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MANAGEMENT

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PROJECT TITLE:

An investigation into the Marketing mix strategies adopted by Nairobi's Middle -  
level colleges in an attempt to remain relevant in the competitive tertiary  
Education Sector.

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A Research project submitted in partial fulfillment of the Post Graduate Diploma  
(Project Planning and Management) award of the University of Nairobi.


December 2009.

## DECLARATION

This Research Project is my original work and has not been submitted for an award in any university.

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## DEDICATION

I would like to dedicate this paper to my parents, friends and the Project Planning class of 2006 for their support and prayers during the period I went through this Post Graduate Programme at the University of Nairobi.

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Foremost, I would appreciate God our heavenly father the giver and custodian of life and with whom all things are possible. I specifically acknowledge the guidance and contribution of my supervisor Dr. Joyce Mbvesa through the process of developing this paper from its initial ineligible stage to the finish. I would also like to appreciate my parents for their constant prayers and financial support during my studies. Many thanks to the post graduate class for their moral support during the course. I am particularly indebted to Shadrack Owando and Moraa Gichana among others for their invaluable contributions made in the course of the many academic group discussions held at the University of Nairobi.

While I appreciate all other inputs that have assisted in producing this research project, any errors (s) that may arise therein solely remain mine.

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## ABSTRACT

This research study sought to determine the marketing mix strategies adopted by Nairobi's middle level colleges in an attempt to remain relevant in the competitive tertiary education sector.

The objectives of the study were; to establish the intensity of the competition among middle-level colleges in Nairobi, establish the various marketing mix strategies adopted by middle-level colleges to remain competitive, determine which marketing mix factor is the most influential in determining the college students prefer to join and identify the challenges that middle level colleges face when implementing their marketing mix strategies.

The study used quantitative analysis research design method to clarify the relationship between variables. Random sampling method was used to identify the population to be studied.

Data for this study was collected using questionnaires that contained both open and close ended questions. Parameters such as the mean and the mode were used to analyze the data.

The findings of the study showed that the 'intensity of competition among middle-level colleges in Nairobi is high because of too many players in the industry, high bargaining power of students, low entry barriers and availability of substitute products/services.

The study also revealed that the pre-dominant marketing mix used by middle-level colleges to attract students was a combination of product and promotion.

It also established that the most influential marketing mix strategy that determined student's choice of college was the product and its quality i.e. the courses offered and how well they were taught.

Lastly, the study established that the major challenge facing middle-level colleges is the rapidly changing student's preferences. Students kept on changing the courses they preferred from time to time.

## CHAPTER ONE

### INTRODUCTION

#### 1.0 BACKGROUND TO THE STUDY

Education in Kenya has been based on an 8-4-4 system since the late 1980s, with eight years of primary education followed by four years of secondary school and four years of college or university. In addition to this there is a large private school sector, which caters for the middle to upper classes and generally follows the British O-level and A-level system after primary school. Out of all children in Kenya about 85 percent of children attend primary school, 24 percent of children attend secondary school, and 2 percent attend higher institutions.

The growth of Kenya's education sector has exceeded expectations. After the first university was established in 1970, five others have been created. The demand for higher education has resulted in the formation of many private universities.

The facilities in some public universities are so small that when incoming freshman arrive most of the upper classmen have to be sent home for a while to make room. Universities, like primary schools, lack the funds that are needed. There are not nearly enough computers, and labs are small and unequipped. Some students will pay a little more to go to private universities because they do not want to get involved with the competition for admission. Also, private universities have better facilities and computer labs.

Middle level colleges are two or three year colleges that offer certificate, Diploma and Higher National Diploma qualifications. These colleges offer Technical hands-on skills in various fields such as Engineering, Medical Sciences, education, computer Science etc. They include Teacher Training colleges (TTCs), Kenya Medical Training colleges (KMTC), Kenya Polytechnic, Mombasa Polytechnic, Eldoret polytechnic, Kenya institute of mass communication and many others. All these institutions are set up by various acts of parliament...

A typical middle level college offers courses such as diploma in business administration, human resources management, sales and marketing, public relations, banking, certificate in store keeping etc

According to Education statistics at the central Bureau Statistics, over 53,000 candidates who sat for the Kenya Certificate of Secondary Education (K.C.S.E) in the year 2006 and qualified to join public universities will be locked out due to insufficient number of places at our public universities. Previous results indicate that 63,104 of the year 2006 candidates attained C plus and above and compared to 63,030 in 2005. However 1165 students scored straight A's in 2006 compared to 611 the year 2005. Over 12,814 candidates scored B+ and above in 2006 exams. This meant that universities had to strain their resources/facilities in order to accommodate more candidates.

While acknowledging that many bright and qualified students were dropping out of school due to the fierce competition for vacancies in the public universities, the government intends to expand and equip technical institutes and provide conducive environment for establishment of tertiary colleges to accommodate form four leavers who do not make it to public universities.

### **1.0.2 Marketing strategies used by colleges in the past**

According to Wilcox and Petch, (2005), Colleges offered quality education as a way of attracting and retaining students. This led directly to Quality Assurance Agency benchmarking initiatives, and the resulting quality assurance regime became a significant driver towards the development and implementation of approaches to benchmarking.

Offering library services to students online gave colleges a competitive edge over others. The students (customers) were able to read the contents of books online without necessary going to the library physically. They were also able to locate the books available in the library with ease. Williams (2000) acknowledged that a relationship between students and the librarian takes time to build. Developing a

relationship of trust with academics was a long-term prospect (Glynn and Wu (2003) and was an essential component in the formation of successful communities of practice, whether physical or virtual (Broady-Preston, 2005b). The students needed help at the initial stages on how to use a library system. Therefore, for the strategy to be successful a good relationship between librarians and the students was required.

### **1.0.3 Challenges faced by middle level colleges as they implemented their marketing strategies**

One problem that colleges faced as they implemented their marketing mix strategies concerned marketing orientation. The traditional view of marketing orientation was that the key to achieving organizational goals lies in determining the needs and wants of (customers).

According to Gibbs, (2002), one of the biggest risks associated with colleges, and a factor that inhibits appropriate resource commitments, is the difficulty in estimating demand for the business courses. There are a number of unknown issues that includes; change in government legislation with regard to tertiary institutions and student response to the new offerings. In addition, at institutional and regional levels, it was as important to cultivate demand as to predict demand. For instance, marketing communications for new products delivered into new markets needed special resources and attention. Marketing communication was concerned with building awareness and presence, and leading potential customers i.e. students through the decision making process. It involved convincing them why they should trust their futures to an educational experience and qualification that was not "tried and tested". A key element of marketing communication was branding. Branding was used to signal values such as quality, opportunity, relevance, and needs to communicate with potential and existing customers. Staffing was an important aspect in an

organization particularly to colleges. The delivery of the education in colleges sometimes became a challenge. The challenge varied in intensity and impact depending amongst other things on the extent of the higher education provision. Extent related to both the number of students, and the number of programmers (Harwood, and Harwood, 2004).

## 1.1 PROBLEM DEFINITION

Most colleges in Kenya were established to tap the large number of students being locked out of public universities because of low grades attained at high school, inadequate vacancies in public universities and high cost of tuition in private universities. Colleges therefore tend to fill the gap left by public and private universities. Many Kenyan commercial colleges strive to offer quality education, library services and tend to be more customers oriented than universities. However, commercial colleges are experiencing difficulties in estimating the demand for business courses and employing the right personnel to deliver the service to students.

Despite charging lesser fees, commercial colleges still have fewer students compared to universities. They also face stiff competition, since there are many colleges offering similar courses. Some of them have succumbed to this competition and closed down. However, there are some that have managed to counter this competition by adopting marketing strategies that have enabled them to remain relevant in this competitive market. This paper seeks to investigate the marketing mix strategies adopted by these colleges.

