

Influence of Cost-Leadership Planning Strategies on Competitiveness of Private Universities in Nairobi County, Kenya

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Abstract— In the last three decades, the republic of Kenya has witnessed a tremendous increase in the number of chartered universities and a stiff competition for students. The student enrolment base coupled with the emergence of private university education providers turned the university arena in Kenya into a student enrolment market, leading to intense competition between Public and Private Universities. The researcher realizes that, the existing studies relate competitiveness with performance. Thus, the purpose of this study was to assess the influence of cost-leadership planning strategies on competitiveness of private universities in Nairobi County, Kenya. Resource Based Theory, Competitive Advantage Theory and Generic Framework Theory guided this study. The study applied mixed method approach and thus adopted concurrent triangulation design. Target population comprised 66 Registrar Academics, 66 Registrar Admissions and 33 Directors of Marketing all totalling to 165. Using the Central Limit Theorem, 36 Registrars of Academics, 36 Registrars of Admissions and 18 Directors of Marketing were purposively sampled. Questionnaires were used to collect data from Registrar Academic and Admissions whereas interview guide was used to gather data from Directors of Marketing. Data analysis began by identifying common themes from the respondents' description of their experiences. Qualitative data were analyzed thematically along the objectives and were presented in narrative forms. Quantitative data were analyzed using descriptive statistics and inferentially using Chi-Square through Statistical Packages for Social Science and presented using tables. The study established that many private universities have not fully adopted cost-leadership planning strategies to enhance their competitiveness. The study recommends that private universities design and market their academic programmes affordable to students from all socio-economic backgrounds.

Index Terms— Cost-Leadership planning strategies, competitiveness of private universities, students' enrolment.

I. INTRODUCTION

Highlight a The planning strategy of overall cost leadership is achieved through a set of functional policies aimed at this basic objective. According to El-sahn, Farid, Al-a'ali and Yacout(2013), cost leadership requires the construction of efficient-scale facilities and a vigorous pursuit of cost reductions in areas such as research and

development, service and marketing. A great deal of managerial attention is necessary in order to achieve cost efficiency. In a study carried out amongst horticultural firms in Australia, Eonsoo, Dae-il and Stimpert(2004)established that a low-cost position provides substantial entry barriers in terms of cost advantages or scale economies. Eonsoo et al (2004) asserted that a low-cost position defends the organisation against powerful buyers. These findings affirm the fact that a planning strategy of overall cost leadership is an appropriate choice in markets where the price level is relatively low defined by the public-sector funding bodies or due to a hard competition in the market.

Low cost also provides a defense against input cost increases. The main emphasis of cost leadership planning strategy is that a firm competitive advantage can be generated when it achieves low cost within its industry (Allen&Helms, 2006). Numerous approaches by which firms can achieve cost leadership have been suggested by researchers and scholars in the field of marketing and strategic management. These include using mass production techniques, achieving economiesof scale, adopting new technologies, achieving mass distribution and effectiveproduct design, reducing input costs, achieving at capacity utilization of resources,outsourcing and improving access to raw materials (Akan, 2006). In India, Hlavacka, Bachorova,Ruskanovaand Wegner(2001)assert that a cost leadership planning strategy is effective in the Hotel industry when a hotel has a distinctive competency in the management of the materials and production process. This implies that the cost leadership planning strategy advocates gaining competitive advantage due to the lowest cost of production of a product or service.

