and it therefore becomes imperative that for an organization to be assured of its long term sustainability, its management should endeavor to come up with appropriate strategies to face the challenges present in its operating environment (Hunt and Morgan, 2009). One of the strategies that an organization can undertake is to position itself strategically in the business line that it is engaged in.

Private Universities have emerged as viable options of offering higher education this is because they offer market driven courses and provide conducive learning environments, modern infrastructures and well equipped libraries (Onsongo, 2007). Despite these many advantages accrued from the private universities, the level of education that is being witnessed in the sector has become intense both from the locally chartered universities and foreign ones. As a result of this competition, there is need for these institutions to position themselves using the available resources to create appropriate competitiveness and sustainability. It is on the basis of this that the current study will seek to establish positioning strategies as a source of competitive advantage among private universities in Kenya.

Recent studies that have been undertaken on positioning strategies as a source of competitive advantage includes Nyakondo (2010) study on the factors influencing banking industry adoption of strategic positioning on mobile banking and the findings of the study was that some banks had adopted mobile banking to a moderate extent with emphasis on the implementation of mobile banking as a method of strategic positioning as a source of revenue, image and to increase customer satisfaction.Kasyoka (2011) researched on the use of strategic positioning to achieve sustainable competitive advantage at Safaricom limited and the findings were that cutting edge technology was helping Safaricom limited in achieving a sustainable competitive advantage.Wachira (2012) undertook a study on positioning strategies adopted by the International Planned Parenthood Federation Africa regional office in Nairobi. The findings of the study was that the organization has positioning strategies in place that are well articulated in the various strategy documents such as the strategic plan and in the donor commitments and call to actions the organization commits to. Several positioning strategies were identified such as pricing and quality, attribute/benefit strategy, competitive strategy, differentiation, product user and strengthening current position strategy. The findings of the study indicate that there is no study that has been undertaken on the use of positioning strategies by the private universities in Kenya as a source of competitive advantage. This study will be guided by the question; to what extent does private universities in Kenya use positioning strategy as a source of competitive advantage?

1.3 Objectives of the Study

1. To document the positioning strategies employed by private universities in Kenya
2. To establish the relationship between the positioning strategies employed and the level of competitiveness of private universities in Kenya.

1.4 Value of the Study

The findings of the study will have important implications on the future of private universities in Kenya. It is anticipated that the findings of this study will be broadly applicable to chartered private Universities and provide valuable insights into how the universities can come up with appropriate strategies to counter the challenges being faced by the institutions. Through the findings of this study, the strategic process of the universities is expected to improve.

The study will also create a monograph which could be replicated in other sectors which are facing high competition from the public sector. Most importantly, this research is further aimed at offering some practical suggestions on the role of strategic positioning in order to gain competitive advantage. The policy makers will obtain knowledge of the higher education dynamics and the appropriate positioning strategies; they will therefore obtain guidance from this study in designing appropriate policies that will regulate the sector.

Future and present scholars may use the results of this study as a source of reference. The findings of this study can be compared with positioning strategies in other sectors to draw conclusions on various ways an institution can respond to competitive forces in the environment. It will also benefit consultants who endeavor to provide assistance to successful running of organizations in developing and sustaining a competitive edge in their environment.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter captures the major issues relating to the influence of competitive strategies employed by different firms and will cover: theories underlying the study; concept of firm positioning; criticism of Porter's generic strategies and the role of competitive positioning as a source of competitive advantage.

2.2 Theories Underlying the Study

Organizations are increasingly working towards positioning themselves strategically in the fields that they work in. This has mainly been brought about by the changing environment that they work in. The study will be guided by environmental determinism, strategic choice perspectives and the resource based theory.

2.2.1 Environmental Determinism Theory

The environmental determinism theory was fronted by (Pfeffer and Salancik,1978). This explained that organizations strategies and plans are determined by the environmental context the firm operates in. Some researchers define managerial role as inactive or symbolic where firms fail or succeed despite the strategic decisions made within their organization. (Pfeffer and Salancik,1978) review on organization theory shows that some of the central perspectives in this area such as system-structural and natural selection views are in favor of environment driven structures for the survival of organizations in opposition to primacy of internal managerial actions.

Environmental determinism argues that the environment is the primary mechanism for explaining the performance of an organization. Therefore, strategic leaders have limited effect on the performance of an organization. There are different frameworks to help examine the macro environmental influences in which firms operate. A political, economic, social, and technological (PEST) analysis is one of them. Firms do not have any influence on the macro environmental forces such as political, economical, social, and technological factors. Therefore, these factors can be viewed as either threats or opportunities. This theory will guide this study as an analysis of these factors on the country or region level would give a firm the chance to better position themselves within their environments through increased awareness and adaptation. Firms are also under their microenvironments' influence which has a closer effect on an organization's ability to make a profit. A microenvironment consists of bargaining power of suppliers, bargaining power of customers, threat of new entrants, and threat of substitute products (Porter 1996).

2.2.2 Strategic Choice Perspective Theory

Another theory that this study will be based on is strategic choice perspective postulated by (Child,1972) who stated that organizations are capable of responding to environmental threats and opportunities by adopting alternative strategic choices guided by the decisions of strategic leaders whose job is to enhance performance. The literature addresses overflowing strategy definitions and classifications showing that winning business strategies are grounded in sustainable competitive advantage through proper positioning. Direction and scope of an organization over the long term, achieves advantage for the organization through its configuration of resources within a changing environment, to meet the needs of markets and to fulfill stakeholder expectations. Porter's (1996) generic strategies that consist of cost leadership, differentiation, and focus can be identified as one of the most referenced strategy classifications.