## 1.2 RESEARCH OBJECTIVES

1. To establish the intensity of competition among commercial Colleges in Nairobi.
2. To establish the predominant marketing mix strategies (7Ps) applied by commercial Colleges to remain competitive.
3. To determine which marketing mix factor(s) is the most influential in determining College preferred by students.
4. To identify the challenges faced by commercial Colleges as they roll out their marketing mix strategies.

## 1.3 RESEARCH QUESTIONS

1. What is the intensity of competition among commercial Colleges in Nairobi?
2. What are the predominant marketing mix strategies (7Ps) applied by commercial Colleges in order to remain competitive?
3. Which marketing mix strategies or factor(s) is the most influential in determining the college students decide to join?
4. What challenges (if any) do commercial colleges face in rolling out their competitive marketing mix strategies?

#### **1.4 JUSTIFICATION OF THE STUDY**

The study sought to provide information on the marketing mix strategies that can be adopted by Kenyan commercial colleges for them to remain more competitive in the market. Therefore the study aims to benefit;

First, researchers since they will be able to know what information is available regarding a particular discipline and thus improve on it or fill the gap.

Secondly, this study will provide commercial colleges with information on the marketing strategies to adopt to gain a competitive edge in the market and lastly it will enable students make a wise decision on which colleges to join hence enabling them access quality education at affordable rates.

#### **1.5 LIMITATIONS OF THE STUDY**

The time within which the researcher was supposed to conduct the study was inadequate especially in the data collection stage. This is because most colleges preferred questionnaires to be left behind and be collected at a later date. However, each time, they were to be collected they were either not ready or the management had kept them. Various reasons were given and this meant that frequent callbacks had to be done by the researcher.

Some colleges were unwilling to allow research to be carried out in their institutions for the following reasons; they claimed it would interfere with their operations, claims that the university was a competitor in the same field.

In some colleges the researcher was required to seek permission from top management to carry out the research, on many occasions the top managers were unavailable leading to waste of time.



## CHAPTER TWO

### LITERATURE REVIEW

#### 2.0 INTRODUCTION

This chapter describes the concept of marketing mix and competition. It's divided into three sections; theoretical literature review, the empirical literature review and a section explaining the gap this study intends to fill. It ends with a conclusion.

#### 2.1 THEORETICAL LITERATURE REVIEW

##### 2.1.1 Definition of competition

According to Kibera et al, (1996) a business can either compete as generic or an enterprise. Enterprise competition refers to competition from firms whose products are similar to that of the other firm, for instance all cinemas in Nairobi are in enterprise competition. On the other hand, generic competition refers to competition from firms whose products although different from the firms products are however used for the same purpose as that of the firm, example cinema firms in Nairobi are in generic competition with bars and night clubs, newspapers and magazines firms, cultural centers and drama theatres. Although the products of these firms are different, they serve the users information and entertainment need.

Webster, (2000) defines competition in business as the effort of two or more parties acting independently to secure the business of a third party by offering the most favorable terms. According to microeconomic theory, no system of resource allocation is more efficient than pure competition. Competition, according to the theory, causes commercial firms to develop new products, services, and technologies. This gives consumers greater selection and better products. The greater selection typically causes lower prices for the products compared to what the price would be if there was no competition (monopoly) or

little competition (oligopoly). Three levels of economic competition have been classified: The most narrow form is direct competition (also called category competition or brand competition), where products that perform the same function compete against each other. For example, a brand of pick-up trucks competes with several different brands of pick-up trucks. Sometimes two companies are rivals and one adds new products to their line so that each company distributes the same thing and they compete. The next form is substitute or indirect competition, where products that are close substitutes for one another compete. For example, butter competes with margarine, mayonnaise, and other various sauces and spreads. The broadest form of competition is typically called budget competition. Included in this category is anything that the consumer might want to spend their available money on.

According to Kurtus (2007), a competition is a contest where two or more people or organizations vie for a prize or reward. The types of competition are performance, head-to-head and predatory. In the performance competition, each competitor is judged on how well he or she does. Knowledge of opponents can affect the performance. In a head-to-head competition, each goes on both offence and defense, trying to score points while deterring the opponent. In a predatory competition, one side attacks, while the other tries to stave off the attack.

### **2.1.2 Types of competition**

According to Kotler, et al, (2002) there are four types of competition namely pure, monopolistic, oligopolistic and pure monopoly. Pure competition is a market in which many buyers and sellers trade in a uniform commodity. No single buyer or seller has much effect on the going market price. A monopolistic competition is a market in which many buyers and sellers trade over a range of prices rather than a single market place. Oligopolistic competition is a market in which there is a single seller. It may be a government monopoly, a private regulated monopoly or a private non-regulated monopoly.

According to Michelle, (1999), competition is necessary because it lowers the prices of goods so that consumers can obtain them at affordable rates. It also gives them a variety of choices to choose from. Competition ensures that consumers get better services since organizations will be striving hard to offer the best so that they have a competitive edge. In general it's the key part of consumer protection.

### **2.1.3 Analyzing the intensity of competition**

According to Kotler and Keller (2006), Michael Porter identified five forces that determine the intrinsic long run attractiveness of a market or market segment; industry competitors, potential entrants, substitutes, buyers and suppliers. The threats these forces pose are as follows:

Threat of intense segment rivalry: A segment is unattractive if it already contains numerous strong or aggressive competitors. It is even more unattractive if its stable or declining, if fixed costs are high, if exit barriers are high or if competitors have high stakes in staying in the segment. These conditions will lead to frequent price wars, advertising battles and new product introductions and will make it expensive to compete. Factors that affect a segments rivalry include industry growth, switching costs of the buyer, the number of competitors and how equal they are in size and power, high exit barriers, little product differentiation (Kotler et al, 2006).

Threat of new entrants: A segment's attractiveness varies with the height of its entry and exit barriers. The most attractive segment is one in which entry barriers are high and exit barriers are low. Few new firms can enter the industry and poor-performing firms can easily exit. When both entry and exit barriers are high, profit potential is high, but firms face more risk because poorer performing firms stay in and fight it out. When both entry and exit barriers are low, firms

easily enter and leave the industry and the returns are stable and low. The worst case is when entry barriers are low and exit barriers are high; here firms enter during bad times but find it hard to leave during bad times. The result is chronic overcapacity and depressed earnings for all. Factors affecting entry barriers include; economies of scale (occurs when the unit costs of production fall as volume increases), Switching costs for buyers and Government policy (Kotler et al, 2006).

**Threat of substitute products:** A segment is unattractive when there are actual or potential substitutes for the product. Substitutes place a limit on prices and on profits. The company has to monitor price trends closely. If technology advances or competition increases in these substitute industries, prices and profits in the segment are likely to fall (Kotler et al, 2006).

**Threat of buyers growing bargaining power:** A segment is unattractive if buyers possess strong or growing bargaining power. Buyers bargaining power grows when they become more concentrated or organized, when the product represents a significant fraction of the buyers cost, when the product is undifferentiated, when the buyers switching costs are low, when buyers are price sensitive because of low profits, or when buyers can integrate upstream. To protect themselves sellers might select buyers who have the least power to negotiate or switch suppliers. A better defense consists of developing superior offers that strong buyers can't refuse (Kotler et al, 2006).

**Threat of suppliers growing bargaining power:** A segment is unattractive if the company's suppliers are able to raise prices or reduce quantity supplied. Suppliers tend to be powerful when they are concentrated or organized, when there are few substitutes, when the supplied product is an important input, when the costs of switching suppliers are high, and when the suppliers can integrate

downstream. The best defense is to build win-win relations with suppliers or use multiple supply sources (Kotler et al, 2006).