Lowest cost need not mean lowest price. Hlavackaet al (2001) noted that costs are removed from every link of the value chain- including production, marketing, and wastages and so on. The product could still be priced at competitive parity (same prices as others), but because of the lower cost of production, the company would be able to sustain itself even through lean times and invest more into the business all throughout.In a study conducted in Kuala Lumpur, Greve (2009) established that, to practice cost leadership, organizations compete for the largest number of customers through price. Cost leadership works well when the goods or services are standardized. In education context, when a university designs, produces and sells a comparable service and product more efficiently than its competitors as well as its market scope, it means that the university is carrying out the

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cost leadership planning strategy successfully (Brooks, 2010). Dess and Davis (2004) conducted a study to establish the performance effects of generic planning strategies based on a sample of non-diversified manufacturing firms. The study revealed that these firms can be classified into four clusters based on the planning strategies they adopt: cost leadership, stuck in the middle, focus, and differentiation. In terms of sales growth, the four groups were found to be significantly different from one another. The focus cluster was found to have the highest sales growth, followed by cost leadership, differentiation, and stuck in the middle clusters. In terms of return on total assets, the performance difference was not significant among the four groups. While the highest return was evident in the cost leadership group, the lowest was evident in the focus groups.

In Iran, empirical research on the profit impact of marketing planning strategy conducted by Ashraf, Kadir, Pihie and Rashid (2014) revealed that firms with a high market share were often quite profitable, but so were many firms with low market share. The least profitable firms were those with moderate market share. This was sometimes referred to as the hole in the middle problem. Porter's explanation of this is that firms with high market share were successful because they pursued a cost leadership planning strategy and firms with low market share were successful because they used market segmentation to focus on a small but profitable market niche. Firms in the middle were less profitable because they did not have a viable generic planning strategy. According to Ashraf et al (2014), this planning strategy emphasizes efficiency. By producing high volumes of standardized products, the firm hopes to take advantage of economies of scale and experience curve effects. The product is often a basic no-frills product that is produced at a relatively low cost and made available to a very large customer base.

Maintaining this planning strategy requires a continuous search for cost reductions in all aspects of the business. To be successful, this planning strategy usually requires a considerable market share advantage or preferential access to raw materials, components, labour, or some other important input. Without one or more of these advantages, the planning strategy can easily be mimicked by competitors.

In France, a study by Kim, Hurvey and Stimpert (2004) revealed that firms employing only one of Porter's generic planning strategies outperformed firms that applied elements from different planning strategies into their company. Firms that tried to achieve two or more different planning strategies at the same time also failed to perform at their best. The study concluded that integrated planning strategies combining elements of cost leadership and differentiation will result in higher market positioning than cost leadership or differentiation do individually. In the study, Hilman (2013) focused on those 54 hotels which implemented cost leadership planning strategy. The finding showed that cost leadership planning strategy had significant and positive influence on organizational performance and competitor orientation. On the same wave length, a study carried out in the hospitality industry relating cost leadership and organizational performance revealed that the companies

pursuing a low-cost planning strategy hedge it on; high capacity utilization (occupancy management), economies of scale, benefits from learning-curve effects, Technological advances and Outsourcing (Enz, 2011).

In many countries in Sub-Saharan Africa, institutions can improve its net profits by making a product different rather than becoming a cost leader-selling item for the lowest price on the market (Kim & Lim, 2006). Even if an institution attains cost leadership, it may not hold onto that lead for long. Hence it is wise for smaller firms trying to compete with larger and established firms to employ a combination of differentiation and cost leadership. For example, a study conducted in South Africa by Oyekunle, Abimbola, Olukemi, Windapo and Cattell (2014) revealed that any institution of higher learning that tries to beat competitors by offering academic programmes for a lower price employs the cost leadership and differentiations planning strategies. This further affirms the fact that charging a lower price but selling a larger volume of a good allows an institution to maintain its profits and expand its market share. In other words, the general objective of a higher education institution is to promote its students' learning within curriculum which is suitable to the environment, feasible to the organisation and acceptable to its stakeholders.

Oyekunle et al (2014) further argue that an educational institution should meet these ends efficiently and effectively. In such an organization, tensions will arise between the professional autonomy and managerial control. The head of the educational institution and heads of departments have the dual roles of a leading professional and chief executive. The cost leadership planning strategy also makes it difficult for new companies to enter the market because of thin profit margins. However, Oyekunle et al (2014) fail to indicate how focusing on price can make the institution lose sight of evolving students' tastes and preferences. In Kenya, the scenario is not quite different. For example, a study conducted by Kamau (2013) to determine the competitive planning strategies employed by Airtel Kenya Limited established that Airtel Kenya uses low cost planning strategy and differentiation planning strategies which enables the company to minimize costs, outsource services, adopt planning strategies to increase market share, quality offerings, efficient delivery system, ensuring market penetration and development and ensuring the company sources for resources in order to compete effectively with other companies.