Positioning is seen as an act of designing the company's offering or image to occupy a distinct place in the target market's mind (Kotler 2000), whereas service marketers see it as the firm's unique way of delivering value to the customers. From a strategic management perspective, positioning involves the statement of target markets and differential advantage, i.e. where and how the company will compete (Hooley and Saunders, 1993). Broadly speaking, it is possible to distinguish classical, resource-based, and competence-based strategy traditions with corresponding models for positioning services and service organizations. Johnston and Clark (2001) differentiate four service concepts based on the number of markets and the range of services provided to clients:

service focused, market focused, service and market focused, and unfocused. This study will be based on resource based theory of positioning and competence based theory of positioning.

2.2.3 Resource Based Theory

Resource-based theory emphasizes the firm’s assets - tangible or intangible – that are accumulated and developed over time. Some authors also recognize the need for positioning resources vis-à-vis competitors or markets, in order to create privileged asset positions and to identify resource gaps to be filled. Resource positioning also involves investments in network relationships that give access to external resources in the pursuit of strategic opportunities. Marketers of goods and services long have considered positioning an essential component of marketing success (Dickson and Gintcr, 1987). An effective positioning strategy distinguishes a product from competitive offerings in the mind of the customer. By positioning an offering, the firm is able to define its competitive arena and insulate itself, at least in part, from the competitive pressures of other firms. As a result, positioning should enhance financial performance (Porter, 1985). Although organizations recognize that positioning can be accomplished in many ways, customer needs should guide their direction.

The resource based theory suggests that competitive advantage and performance results are a consequence of firm-specific resources and capabilities that are costly to copy by other competitors Barney (1991). These resources and capabilities can be important factors of sustainable competitive advantage and superior firm performance if they possess certain special characteristics. They should be valuable, increasing efficiency and effectiveness, rare, imperfectly imitable and non-substitutable (Barney 1991). According to Day and Wensley (1988) positional and performance superiority is a result of the relative superiority in the skills and resources a company utilizes. The superiority of the skills and resources is the consequence of former investments made to improve the competitive position. And in order to make the positional advantage sustainable, the company must continue to invest into the sources of advantage (Day and Wensley, 1988).

2.3 Positioning Strategy

Temporal (2005) states that strategic positioning is a planned initiative that convinces or persuades people to think about why they are different or better from what the competition has to offer. Positioning differentiates the ordinary from the special in people's minds. Fahy and Hooley (2004) argues out that positioning couples the understanding of the marketplace (including customers and customer segments) with the appreciation of the product (including its competitors) and guides the development of the marketing message.That is, a particular firm's offering is competitively positioned relative to all other market offerings in the minds of prospective consumers. Positioning appears to have evolved from the market segmentation, targeting and market structures changes (Kalafatis, 2009) and today, many strategies consider positioning as an important task they have. According to Arnold, as cited by Kalafatis, (2009), positioning is a deliberate, proactive, iterative process of defining, modifying and monitoring consumer's perception of a marketable object.

Therefore, in general, the concept of positioning is a multi dimensional phenomenon based on strategic approach and the company's effort to make a positive effect on the market through the tangible characteristics it offers, as well as through positive perceptions that customers obtain about the company through immaterial resources (Hill and Jones, 2001). According to Hooley (2008), competitive positioning can be viewed as a combination of choice of target market (where the company is going to compete) and the competitive advantage (how the company is going to compete). How institutions choose their market position or their products' products position is central issue to of marketing strategy development and it drives the implementation through market – mix elements and a focus on managing customer relations (Holeey et al., 2004).

2.3.1 Cost Leadership

The cost leadership strategy focuses on gaining competitive advantage by having the lowest cost in the industry. 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, 2008). 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. For an effective cost leadership strategy, a firm must have a large market share. 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.

Firms do not have to sacrifice revenue to be the cost leader since high revenue is achieved through obtaining a large market share (Bauer and Colgan, 2001). Lower prices lead to higher demand and, therefore, to a larger market share. 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. The leader then is somewhat insulated from industry wide price reductions (Porter, 1980). The cost leadership strategy does have disadvantages. It creates little customer loyalty and if a firm lowers prices too much, it may lose revenues.According to Allen *et al.*, (2006), when a firm designs, produces and markets a product more efficiently than its competitors such a firm has implemented a cost leadership strategy. Cost reduction strategies across the activity cost chain will represent low cost leadership. Attempts to reduce costs will spread through the whole business process from product design to the final stage of selling the product. Any processes that do not contribute towards minimization of cost base should be outsourced to other organizations with the view of maintaining a low cost base (Akan *et al.*, 2006).

2.3.2 Product differentiation

Product differentiation fulfills a customer need and involves tailoring the product or service to the customer. This allows organizations to charge a premium price to capture market share and is effectively implemented when the business provides unique or superior value to the customer through product quality, features, or after-sale support (Porter, 1985). Firms following a differentiation strategy can charge a higher price for their products based on the product characteristics, the delivery system, the quality of service, or the distribution channels. The quality may be real or perceived based on fashion, brand name, or image. The differentiation strategy appeals to a sophisticated or knowledgeable consumer interested in a unique or quality product and willing to pay a higher price (Porter, 1985).