Staulk and Hoot (2004), argue that the intensity of competition can be measured through Time-based competition strategy. It portrays customer responsiveness and rapid new product introduction, together with competitive quality and cost. Fast innovators plan for comparatively less improvement with each new product introduction, but introduce new products much more frequently relative to slow innovators. Therefore, competition in an Industry becomes more intense when there are many fast innovators.

#### **2.1.4 The marketing mix**

(Borden 1965) claims to be the first to have used the term marketing mix and that it was suggested to him by Culliton's (1948) description of a business executive as "mixer of ingredients". However, Borden did not formally define the marketing mix; to him it simply consisted of important elements or ingredients that make up marketing programme (Borden 1965). McCarthy (1964) refined this further and defined the marketing mix as a combination of all of the factors at a marketing manager's command to satisfy the target market. More recently McCarthy and Perreault (1987) have defined the marketing mix as the controllable variables that an organization can co-ordinate to satisfy its target market. This definition with minor changes is widely accepted as can be seen from Kotler and Armstrong's (1989) definition of the marketing mix: as the set of controllable marketing variables that the firm blends to produce the response it wants in the target market. According to (Kotler, et al 2002), marketing mix is the set of controllable tactical marketing tools - product, price, place and promotion that the firm blends to produce the response it wants in the target market. The 4Ps are as follows; product, price, promotion, place. Later, (Booms and Bitner) added 3 extra Ps that are physical evidence, procedures and people to make the

7Ps. The essence of the marketing mix concept is, therefore, the idea of a set of controllable variables or a "tool kit" (Shapiro, 1985) at the disposal of marketing management, which can be used to influence customers. The disagreement in the literature is over what these controllable variables or tools are.

### **Product**

This is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need. It includes physical objects, services, persons, places, organization and ideas (Kotler, 2002).

Hawkins et al, (2007) defines a product as anything a consumer acquires or might acquire to meet a perceived need. The term product refers to physical products and primary or core services.

According to Donnelly et al, (2004) a product can be viewed in three ways. Firstly, as a tangible product i.e. the physical entity/service that is offered to the buyer. Secondly, as an extended product which comprises both the tangible product and whole cluster of services that accompany it. Finally, the generic product that is basically the essential benefits the buyer expects to receive from the product.

A product's quality can be measured by its features, performance, reliability, durability, aesthetics, serviceability and conformance to set standards. A product has a product mix and a product line. The product mix is the full set of products offered for sale by the organization. For instance a college may have several courses (product mix) such as accounts, sales and marketing, business administration, human resources management, public relations and banking. Within each course it can offer different levels (product line) such as certificate, diploma, higher diploma and degree.

## **Price**

According to Kotler (2002) Price is the amount of money charged for a product or service, or the sum of the values that consumers exchange for the benefits of having or using the product/service. Some pricing strategies include market skimming where a high price is set for a new product to skim maximum revenues layer by layer from the segments willing to pay the high price; the company makes fewer but more profitable sales. Market penetration involves setting a low price for a new product in order to attract large numbers and a large market share. Psychological pricing considers the psychology of prices and not simply the economics; the price is used to say something about the product. This method is applicable where the marketer wants the consumer to respond on emotional basis and not rational. Value based pricing is setting the price based on buyers perceptions of product values rather than on the cost. Premium pricing is the use of a high price where there is uniqueness about the product or service. This approach is used where a substantial competitive advantage exists.

Hawkins et al (2007), price is the amount one must pay to obtain the right to use the product. Economists often assume that lower prices for the same product will result in more sales than higher prices. However, price sometimes serves as a signal of quality. a cheap product equates to low quality.

## **Promotion**

Kotler, (2002) defines promotion as the activities that communicate the product/service and its merits to target customers and persuade them to buy. Examples of promotional tools include advertising, personal selling, sales promotion, public relations and direct marketing. Advertising is any form of non-paid personal presentation and promotion of ideas, good/services by an identified sponsor. Personal selling is the personal presentation by the firm's sales force for the purpose of making sales and building customer relationship. Sales promotions are short-term incentives to encourage purchase or sale of a

product/service. Public relations pertains building good relations with the company's various publics by obtaining favorable publicity, building up a good 'corporate image' and handling or heading off unfavorable rumors, stories and events. Major public relation tools include press relations, product publicity, corporate communication, lobbying and counseling. Direct marketing involves using direct connections with individual customers to obtain an immediate response and generate lasting customer relationships.

Hawkins et al, (2007) argue that an effective promotion strategy answers the following questions; with whom exactly, do we want to communicate? What effect do we want our communication to have on the target audience? What message will achieve the desired effect on our audience? What means and media should we use to reach the target audience? When should we communicate with the target audience?

### **Place**

These are all the company activities that make the product or service available to targeted customers (Kotler, 2002). It can also be termed as having the product available where the target consumers can buy it (Hawkins et al, 2007).

### **Physical evidence**

It refers to the environment in which the service is delivered and any tangible goods that facilitate the performance and communication of the service. Physical evidence is important because customers use tangible clues to assess the quality of service provided. Thus, the more intangible-dominant a service is, the greater the need to make the service tangible (Shostack, 1977). Credit cards are an example of the use of tangible evidence that facilitates the provision of (intangible) credit facilities by banks and credit card companies.

The physical environment itself (i.e. the buildings, furnishings, layout.) is instrumental in customers' assessment of the quality and level of service they can



expect, for example in restaurants, hotels, retailing and many other services. In fact, the physical environment is part of the product itself.

### Procedures

The mechanisms and flow of activities by which the service is acquired is referred to as process in Booms and Bitner's 7Ps framework. The process of obtaining a meal at a self-service, fast-food outlet such as Burger King is clearly different from that at a full-service restaurant. Furthermore, in a service situation customers are likely to have to queue before they can be served and the service delivery itself is likely to take a certain length of time. Marketers, therefore, have to ensure that customers understand the process of acquiring a service and that the queuing and delivery times is acceptable to customers.

### People

In Booms and Bitner's framework people are all human actors who play a part in service delivery, namely the firm's personnel and other customers. In services (especially, "high contact" services such as restaurants and airlines) because of the simultaneity of production and consumption, the firm's personnel occupy a key position in influencing customer perceptions of product quality. In fact, they are part of the product and hence product quality is inseparable from the quality of the service provider (Berry, 1984). It is important, therefore, to pay particular attention to the quality of employees and to monitor their performance. This is especially important in services because employees tend to be variable in their performance, which can lead to variable quality. The peoples' concept also includes the customer who buys the service and other customers in the service environment. Marketing managers therefore need to manage not only the service provider-customer interface but also the actions of other customers. For example, the number, type and behavior of people will partly determine the enjoyment of

a meal at a restaurant. The purpose of marketing strategies in higher education is to assure a rational and deliberate methodology to recognize, anticipate, and react to market changes. Marketing is the proactive management of the relationship between the institution and its various markets using the tools of marketing - product, place, price, and promotion (Muston 1985 and Shoemaker 1997).

### **2.1.5 Factors influencing buyer's purchase behavior**

According to Neal et al, (2006) there are internal and external factors that influence an organizational culture when purchasing. The internal factors include the organizational values i.e. what the organization aims to achieve, the perception of the, the motives and emotions and learning through past experience. The external factors include size whereby large organization have specialists who attend to purchasing, finance, marketing and general management while smaller organization tend to have one or two people who will handle all responsibilities. Activities and objectives of the organization influence their style and behavior. Location in terms of climatic conditions can make other products less desirable in other areas. Finally, macro segmentation where organizations are grouped into market segments on the basis of differences in needs.

Malhotra, (2006), adds that buyer preference, retail outlets patronized, price sensitivity, demographic and psychological characteristics, product consumption habits and consumption of related product categories and media consumption behavior and the response to promotions also affect buyers behavior when purchasing.