In universities in Kenya, a low overall cost position may well require designing academic programmes easy to offer (Nicholai & Prizzon, 2014). The position of low overall costs is achieved in the labour market training of Kenyan continuing education centres by their own teaching staff. Once achieved, the high margins of the low-cost position can be reinvested in new equipment, facilities and knowledge to maintain cost leadership. However, Nicholai and Prizzon (2014) as did other empirical researchers have not interrogated the extent to which a low-cost education provides the highest quality despite the fact that a low-cost planning strategy means to develop an educational product that is truly simple to produce and has a low price and finally

a high market share.

II. STATEMENT OF THE PROBLEM

Generic planning strategies are critical in enhancing competitiveness of private universities. When effectively adopted, private universities register many undergraduate and postgraduate students who complete their academic programmes in time. As stated in the background, Omboi and Mutali (2014) posit that a continued survival of universities in the competitive higher education environment is strictly pegged on how well the universities capitalize on marketing activities for strategic positioning. However, in private universities represented in Nairobi County, the number of students enrolled in universities is still low and some still complain of longer periods to complete their academic programmes. For example, enrolment increased from 82,095 students in 2003 to 443,783 in 2015, an increase of 400 per cent, with private universities accounting for 11.5% (2005-2006) academic year, 17.8% for (2007-2008) academic year, 19.7% (2009-2010) academic year, 27.7% (2011-2012) academic year, 19.8% (2013-2014) academic year and 18.1% (2014-2015) academic year (Republic of Kenya, 2015).

Despite these statistics, few studies have interrogated the cost-leadership planning strategies adopted by private universities and how such planning strategies influence competitiveness of private universities, hence the study.

Theoretical Framework

This study was guided by the Michael Porter's generic framework theory that gives techniques for analyzing industries and competitors. This theory can be used to find the optimum position for private universities within higher education institution and often a determinant of institution's profitability can be said to be the attractiveness of an institution/industry in which it operates. The study was also guided by the Competitive Advantage Theory which was also postulated by Porter (1980). According to Porter (1980) Industries, just like in Higher Education Institution and the individual private universities within the universities are constantly involved in a dynamic interplay in an attempt to build a successful; competitive edge over another. In the same token, the study was also based on Resource based Theory by Thomas (2006). According to resource-based theory as actualized by Thomas (2006), organizations wish to maintain a distinctive product, competitive advantage and will therefore plug gaps in the resources and capabilities in the most cost-effective manner available.

The theories relevant to this study are; the generic framework theory, the competitive advantage theory, and the resource-based theory. The choice of the three theories in this study is motivated by the fact that the porter's generic planning strategies are guided by three pillars; cost leadership, differentiation and market focus planning strategies and thus the need to support them. These theories underscore the fact that, for an institution using this focus planning strategy approach can opt to either seek lower costs or product differentiation planning strategy and thus have a focus or market niche planning strategy based on lower cost and a focus or market niche planning strategy based on differentiation. Private universities concentrate on a narrower

buyer segment in order to compete with their rivals on the basis of lower cost of operation; while in the differentiation planning strategy the company concentrates on the market niche by offering the customers a product that best suits their tastes, preferences and expectations. These theories agree with the fact that universities have cemented their trade mark on specific programmes as their focal point thus gaining popularity even in the related market pools.

