

‘Differentiation Strategy’ and the Growth of Private Secondary Schools in Nakuru County, Kenya

Gichuki Kenda¹, Dr Charles Nyamwaya Mogote²

^{1,2} Mount Kenya University, Kenya

***Corresponding Author:**

Gichuki Kenda

Email: gichuki.kenda@gmail.com

Abstract: Public expenditure in education has either remained stagnant or shrunk in real terms in most developing countries over the past years despite the significant fiscal resource allocation to education. Although current education reform policies in Kenya encourage potential contributions of households and private sector players, the issues affecting private sector investment in secondary education have not been assessed adequately. The purpose of this study is to establish the influence of selected marketing strategies on the growth of private secondary schools. Specifically, the study attempted to establish the influence of differentiation strategy on growth of private secondary schools. The study found that differentiation strategy influenced the growth of the private secondary schools. Further, on carrying out hypothesis testing, all the null hypothesis were rejected and it was concluded that differentiation has some significant influence on growth of private secondary schools. The study recommends that the strategy should be enhanced with the involvement of all staff if they have to be effective. Further, customer perspectives and perceptions must be continuously assessed in order to develop marketing strategies that are effective in attracting higher enrolment rates in the private schools.

Keywords: Differentiation Strategy, Growth, Kenya Vision 2030.

INTRODUCTION

Kenya Vision 2030 is the nation’s new development blueprint for 2008 to 2030 which aims at making Kenya a newly industrializing, “middle income country providing high quality life for all its citizens by the year 2030” (NESC, 2007). The plan is to be implemented in successive five-year terms with the first plan covering 2008-2012. The education goals of the 2030 Vision are to provide globally competitive quality education and training and research for development. This is to be achieved through reducing literacy by increasing access to education, improving the transition rate from primary to secondary schools, and raising the quality and relevance of education.

Other goals are the integration special needs education into learning and training institutions, and increasing the adult literacy rate to 80%. The government also aims to increase the enrollment in schools to 95% as well as the transition rates to technical colleges and higher education to 8%. In addition, the rate of students joining universities should expand from 4.6% to 20% within this period, while simultaneously boosting emphasis on science and technology courses. The government has specified the implementation strategies which include integrating early childhood into primary education, reforming secondary curricula, updating teacher education, and strengthening partnerships with the private sector. The aim of this paper is to determine the influence of

differentiation strategy on the growth of private secondary schools in Gilgil Sub-County of Nakuru County in Kenya

Managing Differentiation

In these days of intense price competition, service marketers often complain about the difficulty of differentiating their services from those of competitors. Service differentiation poses particular problems. First, service intangibility and inseparability mean that consumers rarely compare alternative service offerings in advance of purchase in the way that potential buyers of products do. Differences in the attractiveness or value of competing services are not readily obvious to the potential buyer. Service providers often use pricing to differentiate their offering. However, pricing strategies are quickly emulated practice by competitors [1]. Furthermore, intense price competition erodes margins and does not create a sustainable differential advantage over the long term.

The solution to price competition is to develop a differentiated offer, delivery and image. The offer can include innovative features that set one company's offer apart from its competitors' offers. Unfortunately, this exposes a second problem – service innovations cannot be patented and are easily copied. Still, the service company that innovates regularly usually gains a succession of temporary advantages and an innovative reputation that may help it keep customers who want to

go with the best. Third, the variability of services suggests that standardization and quality are difficult to control [2]. Consistency in quality is generally hard to obtain, but firms that persistently cultivate a customer orientation and execute sound internal marketing schemes increase their ability to differentiate their brand by offering superior-quality service delivery.

The service company can differentiate its service delivery in three ways: through people, physical environment and process. These are often referred to as the additional three Ps in service marketing. The company can distinguish itself by having more able and reliable customer-contact people than its competitors have. The enthusiasm and smart appearance of front-line customer-contact staff also helps [3]. More importantly, as mentioned earlier, the service business that emphasizes an internal marketing approach, combined with customer-focused staff training and education, can succeed in improving employee quality and performance that sustains superiority in service delivery. Ultimately, Wang and Cheng [4] have argued that it is the support and participation of front-line staff and all the people involved in the operational processes that is vital to the success of service production and delivery.