According to McCracken, (2002) the key step in devising a differentiation strategy is to determine what makes a company different from a competitor's. Factors including market sector quality of work, the size of the firm, the image, graphical reach, involvement in client organizations, product, delivery system, and the marketing approach have been suggested to differentiate a firm (McCracken, 2002). To be effective, the message of differentiation must reach the clients, as the customer's perceptions of the company are important (Berthoff, 2002)suggest bending the customer's will to match the company's mission through differentiation.When using differentiation, firms must be prepared to add a premium to the cost (Hyatt, 2001). However, since customers perceive the product or service as unique, they are loyal to the company and willing to pay the higher price for its products.

2.3.3 Pricing Strategy

The value of any pricing strategy is questionable if it is not congruent with the overall strategy of the firm. Pricing strategies, which do not reflect organizational goals, can detrimentally affect performance outcomes. Price is also one of the most flexible elements: it can be changed quickly, unlike product features and channel commitments. A firm must set a price for the first time when it develops a new product, introduces its regular product into a new distribution channel or geographical area, and enters bids on new contract work. Price is also a key element used to support a product’s quality positioning. In making a pricing strategy, a marker must follow a six-step procedure: selecting the pricing objective; determining demand; estimating costs; analyzing competitors’ costs, prices, and offers; selecting a pricing method, and selecting the final price (Kotler, 2006).

An organization may also seek to gain strategic advantage by its pricing strategy. In this situation, the management accounting function can assist by attempting to assess each competitor's cost structure and relate this to their prices. Particularly, Simmonds (2007) suggested that it may be possible to examine the cost-volume-profit relationship of competitors in order to predict their pricing responses. By monitoring movement in the market share of major products, a firm can find out the strengths of their market position; the market share also indicates the strengths of different competitors. That information may not be reflected in company's annual report, but according to Simmonds' (2007) argument, the market share details can help management accounting more strategically relevant.

2.3.4 Perceived Quality of Service Strategy

Provision of quality services should exceed customer's expectation as customers' compare the perceived service with the expected service. If the perceived service is below expectation; they lose interest with the provider while the opposite creates loyalty. According to (Parasuraman, Zeithaml and Berry,1991) five determinants of service quality by order of importance are reliability, responsiveness, (willingness to help customers and prompt service assurance), the ability to convey trust, empathy and individualized attention to customers. Studies have found that well managed service companies have the following practices; strategic concept and top management support, high standards of service delivery, service monitoring systems, satisfying customer's complaints and an emphasis on employee satisfaction.According to Kotler (2002) service companies face three tasks i.e. competitive differentiation, service quality, and productivity. Differentiation is where the service provider adds secondary service features to the primary service. Delivery differentiation is where the company hires and trains people to deliver the services or through image differentiation by symbols and branding. (Tax and Brown,1998) found that companies that encourage customers to complain achieve higher profits. Well managed service companies carry internal marketing and provide employees with support and rewards for good performance.

Berry and Parasuraman (1992) posit that in order to exceed customer expectation, companies need to present a realistic picture of their service to customers by checking the promotional messages for accuracy, performing the service right to customers by stressing to employees to provide reliable service, effectively communicating with customer to ascertain their needs by using the service delivery process as an opportunity to impress on customers and also continuously evaluating and improving their performance against customer expectations. According to Kotler (2002) there are seven approaches to increasing service productivity, these are having skilful workers through the process of recruitment and selection, increasing quantity of service by surrendering quality, industrializing the services, reducing or making absolute the service need by inventing a product solution, designing of more effective services, presenting customers with incentives to substitute own labour with company labour and also harnessing power of technology to give customers better services. Kotler (2002) also says that a service is any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product.

2.5 Competitive Positioning as a Source of Competitive Advantage

The objective of a firm developing its strategies is to attain its long term goals using a control measure to progress toward goals and make necessary adjustment. Empirical studies confirm that there is a relationship between competitive positioning and a firm's performance. McAdam and Bailie (2002) find that performance measures linked to strategy are more effective. Each strategy is found to be unique and results in different performance. Defender firms (Miles and Snow, 1978) tend to use financial measures while the prospector firms use the non-financial measures. A defender is a survivor whose main aim is to protect its current business and focus on focus on manufacturing or offering the existing services through competitive pricing. A prospector firm continuously explores and exploits new products or market opportunities to achieve high growth. Thus a firm using the differentiation strategy will tend to use financial measures of performance while the cost-leadership strategy will tend to use non-financial measures.

The importance of strategic positioning and distinctive competences as determinants of a firm's success and growth has increased tremendously in the last decade. This increase in importance is as a result of the belief that fundamental basis of above-average performance in the long run is sustainable competitive advantage (Porter, 1996). Practitioners and academicians have centered their studies on firm specific characteristics that are unique, add value to the ultimate consumer and are transferable to many different industrial settings (Coplin, 2002). This concern has lead to the development of resource-based and knowledge-based theories that examine the relationship between core resources and capabilities; sustainable competitive advantage and above normal performance. According to Barney (1991) a firm is said to have a sustainable competitive advantage when it is implementing a value creating positioning strategy not simultaneously being implemented by any current or potential competitors and when these other firms are unable to duplicate the benefits of this strategy. The strategic positioning of a firm will build competencies that other firms will not be able to imitate. According to Porter (1980) a firm can position itself in the market based on cost leadership, differentiation and market focus. This according to porter can build competitive advantage which will give the firm an edge over its competitors. This competitive edge can enable the firm to compete better and perform better that its competitors.