III. THE CONCEPTUAL FRAMEWORK

In this study, the conceptual framework was based on cost-leadership planning strategies reflected through fee payable for academic programmes and mode of fee payment which constituted independent variables whereas competitiveness of private universities whose indicators included; number of students in private universities and those who graduate constituted the dependent variable. The intervening variable for this study included; government policies and staff support as shown in Figure 1;

IV. SCOPE OF THE STUDY

This study was conducted in registered private universities in Kenya. The study focused on assessing the influence of cost-leadership planning strategies on competitiveness of private universities in Nairobi County, Kenya. This study applied mixed methods approach and thus applied concurrent triangulation research design. In this study, questionnaires were used to collect data from Registrar Academics and Registrar Admissions whereas interview guide was used to collect data from Director of Marketing.

V. RESEARCH METHODOLOGY

The study applied mixed methods approach, that is, quantitative and qualitative methods. The study applied concurrent triangulation research design since this is a single-phase design in which the researcher applied quantitative and qualitative methods at the same time and with equal weight. Target population for this study was 165 respondents. This is because according to Mugenda and Mugenda (2003), target population is an entire group of individuals, events or objects having common characteristics. This consisted of 66 Registrar Academics, 66 Registrar Admissions and 33 Directors of Marketing. The sample for the study was eighteen universities, that is, 54.5% of 33 that was slightly but within the threshold. The choice of eighteen universities was motivated by the fact that they are firmly established in Nairobi County. Using the Central Limit Theorem of sample size determination, all the Registrars in charge of Administration and Registrars in charge of Academic Affairs, their Assistants and Director marketing in all Private Universities were selected purposefully.

Purposive sampling was used to select 18 private universities in Nairobi County to act as research sites due to their establishment in terms of period of operation and their magnitude in terms of courses offered. Eighteen Directors of

Marketing, 36 Registrar Academics and 36 Registrar Admissions were selected using purposive sampling. This procedure enabled the researcher to realize a sample of 18 Directors of Marketing, 36 Registrar Academics 36 Registrar Admissions. Data analysis entails the reduction of the consolidated information to a size that is manageable, development of summary, search for pattern and application of the statistics technique (Best & Kahn, 2006). The relevant information was broken into phrases which reflected a

specific thought. The responses to the close-ended items were assigned codes and labels. Frequencies of the responses from participants were obtained. Qualitative data was analyzed thematically along the objectives and presented in narrative forms whereas the quantitative data was analyzed using descriptive statistics such as frequencies and percentages and inferentially using Chi-Square Test Analysis with the help of SPSS Version 23 and presented using frequency distribution tables.