METHODOLOGY

The focus of this study was to assess the influence of selected marketing strategies on the growth of private secondary schools in Gilgil Sub-County, Kenya. A descriptive research design was appropriate as it enabled the researcher to generalize the findings to a large population. According to Kothari [5], the approach enables data to be systematically collected and analyzed in order to provide a descriptive account of the variables under study. The study focused on all teachers of the private secondary schools in Gilgil Sub-County of Nakuru County.

Simple random sampling was then used to select the teachers through getting lists of employees in each of the private secondary schools and selecting the respondents from these lists randomly. Sampling may be defined as the selection of some part of an aggregate or totality on the basis of which a judgment or inference about aggregate or totality is made [6]. For the purpose of this study, it targeted all the 15 private secondary schools which have a combined workforce of 125 teachers. From the sample, the study employed a proportionate stratified in allocating the sample.

From the target population of 125 teachers, a sample of respondents which is a true representative of the population was selected randomly among the

private secondary schools using a proportionate stratified sampling approach. Cooper and Schindler [7] define sampling frame as a list of all the elements from which the sample is drawn and is clearly related to the frame. Yamane [8] provided a simplified formula to calculate sample sizes as:

$$n = \frac{N}{1 + Ne^2}$$

Where n – sample size,
 N – sampling population and,
 e – level of significance

Given a population of 125 and significance level of 5%, then the sample size can be calculated as:

$$n = \frac{125}{1 + (125 \times 0.05^2)} = 95.23 .$$

The sample of the study constituted 95 respondents randomly selected from the private secondary schools.

The study used closed-ended questionnaires as the main tool for collecting data. According to Kothari [9], a questionnaire is the best tool for the researcher who wishes to acquire the original data for describing a population. According to Buchmann [10], a questionnaire can be used to collect information from large sample and diverse regions thus saving time and upholding confidentiality.

To ensure validity, the researcher used accurate measuring instruments, standardize data collection procedures by guiding the respondents appropriately and carried out piloting to determine usefulness of instruments, clarity in terminology, focus of questions, relevance and applicability, time required and methods for analysis [11]. The findings of the pilot study and the respondents' comments were used to enhance the quality of the questionnaires so that they adequately address the constructs of the study.

A questionnaire with a high reliability would receive similar answers if it is done again or by other researchers [12]. Utilizing data from the pilot test, the reliability was determined through the Cronbach alpha coefficient analysis. The Cronbach alpha reliability recommends a reliability coefficient of $\alpha = 0.70$ and above. Cronbach alpha provides a good measure of reliability because holding other factors constant the more similar the test content and conditions of administration are, the greater the internal consistency reliability. The coefficients of the study variables are presented in Table 1.

Table-1: Reliability Test

Study Variables	Number of Test	Cronbach Alpha Values
Cost Leadership Strategy	8	0.79
Differentiation Strategy	8	0.86
Cost Strategy	8	0.78

Source: Author (2015)

From the analysis, since all the alpha values were greater than 0.70, the data collection tool was deemed to be reliable.

Differentiation Strategy

The findings in this section are in line with the first study objective. Table 2 shows the findings related to differentiation strategy in schools in the sub-county.

RESULTS AND DISCUSSION

Table-2: Differentiation Strategy

	n	Min	Max	Mean	Std. Dev.
Our school uses pricing of school fees as a differentiation strategy against competitors	75	1	5	3.05	0.992
My school also has innovative features that makes it rate above competitors in attracting students to join it.	75	1	5	2.13	0.863
The school has invested a lot of resources in standardization of marketing programs and activities to enhance differentiation	75	1	5	2.21	0.871
Our school has cultivated customer-oriented marketing schemes aimed at differentiating the school from its competitors	75	1	5	2.33	0.953
The school has invested in customer-focused staff training and employee quality in order to differentiate its services from competitors	75	1	5	2.11	0.897
Our school ensures active support and participation of front-office staff in the production and delivery of marketing programs	75	1	5	2.09	0.899
The school prides itself in having superior quality over our competitors in service delivery to our clientele	75	1	5	2.15	0.912
The differentiation strategy is therefore one of our strengths in marketing and growth of our school	75	1	5	2.41	0.934