Strategic positioning and competitive advantage superiority is a result of the relative superiority in the skills and resources a company utilize (Day and Wensley, 2008). The superiority of the skills and resources is the consequence of former investments made to improve the competitive position. And in order to make the positional advantage sustainable, the company must continue to invest into the sources of advantage. According to Barney (1991), improved organizational performance arises when the firm's resources are valuable (the resources help the firm create valuable products and services), rare (competitors do not have access to them), inimitable (competitors cannot easily replicate them) and appropriate (the firm owns them and can exploit them at will). courses for local conditions, delivery of lectures, easy access, partnerships with corporations, customized curriculum, flexible delivery, and use of technology, job opportunity after graduation, college facilities, the courses offered, the competitiveness of fees and the availability of scholarships (Javalgi and Moberg, 2007).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the methodology that was used to carry out the study. In this chapter, the researcher presents the research design and population size. The chapter also illustrates how this data was analyzed giving details of any models or programmes that were used in analysis with reasons as to why these particular models or programmes were applied.

3.2 Research Design

The research problem was studied through a descriptive cross sectional design. The data was cross sectional in nature since it covered a cross section of the private universities in Kenya. A cross sectional design is appropriate in this case since the study was conducted at the same time across all the institutions in the study and also since a causal study was undertaken in a non-contrived setting with no researcher interference. This was important to enable comparison regarding strategic positioning and the resultant competitiveness from the study. This design has been applied successfully before in similar studies by Kald (2003) and Kosmidou et al (2005). Angus and Katona (1980) also indicated that a descriptive design was appropriate where one is testing a hypothesis or describing a situation as it is to find answers to some questions.

The research design was also appropriate because it enabled the collection of a broad category of data from private universities and therefore reduced the risk of bias. This data assisted in describing the pattern of positioning strategies in these organizations and also relate their positioning strategies to competitiveness. According to Angus and Katona (1980), it is this capacity for wide application and broad coverage which gives the survey technique its great usefulness.

3.3 Population of Study

The target population of this study was all the 16chartered private universities in Kenya as at 31st December, 2013 (CHE, 2013) (Appendix II). The reason as to why this sector was chosen was due to the level of competition in the educational sector in Kenya such that from only 6 public universities in early 2000, the level of total universities has increased to over 45 presently. This has necessitated the universities to come up with appropriate positioning strategies that enhanced their competitiveness. Since the numbers of chartered public universities are limited, the research was a survey.

3.5 Data Collection

The study used both primary and secondary data. Primary data was both qualitative and quantitative and was collected using semi-structured questionnaire (Appendix I). The questionnaire was the chief data collection instrument and distributed to the top management as well as to the middle level managers. The target respondents in the top management cadre were the marketing managers or holder of equivalent position in the institution. The target respondents in the middle level cadre were the heads of human resource, marketing or finance departments. These respondents were purposefully selected since they were deemed to be more versed on the strategic positioning strategies employed by their institutions and the effects that such a strategy has had on their competitiveness. Secondary data was collected for the study purpose from newsletters or periodicals from the institutions as well as regulators.

3.6 Data Analysis

The data obtained through the questionnaires were first checked for completeness. The questionnaires found correctly filled and fit for analysis were coded and all the data entered into statistical package for social sciences and analyzed based on descriptive statistics. The descriptive statistics that were used include mean scores, percentages and ratios. Percentages were used to analyze the positioning strategies that were employed. Mean scores were used to determine the magnitude of competitiveness achieved from strategic positioning. These were then presented using tables, pie charts and bar graphs for easier interpretation.

A number of tools were used to test the inferential characteristics of the data. ANOVA test was used to establish to test the uniformity or homogeneity of the data. The relationship between strategic positioning and performance was tested using Pearson's correlation analysis technique. The Pearson correlation coefficients were derived for all the variables to deduce whether strategic positioning has an effect on performance. A multiple linear regression model was done to establish the effect of the three independent variables (Cost leadership, differentiation and market focus strategy) on university competitiveness.

The regression model was of the form;

$$Y = B_0 + B_1X_1 + B_2X_2 + B_3X_3 + \varepsilon$$

Where Y = Institutions Competitiveness.

X_1 = Cost leadership positioning

X_2 = Differentiation positioning strategy

X_3 = Market focus positioning strategy

B_i = Regression parameters

ε = Residual error

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The research objective was to determine the positioning strategy as a source of competitive advantage to private universities in Kenya. This chapter presents the analysis, findings and discussion. The findings are presented in percentages and frequency distributions, mean and standard deviations.

4.2 Response Rate

A total of 16 questionnaires were issued out and only 13 were returned. This represented a response rate of 81%. This response rate was adequate for data analysis and conforms to Mugenda and Mugenda (2003) stipulation that a response rate of 70% and over was adequate.

4.3 Demographic Profile

The demographic information considered in the study was respondents' length of service with the university and the duration of university existence.

4.3.1 Length of continuous service

The respondents were requested to indicate the length of service with the university. This was important to the study in order to determine the respondents' knowledge of the university functions and the strategies adopted. The results are presented in figure 4.1.