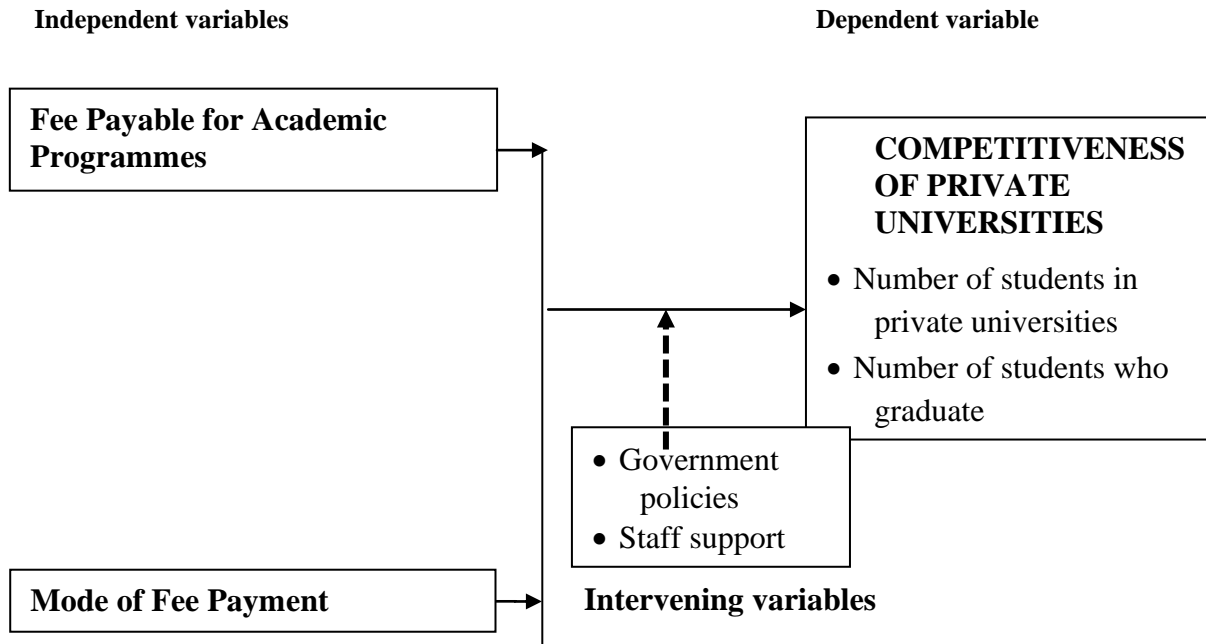


Figure 1: The Conceptual Framework
Source: Researcher (2019)

VI. RESULTS AND DISCUSSIONS

In this section, the data analysis, presentation and interpretation are reported. The following main question guided the study:

- i. To what extent do cost-leadership planning strategies on competitiveness in private universities in Nairobi County, Kenya

Response Rates

In this study, 36 questionnaires for Registrar Academics and 36 questionnaires for Registrar Admissions were administered. In return, 32-Registrar Academics’ and 32-Registrar Admissions’ questionnaires were filled and returned. The researcher also conducted interviews amongst 16 Director of Marketing. This yielded response rates shown in Table 1;

Table 1: Response Rates

Respondents	Sampled Respondents	Those Who Participated	Achieved Rate (%)	Return
Directors of Marketing	18	16	88.9	
Registrar Academics	36	32	88.9	
Registrar Admissions	36	32	88.9	
Total	90	80	88.9	

Source: Field Data (2018)

From Table 1, Director of Marketing, Registrar Academics and Registrar Admissions registered a response rate of 88.9%. This confirmed the findings of Creswell (2009) that a response rate above 75.0% is adequate and of suitable levels to allow for generalization of the outcomes to the target population.

Influence of Cost Leadership Planning Strategies on Competitiveness of Private Universities

The study sought to establish cost leadership planning strategies adopted by registered private universities to influence their competitiveness. Implying its ability and

performance to sell itself to the public (attracting students' enrolment). Descriptive data collected from Registrar Academics and Registrar Admissions was organized and summarized and results are indicated in Table 2:

Table 2: Views of Registrar Academics and Registrar Admissions on the Influence of Cost Leadership Planning strategies on Competitiveness of Private Universities

Test Items	RESP.	Ratings					SD
		SA %	A %	U %	D %	SD %	
Fees charged by private universities for their academic programmes has motivated many students to enrol and thus complete their studies in time	RAC	75.0	11.5	4.5	7.5	1.5	
	RAA	87.5	7.5	1.1	3.1	0.8	
Mode of paying of fees has attracted many students to private universities	RAC	65.0	10.5	3.0	11.5	10.0	
	RAA	75.0	17.1	1.2	3.2	3.5	
Many private universities charge low fees which has accorded them competitive edge over public universities by improving student enrollment and completion periods	RAC	75.0	10.5	2.5	9.0	3.5	
	RAA	62.5	19.8	2.8	10.2	4.7	
Low cost of academic programmes offered in private universities has enabled them to have a larger market share by enrolling more students than other universities	RAC	88.5	2.5	1.5	4.5	3.0	
	RAA	62.5	9.9	3.7	13.7	10.2	
Private universities have adopted flexible mode of fee paying as a planning strategy of promoting their competitiveness over other universities	RAC	65.5	11.5	4.0	13.01	6.0	
	RAA	75.0	10.9	3.6	5.9	4.6	
Adopting a flexible mode of fee payment makes it easy for private universities to have a competitive edge over universities	RAC	70.0	15.5	4.5	7.0	3.5	
	RAA	62.5	19.8	2.8	10.2	4.7	