According to Donnelly et al, (2004) the factors that influence consumer behavior on making a purchase are classified into three, these are social, market, situation and psychological influences.

## Social influences

*Culture and subculture*; this stems from the background of the society in which an individual lives. Cultural values are transmitted through three basic organizations i.e. family, religious organization and education institutions. For instance Muslim culture forbids the consumption of pork.

### *Social class*

Upper class; quality merchandized is most prized and prestige brands are commonly sought e.g. the hammer is owned by few individuals in Kenya.

Middle class is concerned with fashion and thus buys what experts in the media recommend. The working class depends heavily on relatives for economic and emotional support.

### *Reference groups and families*

A reference group is one that an individual looks to when forming attitudes and opinions. They can be either family (primary) or professional associations (secondary) e.g. a woman can consult a friend on what make up to buy or consult a mechanic on what car to buy (Donnelly, 2004).

## Market influences

*Product*; brand name, quality, newness and complexity

*Price*; lowest prices attract many people because they view a product/service as being affordable. Higher prices portray quality and prestige and attract the premium buyers.

*Promotion*; the use of consistent messages and placing them on media that target market is likely to use.

*Place*; convenience, availability (low involvement products are not looked for), exclusive outlets are considered prestigious, non-store method e.g. Internet and catalogs portray that the goods are innovative, exclusive or customized.

## Situation influences

*Physical features;* geographical and institutional location, décor, sounds, aromas, lighting, weather and visible configurations of merchandise or other material surrounding the stimulus object.

*Social features;* the consumer depends on the other person present, characteristics and their apparent roles and interpersonal actions

*Time;* this can either be the time of day/season of the year, past or future event participation or the time since/until meals/payday.

*Task features;* this is the intent or requirement e.g. shopping for a wedding cake for a friend and when shopping for a small appliance for personal use.

*Current conditions;* these are final features that characterize a situation (Donnelly, 2004).

*Product knowledge;* this is the amount of information a consumer has about a product or service. This can be acquired through group influence (friend) or marketing influence (advert).

*Product involvement;* consuming a lot of time searching for a very unique product (Donnelly, 2004).

According to Han and Terpstra (1988), information is the basis of consumers' evaluations of products. This information has been separated into two categories: intrinsic cues, including attributes such as craftsmanship, styling and performance; and extrinsic cues, such as price, prestige or the existence of an endorsement (Olson and Jacoby, 1972). Dependence on extrinsic cues is increased when assessment of true intrinsic quality is difficult or expensive.

Quality is seldom evaluated outside experience with prior products in a repeat purchase situation. In general, consumers pursue very little information research, even for big-ticket items (Newman and Staelin, 1972). Inferred quality from extrinsic cues may come from a seller's reputation (Shapiro, 1982), brand name (Jacoby *et al.*, 1977), advertising (Klein and Loffler, 1981) and price (Gerstner, 1985). A product's origin may be considered an extrinsic cue, communicating

quality and value information to a consumer independent of his or her experience with it. The key indicator of the apparent worth of compensating product attributes is, obviously, the purchase decision. If the compensation is inadequate, the consumer will buy the product that his or her personal stereotype image suggests.

### **2.1.6 Challenges faced in applying the marketing mix elements**

According to Leslie, H (2006) marketers experience problems in developing a long lasting brand. This occurs when they fail to communicate to people what their organization precisely stands for. A powerful brand identity must sing distinction and marketers have difficulties in making the distinction. Sometimes they can have a unique brand but they launch it before any marketing activities. It therefore, results to the potential customers not getting very acquainted to the brand and thus chooses to avoid it.

Designing compelling offerings that will pull customers; Marketers are not aware that 80% of all purchase decisions are based on emotion. This is because they don't know customers want to feel and to get them to visualize how their services can meet their needs. People want to know, "What's in it for them?" therefore the problem arises in getting to tap into the emotion and create offerings that touch the customers (Leslie, H 2006).

The most urgent concern of many business schools is that of faculty shortage. A recent report (AACSB, 2003) has revealed that the number of doctorates awarded between 1995 and 2000 has declined by 19.3 per cent (A large number of schools are facing the problem of a decrease in supply of faculty in management education in a market where demand continues to grow. Unless doctoral research and education in this field is encouraged, the level of business education offered worldwide will continue to decrease and business schools will no longer

be able to prepare future professionals and leaders for the global economy. The case may also apply to business colleges in Kenya whereby there is demand for certain courses but a college cannot offer due to insufficient capital and lack of equipment. In addition, colleges have to satisfy certain minimum conditions for it to be allowed to offer other courses.

Increase in the number of colleges, as well as the rapidly changing preferences of students, employers, governments and other stakeholders is also a problem. According to EU (European Commission, 2005) report, Business schools will have to develop new strategies to increase their resources and the wealth of their offerings, and will have to globalize their programmes and resources in order to remain competitive and relevant. This seems to reflect the situation in Kenya where many colleges, offering similar courses have come up. The labour market also plays a role in changing the preferences for example, with technology people were forced to learn how to use computers as opposed to use of the old typewriters. Thus colleges must strive to deal with such changes whenever time they arise.

## 2.2 EMPIRICAL LITERATURE REVIEW

According to Mercer, (1995), firms in Greece engage in an aggressive marketing strategy. This is because they create their own strategies rather than follow trends in the market. They view themselves as spending a higher advertising budget with strong marketing support for their products, backed by aggressive promotional campaigns. Products were regularly "re-bundled attractively" and "new innovations for products" were brought into the marketplace. However, the minority of Greek companies which implemented aggressive marketing tactics saw themselves as constantly having to increase their product portfolio, testing new distribution channels, but could not recall aggressive promotions as

their key marketing tool. Therefore, defensive marketing strategies by more Greek firms were aimed at the retention of their existing customers and sales.

Internal marketing (IM) model was a framework for implementing marketing strategies. It was used effectively to influence employees so that they were motivated and acted in a customer-oriented fashion. In the model, organizational competencies mediate the relationship between IM mix and business performance. Additionally, the model postulates that application of marketing-like philosophy and marketing-like tools internally moderates the relationship between IM mix and organizational competencies (Ahmed, Mohammed and Saad, 2003).

According to Czinkota, Gaisbauer and Springer, (1997), the most important instrument in marketing in Central and Eastern Europe is advertising. This was appropriate in the development of advertising campaigns for consumer goods. Consumers are interested in rational advertising that clearly states its message. They expect advertising to help them in sorting through numerous and confusing offers, and they prefer information about products to efforts at persuasion. A survey of consumers in the eastern states of Germany provides insightful findings: 87 percent of Easterners believed that advertising makes them buy things they don't need; 64 percent believed that advertising gives a misleading impression of products; and 59 percent believed that advertising takes advantage of them (Lipman 1991). Advertising on television is not as accepted as advertising in the daily press. TV advertising often does not meet the information requirements of customers. Ads in papers, especially with informative and well-structured arguments, are seen as most useful to prepare buying decisions. Advertisers need to remember that not all domestic brands have a poor image, and that some of them are increasingly being rediscovered and valued. In such cases, sensitive treatment of domestic brands is necessary in order not to offend customers.

(Rowley, 1995), stated that libraries in academic institutions are concerned with customer satisfaction. A powerful philosophy to assist an organization towards customer satisfaction is the marketing concept. This involved identifying customer needs and requirements and then seeking to meet those needs. The traditional role of the librarian as a storekeeper was not consistent with the adoption of the marketing concept. In addition, the role of libraries as service providers in the public sector has not led to a focus on marketing. He suggests that libraries in academic institutions would benefit from a more direct focus on the marketing concept, with clearly defined marketing strategies.