Figure 4.1: Length of continuous service

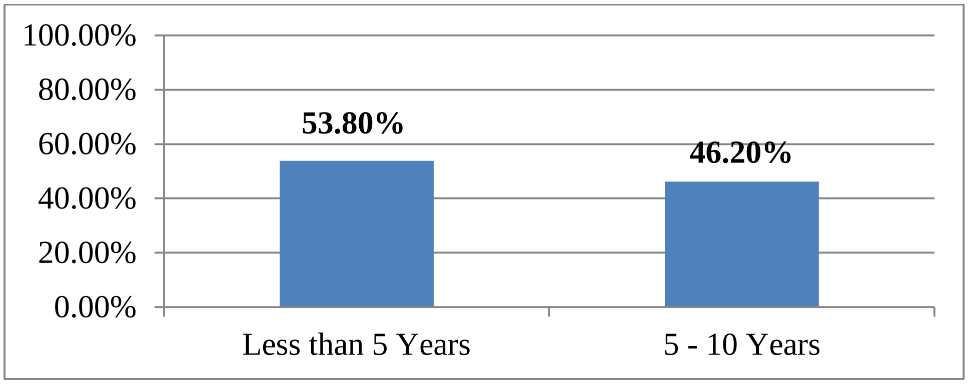

Figure 4.1 shows the results on the respondents' length of service with the university. The findings show that 53.8% of the respondents have worked with the university for a period of less than 5 years, 46.2% of the respondents indicated that they have worked in the university for a period of 5 to 10 years. The results indicate that the respondents have knowledge of the university operations in terms of the strategic direction the university is pursuing.

4.3.2 Duration of university operation

The respondents were requested to indicate the duration of university existence. This was important for the study in order to determine the influence that the duration would have on the university competitive advantage.

Table 4.1: Duration of university operation

Years	Frequency	Percent	Cumulative percent
Less than 5	2	15.4	15.4
10 – 20	9	69.2	81.6
20 – 30	2	15.4	100.0
Total	13	100.0	

Table 4.1 shows the results on the private universities duration of operation. The findings show that 69.2% of the respondents have worked in the university for a period of 10 to 20

years, 15.4% of the respondents indicated that they worked in the university for less than 5 years while another 15.4% of the respondents indicated that they have worked in the university for less than 5 years. The results indicate that the respondents have worked in the university for more than 5 years and therefore they have full knowledge of the university operations in terms of the strategic direction and its influence on competitive advantage. All the respondents indicated that their university pursues positioning strategy and this will enable the university to compete effectively with other universities as the competition for higher education has reached its peak.

4.4 Strategic Positioning in the Private University

Strategic positioning is outward-focused, more fully recognizing the competitive and market environment within which an organization operates. With a strong strategic position, the organization is poised for ongoing success, sustainability, and distinct competitive advantage.Organizations that are well positioned have a presence which allows them to achieve strategic goals in a seemingly effortless manner. Respondents were asked to indicate the effect of strategic positioning on organizational performance on a scale of 1 to 5 with 1- being strongly disagree and 5- being strongly agree.

4.4.1 Strategic Positioning Strategy

The respondents were requested to indicate the strategic positioning strategy they adopt. This was important for the study since universities pursue different strategies in order to be competitive. The results are presented in Table 4.2

Table 4.2: Strategic Positioning Strategy

Strategy	Frequency	Percent	Cumulative percent
Cost leadership	2	15.4	15.4
Differentiation	3	23.1	38.5
Market focus	6	46.2	84.6
Quality of service	2	15.4	100.0
Total	13	100.0	

The findings in table 4.2 indicate the extent to which the private universities pursue different strategies. The most (46.2%) pursued strategy was indicated to be market focus strategy, 23.1% of the respondents indicated that the private universities pursue differentiation strategy, 15.4% of the respondents indicated that the private universities pursue cost leadership strategy while another 15.4% of the private universities pursue quality of service strategy. The results indicate that the positioning strategies pursued by the private universities differ and this could be attributed to the strategy which enables the university to achieve competitive advantage. The results are consistent with the findings of McAdam and Bailie (2002) that performance measures linked to strategy are more effective. Each strategy is found to be unique and results in different performance.

4.4.2 Low Cost Strategy

The respondents were requested to indicate the extent to which the private universities use low cost strategy in order to achieve competitive advantage. The ratings are presented in Table 4.3.

Table 4.3: Low Cost Strategy

Low cost strategy	Mean	Std. Deviation
The university offer low cost programs in comparison to competitors which has led to an improvement in our market share	3.6154	1.0439
The university specialize in serving the needs of low income student population segment that has resulted in the increase in our level of income from this customer segment	3.5385	.8770
The university major focus is offering affordable and competitive programs in all regions in the country	4.1538	1.0681
The university target to have a large student population base through development of a diversified program so as to realize a low fee and operational cost per student	3.9231	.8623
The university aims at attaining capacity utilization of resources by expanding at a rate that is in sync with the growth in student enrolment	4.5385	.7762

The results on the use of low cost strategy by the private universities were that the universities utilize resources to expand with the growth in student enrolment (mean 4.5385), focus is offering affordable and competitive programs in all regions in the country (mean 4.1538) and development of a diversified program so as to realize a low fee and operational cost per student (mean 3.9231). The respondents further noted that the universities offer low cost programs in comparison to competitors which have led to an improvement in our market share (mean 3.6154) and that the universities specialize in serving the needs of low income student population segment that has resulted in the increase in level of income from this segment (mean 3.5385). The results indicate that the universities were using the strategy in order to achieve competitive advantage. Akan *et al.*, (2006) noted that low costs will permit a firm to sell relatively standardized products that offer features acceptable to many customers at the lowest competitive price and such low prices will gain competitive advantage and increase market share.