Majority of the respondents disagreed that the their school had innovative features that made it rate above competitors in attracting students to join it (2.13), that their school had invested a lot of resources in standardization of marketing programs and activities to enhance differentiation (2.21), that the school had cultivated customer-oriented marketing schemes aimed at differentiating the school from its competitors (2.33), that the school ensured active support and participation of front-office staff in the production and delivery of marketing programs (2.09), that the school prided itself in having superior quality over its competitors in service delivery (2.15) and that the differentiation strategy was therefore one of their strengths in marketing and growth of the school (2.41).

However, the respondents were unsure as to whether the school used pricing of school fees as a differentiation strategy against competitors (3.05). From these findings, the researcher deduced that differentiation strategy plays some role in influencing growth of private secondary schools.

Correlation Analysis

This section shows how the researcher came up with relevant inferences in line with the study objectives. The section presents and discusses findings resulting from correlation analysis involving differentiation strategy, service quality strategy and productivity strategy and their influence on the growth of private secondary schools in Gilgil sub-county, Kenya.

Differentiation Strategy and Growth of Private Schools

The respondents' ratings in the statements related to differentiation strategy were cumulated to obtain a composite score for differentiation strategy. The total scores were then used to compute the Pearson's correlation coefficient to establish whether there was a relationship between differentiation strategy and growth of private schools. The findings of the correlation analysis were as shown in Table 3.

Table-3: Differentiation Strategy and Growth of Private Schools

		Growth of Private Schools	Differentiation Strategy
Growth of Private Schools	Pearson's(r)	1	.331**
	P-Value		.03
	N	75	75
Differentiation Strategy	Pearson's(r)	.331**	1
	P-Value	.03	
	N	75	75

***. Correlation is significant at the 0.05 level (2-tailed).*

There was a moderately weak positive relationship differentiation strategy and growth of private schools ($r = 0.331$). The correlation was significant at the level of 0.03. Although the correlation was weak in strength, the positive nature of the relationship implies that high growth in private secondary schools can be associated with differentiation strategies employed by the schools in their marketing. Based on these findings, the null hypothesis which stated that there was no relationship between differentiation strategy and growth of private secondary schools was rejected and it was concluded that differentiation strategy has some significant influence on growth of private secondary schools.

SUMMARY OF THE FINDINGS

Differentiation Strategy and Growth of Private Schools

The study established that schools did not have innovative features that made it rate above competitors in attracting students to join it, they had not invested a lot of resources in standardization of marketing programs and activities to enhance differentiation, they had not cultivated customer-oriented marketing schemes aimed at differentiating the school from its competitors, they had not ensured active support and participation of front-office staff in the production and delivery of marketing programs, did not have superior quality over its competitors in service delivery and that they had not made differentiation strategy as their strengths in marketing and growth of the school.

CONCLUSIONS

Based on the findings of the study, the researcher has drawn several conclusions which are presented in this section following the order of the objectives of the study. The study concluded that since differentiation strategies played a significant role in influencing growth of private schools, the private schools should introduce innovative features that would make them rate above competitors, they invest resources in standardization of marketing programs and activities to enhance differentiation, they should cultivate customer-oriented marketing schemes aimed at differentiating the school from its competitors, they should ensure active support and participation of front-office staff in the production and delivery of marketing programs and they aim at having superior quality over its competitors in service delivery.

RECOMMENDATIONS

The researcher proposes the following recommendations based on the objectives of the study: that differentiation strategy be enhanced and aligned to ensure the schools gain competitive edge over their rivals. This should be done in direct consultation with the teachers who play a critical role in marketing the schools. The study further recommends that the private schools should introduce innovative features that would make them rate above competitors and invest resources in standardization of marketing programs and activities to enhance differentiation.

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