According to Muston (1985) and Shoemaker (1997), marketing for small colleges and universities has historically been interpreted as synonymous with the admissions brochure. Management and operational techniques in such areas as budgeting, information systems, personnel, and finance have been modeled and refined from the business world, but marketing has not been readily or uniformly accepted. In the college and university environment, marketing has been viewed as selling and advertising, both of which bordered on being unethical in the academic world. Most college administrators believe industrial-type marketing cannot or should not be incorporated into educational management. They believe that colleges and universities should take a passive, not active stance toward marketing.

### **2.3 CRITIQUE OF LITERATURE**

Past literature indicates that marketing should not be incorporated in colleges and instead only brochures should be used as a tool of advertising (Muston and Shoemaker 1997). This could be misleading because the brochure may not justify how a student will have the service (education) delivered to him/her when in class. The same brochures can exaggerate on the capabilities of the institution and thus claim to be offering non-existence courses. The failure to incorporate



marketing in colleges tends to reduce the awareness of the college in the market. As a result, students who are through with secondary education may not be aware of the particular college or even if they are aware of it they will not know the specific courses it offers.

Although TV advertising is the most important tool of marketing communication in Central and Eastern Europe, it may not be very applicable in Kenya especially in the rural areas. This is because few people in the rural areas own television sets and as such they will not be able to access the information. The information will not reach the target audiences i.e. form four leavers in the rural areas.

Libraries that are more customers oriented tend to satisfy the customers (students) needs. However, this might be just one of their very many needs. Therefore, if only one need is satisfied then it means that the student is not fully satisfied. For a college, to attract students to its institution it should meet all their needs as a whole and not single out on library services only.

The above literature therefore does not reflect the situation in Kenya and thus this study aims to fill this gap by analyzing how commercial colleges in Nairobi (Kenya) use the marketing mix strategies to compete.

## **2.4 CONCLUSION**

Past literature seems to emphasize so much on marketing the product and not the service. Organizations concentrate more on marketing their product such that they don't consider how they will deliver it. Most of the documentary review outlined above focuses on universities and very few on colleges. Therefore, more research needs to be conducted on the area of marketing services in colleges.

## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **3.0 INTRODUCTION**

This chapter explains how data was gathered and analyzed to answer the research questions and attain the research objectives. It comprises of five parts; research design, population, sampling, data collection methods and procedures and data analysis.

#### **3.1 RESEARCH DESIGN**

The researcher used the quantitative analysis method. According to Malhotra (2006), Quantitative research uses parameters like mean, median, mode and standard deviation to show relationship between variables. It was applicable because it intended to portray the marketing mix strategies that were predominantly applied by majority of the colleges. It also indicates the marketing mix that was most influential in choice of college for many students and the challenges colleges face as they roll out their strategies. For example, the mode indicates the marketing mix most valued by students and which appeared frequently. Quantitative research shows the extent of competition and also the extent of the application of the marketing mix strategies. A survey was carried out on the middle-level colleges through the use of questionnaires.

#### **3.2 SAMPLE POPULATION**

Population is the entire aggregation of items from which samples can be drawn for study. It can also be defined as a complete set of individuals, cases or objects with some common observable characteristics. (Mugenda and Mugenda, 1999).

In this study the population is the middle-level colleges in Nairobi. Out of the 18 middle-level colleges indicated in appendix 2 a sample of 15 colleges was

selected. Simple random sampling was used. Members of the population (Colleges) were selected at random and subjected to the study.

This means that each college had equal chances of being picked. The Management of colleges and the students were randomly selected and questioned on the research.

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EAST AFRICANA

## SAMPLING

A sample is a list of items selected from the population (Kothari 1990). Unless the population is small enough to survey everyone in question; a sample of members must be selected from the population after which generalization can then be made. The selected sample must be large enough to represent the salient characteristics of the population being studied and small enough for reasonable and convenient coverage by the researcher.

Several methods of sampling were used to obtain a subset that is representative of the population being studied. Factors that influence the type of sampling method include cost, the time available for the researcher and the convenience of using a specific sampling technique.

For the purpose of this study, simple random sampling was used. Members of the population (Colleges) were selected at random and subjected to the study.

Random sampling procedure was used owing to its convenience and the distribution of the colleges. Middle-level colleges located in Nairobi town were selected. From the colleges, staffs were sampled from the managerial level where the Director or the Principal was required to fill a questionnaire. Only one person from the management was required to fill the questionnaire since the whole institution uses the same marketing strategy. One student was sampled from each of the courses offered, for instance one from marketing class and another from Accounts class. In each college there was 1 questionnaire to be filled by the management and 5 by the students. Therefore, out of the 15 colleges selected randomly, 15 managers participated in the study by filling the management

questionnaire and 75 students participated in the study by filling the student's questionnaires. The total number of respondents was therefore 90. To ensure that at least 75 student's questionnaires were filled and returned, a total of 105 questionnaires were made to cater for students who would not respond or return their questionnaires. This ensured that the 75 filled questionnaires target was achieved.

### **3.3 DATA COLLECTION AND PROCEDURE**

The data collection tool used by the researcher was a questionnaire. A questionnaire is a form containing a set of questions submitted to and filled by people for the purpose of gaining statistical information. The questionnaires used had both open ended and close ended questions.

Since the colleges to be studied were within Nairobi, the questionnaires were distributed by hand and then collected from the respondents individually by the researcher. Primary data was collected through use of semi-structured questionnaires, which had questions that were predetermined in order and other questions that were not pre-arranged. The management filled 1 questionnaire and chose 5 students to fill the other questionnaires. Management questionnaires were administered by the interviewer meaning that they were filled instantly. However, the student's questionnaires were left with them and collected at a later date.

### **3.4 DATA ANALYSIS**

Once the questionnaires had been collected they were edited to correct spelling mistakes, if any, and also to check if the answers had been filled in their rightful places. The data collected was subjected to descriptive statistical method, correlation and regression analysis comprising of frequency, tables, percentages and means being worked out.

The responses were tabulated and analyzed using the statistical software package for social scientist. (SPSS).

## CHAPTER FOUR

### DATA ANALYSIS AND PRESENTATION

#### 4.0 INTRODUCTION

The purpose of any study is to produce findings that can be used either to solve problems or to add to the pool of knowledge in any given area. The process of data collection cannot be an end in itself but the findings have to be presented such that it is easy to see their pattern. They should also be analyzed such that the result can support generalization and drawing of a conclusion. This chapter therefore is a culmination of the analysis, interpretation and presentation of findings of this research. In this chapter data has been evaluated and grouped in meaningful categories.

#### 4.1 RESEARCH FINDINGS

##### 4.1.1 Demographic details of the respondents (College Management)

Managers of middle-level colleges were urged to indicate the courses offered by their institutions. The results are outlined in the table below;

Table: 1

Courses	No. of colleges offering the course	% of the total number of colleges
Human resource	3	20%
Sales and Marketing	3	20%
Public relations	3	20%
Media studies	1	7%
Accounting	5	33%
<b>Total</b>	<b>15</b>	<b>100</b>

From the table, it is clear that accounting is the most offered course in most of the colleges under study. Also, Human resource, Sales and marketing and Public

relations are equally popular courses in most of the colleges. Media studies is the least offered course. This means that majority of the colleges under study offered similar courses.

This explains why as illustrated further in this study majority of the managers who responded to the questionnaires considered other colleges offering similar courses as their direct competitors and also gave the reasons for a competitive environment as the presence of many colleges.

#### 4.1.2 Who is a college's competitor?

The respondents were asked to clarify whom they considered a competitor and to give the reasons why. 54% of the respondents considered other middle-level colleges a competitor because they offered similar courses. 9% of the respondents said a competitor is a college that is enrolling students at the same time as theirs while another 9% of the respondents from Colleges offering media studies argued that a competitor is a college that is strong in media studies and offered affordable fees. Non- respondents to this particular question comprised 28% of the respondents. This means that most colleges consider other colleges offering similar courses are their direct competitors.