Key: RESP-Respondents; RAC-Registrar Academics; RAA-Registrar Admissions

Source: Field Data (2018)

Table 2 reveals that majority 24(75.0%RAC) and 28(87.5%RAA) of the Registrar Academics and Registrar Admissions strongly agreed with the view that fees charged by private universities for their academic programmes has motivated many students to enrol and thus complete their studies in time as did 4(11.5%RAC) and 3(7.5%RAA) who agreed. However, only a paltry 2(4.5%) of the Registrar Academics as well as 1(1.1%) of Registrar Admissions were undecided, 3(7.5%) of Registrar Academics as did 1(3.1%) of the Registrar Admissions disagreed whereas 1(1.5%) of Registrar Academics and 1(0.8%) of the Registrar Admissions strongly disagreed. These findings corroborate the assertions of Nangila (2014) that when a university designs, produces and sells a comparable service and product more efficiently than its competitors as well as its market scope, it means that the university is carrying out the cost leadership planning strategy successfully and is geared towards registering high number of undergraduate and postgraduate students. These findings point to the fact that competitive advantage exists when an institution has a product or service that is perceived by its target market customers as better than that of its competitors. It is that advantage an organization has over competitors, gained by offering consumers greater value, either by means of lower prices or by providing greater benefits and service that justifies higher prices. The study also found out that majority of the respondents 21(65.0%RAC) and 24(75.0%RAA) strongly agreed with the view that mode of paying of fees has

attracted many students to enrol in private universities. At the same time, 4(10.5%) of the Registrar Academics as did 6(17.1%) of the Registrar Admissions agreed. However, 1(3.0%) of Registrar Academics and 1(1.2%) of the Registrar Admissions were undecided, 4(11.5%) of Registrar Academics and 1(3.2%) of the Registrar Admissions disagreed whereas 3(10.0%) of the Registrar Academics as did 1(3.5%) of the Registrar Admissions strongly disagreed.

The study also revealed that majority 24(75.0%RAC) and 20(62.5%RAA) of the respondents strongly agreed with the view that many private universities charge a relatively low fees which has accorded them competitive edge over public universities by improving student enrollment and completion periods. On the same breath, 3(10.5%) of the Registrar Academics as did 6(19.8%) of the Registrar Admissions agreed. However, 1(2.5%) of Registrar Academics and 1(2.8%) of the Registrar Admissions were undecided, 3(9.0%) of Registrar Academics and 3(10.2%) of the Registrar Admissions disagreed whereas 1(3.5%) of the Registrar Academics as did 2(4.7%) of the Registrar Admissions strongly disagreed. Majority 28(88.5%RAC) and 20(62.5%RAA) of the respondents strongly agreed with the view that low cost of academic programmes offered in private universities has enabled them to have a larger market share by enrolling more students than other universities. A paltry 1(2.5%) of the Registrar Academics and 3(9.9%) of the Registrar Admissions agreed.

At the same time, 1(1.5%) of the Registrar Academics and 1(3.7%) of Registrar Admissions were undecided, 2(4.5%) of

Registrar Academics and 5(13.7%) of the Registrar Admissions disagreed whereas 3.0% of the Registrar Academics as did 3(10.2%) of the Registrar Admissions strongly disagreed. These findings further lend credence to the findings of a study conducted by Kim et al (2004) who revealed that integrated planning strategies combining elements of cost leadership and differentiation will result in higher market positioning than cost leadership or differentiation do individually.