4.4.3Differentiation Strategy

The respondents were asked to indicate the extent to which differentiation strategy was used by the private universities. The extent to which the universities differentiate themselves would enable the universities to come up with courses and programs that are different from other private universities and this will enable them achieve competitive advantage over others. The results are presented in Table 4.4.

Table 4.4: Differentiation Strategy

Differentiation strategy	Mean	Std. Deviation
The university specialize in serving the needs of particular student segments (e.g. religious background, income level) or in particular geographical segments	2.2308	1.0919
The university specialize in providing particular types of courses which are market oriented and popular with both local and international employers	3.9231	.8623
The university is different based on the quality of services it offers	4.2308	1.1657
The university brand image is well entrenched regionally and this has attracted students from the international market	3.3846	1.1929
The university engagement in social responsibility activities has enabled it to be popular in the country	3.6154	.8697
The university has budgeted and utilizes greater advertising funds from one year to another than competitor	3.8462	1.2142

The results indicate that respondents agreed that the universities are different based on the quality of services it offers with a mean of 4.2308. The respondents further agreed that the universities specialize in providing particular types of courses which are market oriented and popular with both local and international employers and that the universities have budgeted and utilized greater advertising funds from one year to another than competitor with a mean of 3.9231 and 3.8462 respectively. The respondents further agreed that the universities engagement in social responsibility activities has enabled them to be popular in the country (mean 3.6154). The respondents also were not sure on the on influence of universities brand image being entrenched regionally and this has attracted students from the international market with a moderate score of 3.3846. The respondents disagreed that the universities specializes in serving the needs of particular student segments (e.g religious background, income level) or in particular geographical segments with a mean of 2.2308.

From the analysis, it can be concluded that differentiation strategy was being used by the private universities in order to achieve competitive advantage over other universities.

McCracken (2002) noted that the key step in devising a differentiation strategy is to determine what makes a company different from a competitor's. To be effective, the message of differentiation must reach the clients, as the customer's perceptions of the company are important suggest bending the customer's will to match the company's mission through differentiation.

4.4.4 Market Focus Strategy

The respondents were asked to indicate the influence of market focus strategy on the achievement of competitive advantage by the private universities. This strategy is built around serving a particular target very well and once the segment is identified, then the firm may pursue either cost or differentiation strategies. Table 4.5 shows the results.

Table 4.5: Market Focus Strategy

Market Focus Strategy	Mean	Std. Deviation
The university tailors its programs to specific students whose needs vary based on their employment desires and regions in the country	3.6615	1.0500
The university programs are specifically tailored to serving a specific segment of humanity irrespective of the student enrollment	2.6923	.8548
The university prides itself to offer high quality programs even though at the expense of being costly	3.9231	1.0377

The results indicate that the respondents were in agreement that the private universities pride themselves to offer high quality programs even though at the expense of being costly and tailors its programs to specific students whose needs vary based on their employment desires and regions in the country with a mean of 3.9231 and 3.6615 respectively. The respondents were not sure on whether the private universities programs are specifically tailored to serving a specific segment of humanity irrespective of the student enrollment with a moderate mean of 2.6923. The findings are consistent with

David (2000) findings that 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.

4.4.5 Positioning strategy and Competitive Advantage

The respondents were requested to indicate the influence of positioning strategy on competitive advantage. This was important for the study in order to determine whether the strategies that have been adopted by the private universities have an influence on competitive advantage. The results are presented in Table 4.6.

Table 4.6: Positioning strategy and Competitive Advantage

Positioning strategy and Competitive Advantage	Mean	Std. Deviation
Operational cost reduction	4.3308	.8320
Increase in revenue	3.8462	.8987
Increase in student population	4.1538	.8987
Improved student loyalty	4.2364	.5547
Increased student numbers	3.6923	.6304
Increased surplus of revenue over expenses	3.1538	1.5730

The study established that the adoption of positioning strategy by the private universities enabled the universities to reduce operational cost (mean 4.3308), improved student loyalty (mean 4.2364), increase in student population (mean 4.1538), increase in revenue (mean 3.8462) and increase in student numbers. The respondents were moderate that positioning strategy results in increased surplus of revenue over expenses (mean 3.1538). The findings indicate that the private universities competitive advantage was affected by the positioning strategies they pursue and a firm is said to have a sustainable competitive advantage when it is implementing a value creating positioning strategy not simultaneously being implemented by any current or potential competitors and when these other firms are unable to duplicate the benefits of this strategy.

4.5 Regression Model Analysis

The determinants of universities competitiveness from the strategies it adopts were investigated from the results of three major strategies. From Table 4.7 below, the established multiple linear regression equation becomes:

$Y = 3.837 + 1.02_{X1} + 0.039_{X2} + 0.24_{X3}$

This are represented by

Y = University competitive advantage

X_1 = Cost leadership Strategy

X_2 = Differentiation Strategy

X_3 = Market Focus strategy

Table 4.7: Results of General Least Square

Model		Un-standardized Coefficients		Standardized Coefficients	T
		B	Std. Error	Beta	
	(Constant)	3.887	.218		1.236
	X_1	1.02	.026	-.349	1.049
	X_2	0.039	.012	-.585	0.266
	X_3	0.24	. 5	-.017	.061

Source: Researchers' computation

The coefficient of intercept C has a value (3.887) and is significant with a p-value of 1.236 at the 95% significance level. The Cost leadership strategy coefficient has a positive coefficient of 1.02 and is also significant at the 5% level of significance with a p-value of 1.049. Indeed the coefficient of all the independent variables are positive at ά. = 5%, and implies that the increase in the independent variables results in an increase in the university's' degree of competitive advantage. However, the least significant independent variable that is found to lead to lower competitiveness is the differentiation strategy with a coefficient of 0.039 and a p-value of 0.266. In addition, from the coefficients, it can be deduced that the most critical factor which affects the university competitiveness is the cost leadership in its programs.