**Table 2: College's competitor**

REASON	FREQUENCY	Percentage
Strong in media studies, comparable fee	1	9%
Similar courses	6	54%
Competing for enrollment of students	1	9%
None	3	28%
<b>TOTAL</b>	<b>11</b>	<b>100</b>

Source: Research data (2008)

#### 4.1.3 Intensity of competition in the Tertiary education sector

When asked to rate the intensity of competition in the Tertiary education sector (Nairobi area), 72.7% of the respondents said it was competitive while 27.3% of respondents thought competition was extreme.

This clearly indicates that middle level colleges operate in a competitive environment.

**Table 3: Intensity of competition**

INTENSITY	FREQUENCY	Percentage
Extreme	3	27.3%
Competitive	8	72.7%
Not competitive	0	
<b>TOTAL</b>	11	100

Source: Research data (2008)

#### 4.1.4 Reasons for having a competitive environment

The respondents were asked to point out why the tertiary education sector is competitive and 55% claimed it was because of the presence of many colleges in Nairobi. Other reasons from the remaining respondents included; Colleges having similar number of students, the power of advertising, few courses offered and process of enrolling new students and retaining old. 1 respondent failed to respond to this particular question.

Middle-level colleges in Nairobi operated in a competitive environment because of the high number and hence rivalry among themselves.

**Table 4: Reasons for a competitive environment**

<b>REASON FOR COMPETITIVENESS</b>	<b>FREQUENCY</b>	<b>PERCENTAGE %</b>
Similar no of students	1	9%
Presence of many colleges in Nairobi	6	55%
Power of advertising	1	9%
Few courses offered	1	9%
Acquiring new students and retaining old	1	9%
None	1	9%
<b>TOTAL</b>	<b>11</b>	<b>100</b>

Source: Research data (2008)

#### **4.1.5 Threat of new entrants**

Respondents were asked to rate how easy it was for a new college to join the tertiary education industry. 72% of the respondents said the threat of new entrants was high, 9% said the threat was low and 9% felt the threat was very low. This meant that the industry is attractive to new entrants because it is easier to gain entrance into it. However, this is a disadvantage to existing Colleges in the market since it increases the competition.



**Table 5: Threat of new entrants**

<b>THREAT OF NEW ENTRANTS</b>	<b>FREQUENCY</b>	<b>Percentage</b>
Very low	1	9%
High	8	72%
Low	2	9%
Very high	0	
<b>TOTAL</b>	<b>11</b>	<b>100</b>

Source: Research data (2008)

#### **4.1.6 Threat of substitutes**

When asked to rate the threat of substitutes courses in Nairobi area, 91% of the respondents said it was high and 9% of the respondents didn't have an answer. This indicated that middle-level colleges also face competition from substitute courses that are offered in other colleges and universities.

**Table 6: Threat of substitute courses**

<b>THREAT OF SUBSTITUTES</b>	<b>FREQUENCY</b>	<b>Percentage</b>
Very high	0	
High	10	91%
Low	0	
Very low	0	
None	1	9%
<b>TOTAL</b>	<b>11</b>	<b>100</b>

Source: Research data (2008)

#### 4.1.7 Bargaining power of students

Respondents were asked to rate the ability of students to influence their College fees and 64% of respondents said it was high while 27% felt it was very high. However, 9% said it was low.

This implied that most colleges are forced to comply with what students were willing to pay for a certain course or else they would lose them to their competitors.

**Table 7: Bargaining power of students**

<b>BARGAINING POWER OF STUDENTS</b>	<b>FREQUENCY</b>	<b>Percentage</b>
Very high	3	27%
High	7	64%
Low	1	9%
Very low	0	
<b>TOTAL</b>	<b>11</b>	<b>100</b>

Source: Research data (2008)

#### 4.1.8 Pre-dominant marketing mix used in Nairobi by middle-level colleges

Colleges were asked what marketing strategies they used most to compete in the tertiary education sector industry. 45.5 % of the respondents said both promotion and the product while 36.3% said a combination of product and price. A combination of the use of product and promotion activities seemed to be the most frequently used activity by most colleges.

This meant that it was easier for these colleges to attract students on the basis of these two factors.

**Table 8: predominant marketing mix**

<b>ELEMENT USED MOSTLY</b>	<b>FREQUENCY</b>	<b>Percentage</b>
Product/Price	4	36.3%
Price/promotion	0	
Promotion/product	5	45.5%
Place	0	
Process	0	
People	0	
Physical Evidence	0	
Spoilt	2	18.2%
<b>TOTAL</b>	<b>11</b>	<b>100%</b>

**Source:** Research data (2008)

#### **4.1.9 Product attributes mostly used middle-level colleges**

To establish what attributes of the product were valued most by colleges, 91% of the respondents said the quality of education was important while 9% said offering courses that met the market demand was important.

This indicated that most colleges concentrate more on ensuring the education they offer to students is of high quality.

**Table 9: Product attributes**

PRODUCT	FREQUENCY	Percentage
Quality of education	9	91%
Variety of courses	0	
Meeting market demand	1	9%
Others	0	
<b>TOTAL</b>	<b>11</b>	<b>100%</b>

Source: Research data (2008)

#### 4.1.10 Promotion method mostly used by middle-level colleges

Colleges were asked how they created awareness of their institution's to their customers and 72.8% of the respondents said newspapers was the most effective while 27.2% said they preferred using the Television.

This indicated that Newspapers were the most favoured communication tool used by most colleges. Their customers were more likely to know about the institution from a newspaper than from watching a commercial on TV.

**Table 10: Promotion method used**

PROMOTION	FREQUENCY	Percentage
Television	3	27.2%
Newspapers	8	72.8%
Posters	0	
Sign boards	0	
Yellow pages	0	
Exhibition	0	
Word of mouth	0	
Internet	0	
<b>TOTAL</b>	<b>11</b>	<b>100%</b>

Source: Research data (2008)

#### 4.1.10 Challenges faced by colleges when rolling out their marketing strategies

When asked what challenges they encountered as they rolled out their marketing activities, 64% of the respondents said that dealing with the rapid changing preferences of students was a big challenge while 18% said lack of attractive offers was a problem. Another 18% respondents claimed that building a long lasting brand was a challenge.

Most colleges encountered challenges dealing with the fast changing student's preferences.

**Table 11: Challenges facing Middle-level colleges**

CHALLENGES	FREQUENCY	Percentage
Shortage of courses	0	
Rapid changing preference	7	64%
Lack of attractive offers	2	18%
Building a long lasting brand	2	18%
Others		
TOTAL	11	100%

Source: Research data (2008)

## 4.2 STUDENT'S FINDINGS

A sample of 62 students was used to represent the larger population of students in middle-level colleges.

### 4.2.1 Demographic data of respondents (students)

Respondents and in particular college students were urged to indicate their age.

The responses were computed in the table below:

**Table 12: Student's age**

Age Bracket	No. of Respondents	% of total Respondents
18-25 years	40	53%
26-34 years	15	20%
35-44 years	15	20%
Above 45	5	7%
<b>TOTAL</b>	75	100

53% of the respondents were aged between 18 and 25 years while only 7% of the respondents were above 45 years.

The fact that majority of the students' respondents fall within the age bracket of 18 and 25 years means that many of them are not certain on the career they want to pursue and therefore many end up changing courses from time to time.

This position is vindicated by the earlier findings from the college management where 64% of the college managers indicated that the major challenge facing middle-level colleges was the rapidly changing student's preferences.