Kim et al (2004) also established that performance and growth of institutions depends largely on how costs of services being offered. Hence, these findings affirm the fact that returning to the main point, the cost leadership planning strategy is employed when an institution aims to be the lowest cost producer in the market. In other words, learners or managers of such colleges or universities ought to make a concerted effort to lower costs of services offered in order to achieve a competitive advantage. That is, a lower cost structure enables an institution to reap higher than average profitability. On the same breath, majority of the respondents 21(65.5%RAC) and 24(75.0%RAA) strongly agreed with the view that private universities have adopted flexible mode of fee paying as a planning strategy of promoting their competitiveness over other universities. 4(11.5%) of the Registrar Academics and 2(10.9%) of the sampled Registrar Admissions agreed.

At the same time, 6(4.0%) of the Registrar Academics and 1(3.6%) of Registrar Admissions were undecided, 4(13.0%) of Registrar Academics and 5(15.9%) of the Registrar Admissions disagreed whereas 2(6.0%) of the Registrar Academics as did 2(4.6%) of the Registrar Admissions strongly disagreed. Majority 22(70.0%RAC) and 20(62.5%RAA) of the respondents strongly agreed with the view that adopting a flexible mode of fee payment makes it easy for private universities to have a competitive edge over universities. 5(15.5%) of the Registrar Academics and 3(9.8%) of the Registrar Admissions agreed. At the same

time, 2(4.5%) of the Registrar Academics and 1(2.8%) of Registrar Admissions were undecided, 3(7.0%) of Registrar Academics and 3(10.2%) of the Registrar Admissions disagreed whereas 1(3.5%) of the Registrar Academics as did 2(4.7%) of the Registrar Admissions strongly disagreed.

These findings are consistent with the findings of a study carried out by Kamau (2013) to determine the competitive planning strategies employed by Airtel Kenya Limited which established that Airtel Kenya uses low cost planning strategy and differentiation planning strategies which enables the company to minimize costs, outsource services, adopt planning strategies to increase market share, quality offerings, efficient delivery system, ensuring market penetration and development and ensuring the company sources for resources in order to compete effectively with other companies. This implies that private universities are able to register a comparably higher number of students due to lower costs of fees paid and their modes of fee payment is flexible compared to other universities. In other words, cost leadership planning strategy had significant and positive influence on organizational performance and competitor orientation. This further points to the fact that planning strategy which involves providing the lowest costs enable learning institutions to strive for a large market share when employing this planning strategy. In order to further ascertain the influence of cost leadership planning strategies adopted by private universities on competitiveness of the universities, data was collected on average fee payable for entire academic programmes to private universities and the number of postgraduate and undergraduate universities in such private universities and results are shown in Table 3:

Table 3: Results of the Average Fee Payable for Entire Academic Programmes and the Number of Students in Private Universities

Average Fee Payable for Entire Academic Programmes in Kshs	Number of Students in Private Universities
504000	13000
470000	23000
440000	28000
428,000	50,000

Source: Field Data (2018)

Table 3 indicates that registered private universities which charge moderately lower fees for their academic programmes register higher number of students. These findings further lend credence to the assertions of Kim et al (2004) that growth of institutions depends largely on how the costs of services are being offered. Hence, the cost leadership planning strategy is employed when an institution aims to be the lowest cost producer in the market.

Inferential Findings on the Influence of Cost Leadership Planning Strategy on Competitiveness of Private Universities

The results in Table 8 were subjected to Chi-Square (χ^2) Test Analysis and results are shown in Table 4:

Table 4: Chi-Square (χ^2) Analysis Showing Relationship Between Average Fee Payable for Entire Academic Programmes and the Number of Students in Private Universities

	Value	Df	Asym.Sig. (2-sided)	Monte Carlo Sig. (2-sided) Sig.	Monte Carlo Sig. (2-sided) 95% Confidence Interval		Monte Carlo Sig. (1-sided) 95% Confidence Interval	
					Lower Bound	Upper Bound	Lower Bound	Upper Bound
Pearson Chi-Square	12.000 ^a	9	.213	1.000 ^b	1.000	1.000		
Likelihood Ratio	11.090	9	.270	1.000 ^b	1.000	1.000		
Fisher's Exact Test	10.610			1.000 ^b	1.000	1.000		
Linear-by-Linear Association	2.369 ^c	1	.124	.126 ^b	.119	.132	.043 ^b	.039 .047
N of Valid Cases	4							