4.6 Discussion

The study found out that the private universities adopt different positioning strategies which are market focus strategy, differentiation strategy, cost leadership strategy quality of service strategy. The results indicate that the positioning strategies pursued by the private universities differ and this could be attributed to the strategy which enables the university to achieve competitive advantage. The results are consistent with the findings of McAdam and Bailie (2002) that performance measures linked to strategy are more effective. Each strategy is found to be unique and results in different performance. The superiority of the skills and resources is the consequence of former investments made to improve the competitive position.

Costing strategy involves the firm winning market share by appealing to cost-conscious or price-sensitive customers. This was achieved by the universities through utilization of resources to expand student growth enrolment, offering affordable and competitive programs in all regions in the country, development of a diversified program so as to realize a low fee and operational cost per student, offering low cost programs in order to increase market share and specializing in serving the needs of low income student population segment that has resulted in the increase in level of income from this segment. Akan *et al.*, (2006) noted that low costs will permit a firm to sell relatively standardized products that offer features acceptable to many customers at the lowest competitive price and such low prices will gain competitive advantage and increase market share.Services are largely intangible offerings and they are normally experienced simultaneously with the occurrence of production and consumption. The differential strategy was found to have been used by the universities to achieve competitive advantage. These was achieved through offering different quality of services, providing particular type of courses which are market oriented, utilizing greater advertising and engaging in social responsibility activities. McCracken (2002) noted that the key step in devising a differentiation strategy is to determine what makes a company different from a competitor's. To be effective, the message of differentiation must reach the clients, as the customer's perceptions of the company are important suggest bending the customer's will to match the company's mission through differentiation.porter (1985) noted that differential advantage is created when a firms products or services differ from its competitors and are seen as better than a competitors products by customers. All these strategies come along with the concept of creating efficiency within an industry

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. The results established that private universities focus on a specific market by offering high quality programs even though at the expense of being costly and tailoring its programs to specific students whose needs vary based on their employment desires and regions in the country. The findings are consistent with David (2000) findings that 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.

Positioning strategies that have been adopted by the private universities enables them to reduce operational cost, improve student loyalty, increase student population, increase revenue and increase student numbers. Although the underlying concepts of market positioning are similar in consumer and business strategy and that differential approaches are needed during implementation, private universities provides a combination of features perceived to be desirable by the target market. The findings are consistent with Day and Wensley (2008) findings that positional and performance superiority is a result of the relative superiority in the skills and resources a company utilizes. The superiority of the skills and resources is the consequence of former investments made to improve the competitive position.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The objective was to establish the influence of positioning strategy on private universities competitive advantage. This chapter presents the summary, conclusion, recommendations of the study and suggestion for further research.

5.2 Summary of Findings

The study showed that majority of the respondents have worked in the companies for a longer duration and therefore they understand influence of positioning strategies on the universities competitive advantage. The study found out that majority of the private universities have been in operation for more than five years and therefore they have information on the strategies that need to be used in order to improve their competitive advantage. The respondents noted that positioning strategies pursued by the private universities were market focus strategy, differentiation strategy, cost leadership strategy and quality of service strategy. The superiority of the skills and resources is the consequence of former investments made to improve the competitive position.

The study established that low cost strategy was achieved by the private universities through utilization of resources to expand student enrolment, offering affordable and competitive programs, development of a diversified program and offering low cost programs and specializing in serving the needs of low income student. The major functions of marketing strategies are the proper positioning of the organization in order to create the best competitive advantage. The study revealed that product differentiation involves differentiating quality of services offered, specializing in providing particular types of courses which are market oriented, utilizing greater advertising, engaging in social responsibility which has enabled the universities to be popular in the country. To be effective, the message of differentiation must reach the clients, as the customer's perceptions of the company are important suggest bending the customer's will to match the company's mission through differentiation.

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.Focus strategy entails the private universities targeting a specific segment of the market. The universities pride themselves to offer high quality programs even though at the expense of being costly and tailoring its programs to specific students whose needs vary based on their employment desires. By optimizing its strategy for the target segments, the focuser seeks to achieve a competitive advantage in its target segments even though it does not possess a competitive advantage overall.Positioning strategies that have been adopted by the private universities enables them to reduce operational cost, improve student loyalty, increase student population, increase revenue and increase student numbers. The universities positioning strategies are its response to the situation in the competitive environment. These are important, as with the implementation of the right positioning strategies, the universities can sustain its positive growth and high rates of return- the two most important value drivers.

5.3 Conclusions

The study concludes that the major dimensions of positioning strategies in the private universities in Kenya are cost leadership, differentiation, market focus and quality of service.Of these factors market focus and differentiation are the key dimensions of competition that affect the formulation of positioning strategy as a source of competitive advantage to private universities in Kenya. To a smaller extent, cost leadership and quality of service are dimensions contributing to strategy formulation.