#### 4.2.2 Pre-dominant marketing mix valued by students

Student's respondents were asked to state what factor they considered most when selecting a college to go to. 88.71% said they considered the product (courses offered) while 6.46% considered the people factor (No of students enrolled). This showed that the quality of education (product) offered by an institution was the most important factor to a student when selecting a college. Other factors such as the promotion methods used, price in terms of fee, the location, kind of staff and the facilities available in an institution were not considered much by the students.

**Table: 13. Pre-dominant marketing mix**

FACTORS	FREQUENCY	PERCENTAGE
Product	55	88.71%
Promotion	1	1.61%
Price	1	1.61%
Place	1	1.61%
Process	0	0%
People	4	6.46%
Physical evidence	0	0%
TOTAL	62	100%

Source: Research data (2008)

#### 4.2.3 Least important marketing mix factor

Students were also asked, the last thing on their mind, as they chose a college and 46.77% said that the methods of promotion used least affected their choice while 19.35% claimed that an institution's process were of less importance to them. Physical evidence was mentioned by 16.14% of the respondents while

6.45% of the respondents mentioned place. 4.84% of the respondents considered price to be a less important factor.

This shows that students were not lured to a college just because of the advertisement the college used. Students tend to overlook this factor because adverts tend to be exaggerated hence not giving a true picture of what the college can deliver.

**Table 14: Least important marketing mix factor to students**

LEAST IMPORTANT	FREQUENCY	PERCENTAGE
Product	0	0%
Promotion	29	46.77%
Price	3	4.84%
Place	4	6.45%
Process	12	19.35%
People	0	0%
Physical evidence	10	16.14%
None	4	6.45%
TOTAL	62	100%

Source: Research data (2008)



#### 4.2.4 Most important product attributes

When asked what they considered a good product, 80.65% claimed that quality (of education) was most important, While 17.74% said a product that is relevant to market needs and 1.61% said a college that offers a variety of courses to choose from.

Quality of education was considered the most important factor that students looked out for when assessing the product/service (education) being offered.

**Table 15: Product attributes important to students**

PRODUCT	FREQUENCY	PERCENTAGE
Quality of education	50	80.65%
Variety of courses	1	1.61%
Relevance to market needs	11	17.74%
Others	0	
TOTAL	62	100%

Source: Research data (2008)

## CHAPTER FIVE

### CONCLUSION AND RECOMMENDATIONS

#### 5.0 INTRODUCTION

This chapter attempts to discuss the findings to establish whether they support existing theories. The researcher explains the intensity of competition among the middle-level Colleges in Nairobi, the predominant marketing mix strategies (7Ps) applied by the Colleges to remain competitive, the marketing mix factor(s) that was the most influential in choice of a College for students and the challenges faced by the Colleges as they rolled out their marketing mix strategies. It also contains the conclusion, recommendations and areas for further research.

#### 5.1 SUMMARY OF FINDINGS

##### 5.1.1 Intensity of competition among business colleges in Nairobi

According to the research, 72.7 % of the respondents said they were operating under a competitive environment because of the presence of many colleges in Nairobi. This implies that the competition in the tertiary level education is high because of factors such as too many players in the industry, high bargaining power of students, low entry barriers and availability of substitute's products/services.

Kibera et al, (1996) argues that firms whose products were similar to those of other firms were said to be in an enterprise competition. Therefore middle-level colleges participate in an enterprise competition.

Kotler and Keller (2006), state that a segment is unattractive if it already contains numerous competitors. This is evident from many Middle-level colleges in Nairobi's tertiary education sector.

Kotler and Keller (2006) further added that an attractive segment was one with high entry barriers and low exit barriers. The education industry especially for

middle-level colleges was found to be unattractive because it is characterized by low entry barriers.

According to Kotler and Keller (2006), a segment was said to be unattractive when there were actual/potential substitutes for the product. Students could easily get a substitute course from a neighboring college, which was of more benefit than his/her current college.

Finally Kotler and Keller observed that a segment was unattractive if buyers possessed strong or growing bargaining power. Students in colleges have the ability to demand how much they would like to pay for a particular course.

### **5.1.2 Pre-dominant marketing mix used by colleges to attract students**

The pre-dominant marketing mix factor as indicated by 45.5% of the respondents was a combination of product and promotion. The specific attribute of the product that 90.9% of the respondents chose was quality. For promotions, 72.7% of the respondents use newspapers to advertise.

This implies that most middle-level colleges concentrate on offering quality education and promoting their institutions via newspapers.

Lipman (1991), states that advertising on Television is not as accepted as advertising in the daily press. This is clear from the research findings where most colleges preferred to run their promotions on the newspapers as compared to the Television.

### **5.1.3 Challenges facing colleges**

63.6% of the respondents said they encountered challenges in dealing with the rapid changing preferences of students.

This meant that when middle-level colleges in Nairobi were trying to carry out their marketing activities they faced a challenge in dealing with the rapid changing preferences of students. This was because students might want a certain course today but after 3 months they would settle for a different course.

According to a higher Education report by the European Commission (2005), increase in number of colleges, as well as rapidly changing preferences of students, employers, government and other stakeholders is a problem. The same applied to middle-level colleges in Nairobi when they tried to match up with the student's rapid changing preferences. A gap exists and they cannot be at the same level.

#### **5.1.4 Pre-dominant marketing mix valued by students**

The pre-dominant marketing mix as suggested by 88.71% of the students was product and a further 80.65% pointed out that the quality of the product was specifically important when selecting a college. 46.77% said that promotion was the least factor to be considered when choosing a college.

Students looked at what quality a college offered on its products/services as opposed to how the institution was promoted.

Marketing for middle-level colleges and universities has historically been interpreted as synonymous with the admissions brochure (Muston 1985 and Shoemaker 1997). This, however, was not the case for students studying in middle-level colleges in Nairobi since they disregarded promotion as an important factor and instead appreciated the product.

## **5.2 CONCLUSION**

Most colleges considered a competitor as another college that offered similar courses to theirs. Due to the presence of many middle-level colleges in Nairobi, the intensity of competition is high. The following factors contributed to this competitiveness; the threat of new entrants is high meaning that it is easier for new colleges to join the industry, the threat of substitutes is also high (the availability of other similar courses offered in other institutions), the bargaining power of consumers is also high meaning students have the ability to dictate how much they are willing to pay for a certain course.

The pre-dominant marketing mix strategies preferred by majority of the middle-level colleges in Nairobi was promotional activities and offering of quality education (product) as a way of attracting new students. Product was considered the most important marketing mix while the use of physical evidence was the least in priority. In product, colleges emphasized on the quality such that they ensured the students got the best education. Colleges preferred using Newspapers to create awareness of their courses.

Middle-level colleges had a challenge in dealing with the rapid changing preference of the students. It emerged that students kept on changing the courses they preferred from time to time.

The pre-dominant marketing mix preferred by students in Nairobi when selecting a college to join was product (courses offered). This meant that students valued quality of education they will get in a specific college vis a vis what they would get elsewhere. As a result product was considered most important while promotion activities were considered to be of least importance.

### 5.3 RECOMMENDATIONS

From the study, it is clear that for a middle-level college to survive in the competitive tertiary education industry, it should strive to offer unique courses that will be distinguished from the rest. It can do this by offering other benefits such as offering exemptions for a student who had done a diploma in a particular course and would want to do an advanced diploma. They can also make it a bit difficult for students to leave and go to another college before completion of the course. This can be done by requiring a student to pay a fine or retaining the student's caution money.

For a college to match up to the students changing preferences, they should carry out frequent research to find out the students needs at a certain period and thus ensure that they meet those needs.

Since most students' value quality of education, then colleges should put more emphasis on the product mix and less on their promotional activities because students consider it to be of least importance.