The study concludes that the major positioning strategies used as a competitive advantage to private universities are cost leadership and quality of service to remain competitive.
Positioning strategies that have been adopted by the private universities enables them to reduce operational cost, improve student loyalty, increase student population, increase revenue and increase student numbers.

5.4 Recommendations

The private universities has created unique position in the market through the offering of courses to students, it is therefore recommended that they continue investing in coming up with unique courses so that they can differentiate themselves. The private universities should ensure that before pricing its courses, they should study what the market charges so that they set at a price which is acceptable to the current and potential students and if possible reduce the fee a bit in order to absorb more students who need higher education but they cannot acquire the same from the public universities which admit few students despite a high number of students finishing their secondary education.

The study found out that the private universities uses costing and focus strategy in order to improve their competitive advantage and it is recommended that the universities should adopt online registration of students and learning in order to enable students who would like to pursue higher education and are not able to attend classes to do so wherever they are while at the same time reducing costs associated. The study further recommends that the private universities need to use organizational competence to build course reputation and also forge for new avenues to generate income for the university in order to reduce its costs.

The findings demonstrate the importance of having positioning strategies in an organization. In order to enhance positioning effectiveness, it is recommended that private universities should have a clear understanding of the benefits being sought by the students and the relative performance of the competitive courses. The universities also need to understand the attributes of their courses, which are determinant towards the success of the courses in the markets. The findings of the study have provided considerable empirical support to the claim that strategic positioning was relevant in private universities.

5.5 Suggestion for further research

The study confined itself to private universities operating in Kenya. It is therefore recommended that the study is replicated among all the universities operating in Kenya or the public universities in order to establish the extent to which the universities use positioning strategies in order to achieve competitive advantage.

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APPENDIX I

QUESTIONNAIRE

Please give answers in the spaces provided and tick (√) in the box that matches your response to the questions where applicable.

PART A: Demographic and Respondents Profile

1. Name of the university ……………………………………………
2. What is your job title …………………………………………

3. Length of continuous service with the university?

   a) Less than five years ( )

   b) 5-10 years ( )

   c) Over 10 years ( )

4. For how long has your institution been in operation in Kenya?

   a) Under 5 years ( ) b) 6 – 10 years ( )

   c) 10 – 20 years ( ) d) 20 – 30 years ( )

   e) Over 30 years ( )

5. Does your institution practice Positioning as one of the strategies?

   Yes [ ] No [ ]

6. If your answer in 5 (above) is No, Please explain…………………………………

………………………………………………………………………………………
……………………………………………………………………………………….

SECTION B: STRATEGIC POSITIONING IN THE UNIVERSITY

7. Which strategic positioning strategy do you employ? (You can tick more than 1 if it applies)

Cost leadership [ ]

Differentiation [ ]

Market Focus [ ]

Quality of Service [ ]

No positioning strategy [ ]

8) Please tick appropriately the extent to which your institution has been practicing the following strategic positioning practices and effects it has had on the firm's performance (use the scale below to tick the most appropriate response).

5) Strongly agree; 4) Agree; 3) Moderate extent; 2) Disagree; 1) strongly disagree

	Low Cost Strategy	**5**	**4**	**3**	**2**	**1**
1	We seek to offer low cost programs in comparison to competitors which has led to an improvement in our market share					
2	We specialize in serving the needs of low income student population segment that has resulted in the increase in our level of income from this customer segment					
3	Our major focus is offering affordable and competitive programs in all regions in the country					
4	We target to have a large student population base through development of a diversified program so as to realize a low fee and operational cost per student.					

5	The university aims at attaining capacity utilization of resources by expanding at a rate that is in sync with the growth in student enrolment					
	Differentiation Strategic Positioning					
1	We specialize in serving the needs of particular student segments (e.g religious background, income level) or in particular geographical segments					
2	We specialize in providing particular types of courses which are market oriented and popular with both local and international employers					
3	The university is different based on the quality of services it offers					
4	The university brand image is well entrenched regionally and this has attracted students from the international market					
5	The university engagement in social responsibility activities has enabled it to be popular in the country					
6	The university has budgeted and utilizes greater advertising funds from one year to another than competitor					
	Market Focus Strategic Positioning					
1	The university tailors its programs to specific students whose needs vary based on their employment desires and regions in the country					
2	The university programs are specifically tailored to serving a specific segment of humanity irrespective of the student enrollment					
3	The university prides itself to offer high quality programs even though at the expense of being costly.					

9. The statements below describe the effects of positioning strategy on the university performance Please indicate the extent to which the following performance measures have been influenced by the adoption of the positioning strategy:

Key:

5) Very great extent ( ) 4) Great extent ( ) 3) Moderate extent ( )
1) Low extent ( ) 1) Very low extent ( )

		5	4	3	2	1
1	Operational cost reduction					
2	Increase in revenue					
3	Increase in student population					
4	Improved student loyalty					
5	Increased student numbers					
6	Increased surplus of revenue over expenses					

Thanks for your contribution in the survey

APPENDIX II

1. African Nazarene University (ANU),
2. Catholic University of Eastern Africa
3. Daystar University,
4. Kabarak University
5. Kenya Methodist University (KEMU),
6. KCA University
7. Kiriri Women's University of Science and Technology
8. Mount Kenya University
9. Pan African Christian University
10. Presbyterian University of East Africa
11. Riara University
12. Scott Theological College,
13. St. Paul's University –Limuru;
14. Strathmore University
15. United States International University (USIU),
16. University of Eastern Africa- Baraton

Source: (Commission for Higher Education, 2013)