#### **5.4 AREAS FOR FURTHER STUDIES**

Further research should be carried out to establish what causes the preference of students to change with time. This is because most colleges encountered this as a major challenge. Students tend to change their preferences from time to time and management seem not to know the reason behind it

Future researchers should also find out why promotion is the least important marketing mix factor to students on the choice of a college. It is evident from this study that most students did not make a choice on the college to join on the basis of advertisements made by these institutions.

According to the findings, most colleges claimed that they operated in a competitive environment, which pushed out the weaker players. As such, future researchers should also seek to find out how many colleges close down in a year as a result high competition in the tertiary education sector.

Researchers should also find out how to improve the quality of education in colleges in order to make the courses offered in colleges more competitive. Quality of education was the determining factor for most students and therefore improving it would make middle-level colleges competitive.

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## APPENDIX 1

According to (Kenya Institute of Education, 2005) middle-level colleges operating in Nairobi include:

1. East African School of Media Studies
2. Graffins College
3. Inter-Afrika Development Institute
4. Kabete Technical Training Institute
5. Kenya Institute of Management
6. Kenya Institute of Mass Communication
7. Kenya Institute of Professional Studies
8. Kenya School of Monetary Studies
9. Kenya School of Professional Studies
10. Oshwal College
11. Railway Training School
12. Regional Training Institute
13. Skynet Business College
14. Stonebic College
15. Universal college
16. Vision Institute of Professionals

## APPENDIX 2

### MANAGEMENT QUESTIONNAIRE

Instructions: please complete the following questionnaire using the instructions provided for each set of questions.

Confidentiality: The responses you provide will be strictly confidential. No reference will be made to any individual(s) or organization in the report of the study.

#### SECTION A: RESPONDENTS DETAILS

Name of Institution: .....

Which Courses does the institution offer?

.....

.....

How many students does the institution have?

.....

#### SECTION B: INTENSITY OF COMPETITION

(Choose only one option)

1. Who does the institution consider a competitor?

.....

Why?

.....

2. How would you describe the intensity of the competition?

a) Extremely competitive

b) Competitive

c) Not competitive

Give a reason for your answer...

3. How would you rate the threat of new middle-level colleges coming into the industry?

- a) Very high
- b) High
- c) Low
- d) Very low

4. Does the threat of substitute courses offered in other colleges affect the institution's competitiveness?

- a) Yes
- b) No

5. If yes, to what extent?

- a) Very high
- b) High
- c) Low
- d) Very low

6. How would you rate the ability of students in determining the amount of fees to pay in the institution?

- a) Very high
- b) High
- c) Low
- d) Very low

7. How would you rate the power of Teacher Service Commission in allocating teachers to colleges?

- a) Very high
- b) High
- c) Low
- d) Very low

## SECTION C: PRE-DOMINANT MARKETING MIX

(In this section only a maximum of 2 choices can be ticked in each question)

1. Which of the following elements does the college use mostly to attract students?

- a) Offering quality education                       e) Quick registration process   
 b) Offering affordable fees                       f) Trained lecturers   
 c) Advertising                       g) Spacious lecturer rooms   
 d) Convenient location

2. In the table provided below, rank the below factors in order of importance to the college where 7 represents most important while 1 represents least important.

MARKETING MIX FACTORS	RANK (1-7)
Quality of education	
Affordable fees	
Advertising	
Convenient location	
Quick registration process	
Trained lecturers	
Spacious lecturer halls	

3. What product attribute does the college lay emphasis on?

- (a) Quality of education   
 (b) Offering a variety of courses   
 (c) Meeting the market demand   
 (d) Others.

4. Which method does the college use to price its products/service?

- (a) Pricing lower than other colleges   
 (b) Pricing higher than other colleges   
 (c) Low fees at the beginning and then higher towards the end of a course

(d) Others .....

5. Which promotional tool does the college use to promote its products/services?

- (a) Television
- (b) Newspapers
- (c) Posters
- (d) Signboards
- (e) Others.
- (f) Yellow pages
- (g) Exhibition
- (h) Word of mouth
- (i) Internet

6. What factors did the institution consider in establishing the location of the college?

- (a) Convenience
- (b) Accessibility
- (c) Room for expansion in the future
- (d) Others .....

7. Which processes does the college consider most important in service delivery?

- (a) Registration
- (b) Payment
- (c) Issuance of certificates
- (d) Providing evaluation feedback
- (e) Others.

8. Which method(s) does the institution use to ensure that it has the right personnel to deliver the services?

- (a) Academic qualifications
- (b) Experience
- (c) On the job training
- (d) Others .....

9. Which facility does the college have in place to attract students?

- (a) Library
- (b) Computer Labs
- (c) Lecturer halls

(d) Others .....

**SECTION D: CHALLENGES**

Which of the following challenges does the college encounter as it rolls out its marketing activities?

- a) Shortage of courses to offer
- b) Rapidly changing preferences of students
- c) Lack of attractive offers
- d) Building a long lasting brand
- e) Others



## APPENDIX 3

### STUDENTS QUESTIONNAIRES

Instructions: please complete the following questionnaire using the instructions provided for each set of questions.

Confidentiality: The responses you provide will be strictly confidential. No reference will be made to any individual(s) or organization in the report of the study.

#### SECTION A: RESPONDENTS DETAILS

Name: (Optional) .....

Age

- a) 18 - 25       b) 26 - 34       c) 35 - 44       d) Above 45

College: .....

Course: .....

Level

- a) Certificate       b) Diploma       c) Higher diploma       d) Others

#### SECTION B: MARKETING MIX FACTORS

1. Which of the following factors do you consider in your choice of a college?

(Choose only one)

- |                         |                          |                               |                          |
|-------------------------|--------------------------|-------------------------------|--------------------------|
| a) Quality of education | <input type="checkbox"/> | e) Quick registration Process | <input type="checkbox"/> |
| b) Affordable fee       | <input type="checkbox"/> | f) Trained lecturers          | <input type="checkbox"/> |
| c) Advertising          | <input type="checkbox"/> | g) Spacious lecture rooms     | <input type="checkbox"/> |
| d) Convenient location  | <input type="checkbox"/> |                               |                          |

2. In the table provided below, rank the following in order of importance where 7 represent most important while 1 represents least important.

MARKETING MIX	RANK (1-7)
Quality of education	
Affordable fees	
Advertising	
Convenient location	
Quick registration process	
Trained lecturers	
Spacious lecture rooms	

(For the following questions rank in order of importance where 1 is most important)

3. What service attribute do you consider most when choosing a college?

- a) Quality of education
- b) Availability of a variety of courses
- c) Relevance to market needs
- d) Others .....

4. Which of the following pricing factors do you consider when choosing a college?

- a) Affordability
- b) Flexibility of payment (e.g. paying in installments)
- c) Discounts given basing on excellent performance
- d) Refunds
- e) Others .....

5. From which of the following promotional tools do you best get to know about the existence of a college?

- |               |                          |                  |                          |
|---------------|--------------------------|------------------|--------------------------|
| a) Television | <input type="checkbox"/> | e) Yellow pages  | <input type="checkbox"/> |
| b) Newspapers | <input type="checkbox"/> | f) Exhibition    | <input type="checkbox"/> |
| c) Posters    | <input type="checkbox"/> | g) Word of mouth | <input type="checkbox"/> |
| d) Signboards | <input type="checkbox"/> | h) Internet      | <input type="checkbox"/> |

6. Which processes do you consider most important in the college?

- a) Registration
- b) Payment
- c) Issuance of certificates
- d) Providing evaluation feedback
- e) Others .....

6. Which of the following do you consider important when undertaking a course?

- a) Availability of constructive feedback
- b) Covering the syllabus on time
- c) Demonstration of course content knowledge
- d) Others .....

7. Which facilities within the college do you consider important?

- a) Library
- b) Computer Labs
- c) Lecturer halls
- d) Others.