Source: SPSS Generated (2018)

From the Chi-Square (χ^2) Statistics in Table 4, the processed data, generated a significance level of 0.043^b which shows that the data is ideal for making a conclusion on the population's parameter. The significance value generated was less than 5%, that is, p-value=0.043^b<0.05. These results indicate that there is significant relationship between cost leadership planning strategy adopted by private universities and the competitiveness of such private universities. That is, there is relationship between cost leadership planning strategies and the number of students enrolled in private universities and how fast the enrolled students take to complete their academic programmes. These results were consistent with the findings of a study conducted by Kamau (2013) which generated a p-value of 0.046<0.05. These findings point to the fact that low cost planning strategy and differentiation planning strategies which enables private universities to minimize costs, outsource services, adopt planning strategies to increase market share, quality offerings, efficient delivery system, ensuring market penetration and development and ensuring the company sources for resources in order to compete effectively with other companies. Theoretically, these findings lend credence to the premises of Michael Porter's generic framework theory which helps private universities to find the optimum position within higher education institution and often a determinant of institution's profitability can be said to be the attractiveness of an institution/industry in which it operates. This means that private universities that manage to place themselves correctly can generate more profits than institutions who have not thought about their optimal position.

Thematic Analysis of Qualitative Findings on the Influence of Cost Leadership Planning Strategies on Competitiveness of Private Universities

The researcher also interviewed Director of Marketing in private universities on the influence of cost leadership planning strategies they adopt in order to increase their enrollment rates. The Director of Marketing noted that their planning strategy has been to offer quality academic programmes at a lower cost and also ensure that students complete their programmes within a shorter period of time.

On further probing, Direct of Marketing, DM1, observed,

"In my university, we offer quality academic programmes at a fairer fee. For example, for undergraduate programmes, we charge Kshs. 250, 000 for a four-year programme compared to other universities which charge slightly above Kshs. 400, 000. At the same time, fee is payable on a monthly basis which is flexible for all students".

Just like in quantitative findings, these views also lend credence to the views expressed by Nangila (2014) that when a university designs, produces and sells a comparable service and product more efficiently than its competitors as well as its market scope, it means that the university is carrying out the cost leadership planning strategy successfully and is geared towards registering high number of undergraduate and postgraduate students. This further affirms the fact that competitive advantage exists when an institution has a product or service that is perceived by its target market customers as better than that of its competitors. When asked about mode of fee payment, Director of Marketing in private universities also indicated that their mode of fee payment is very flexible and has enabled them to attract many postgraduate and undergraduate students. According to the Director of Marketing, this planning strategy has accorded them competitive edge over public universities by improving student enrollment and completion periods. When probed further, Director of Marketing, DM2, noted,

"To attract more students, we have made our fee payment to be very flexible in order to accommodate students from different social backgrounds and socio-economic status. Students are allowed to pay their fees monthly, termly and annually. There is no rule that fees should be paid once before starting any academic programmes. Our academic programmes are also of quality, but at low cost".

These views further corroborate the views expressed by Kim et al (2004) that performance and growth of institutions depends largely on how costs of services being offered. This further points to the fact that the cost leadership planning strategy is employed when an institution aims to be the lowest cost producer in the market. This implies that low cost

planning strategy enables private universities to minimize costs, outsource services, and adopt planning strategies to register higher number of students due to lower costs of fees paid and their modes of fee payment is flexible compared to other universities.

VII. SUMMARY AND CONCLUSIONS OF RESEARCH FINDINGS

From the study findings, it is evident that many private universities enroll more postgraduate and undergraduate students than other universities. To achieve the high enrollment rates, private universities have embraced cost-leadership planning strategies to enhance their competitiveness. This implies that cost of academic programmes offered by private universities is a key determinant to their competitiveness by enrolling students who complete their programmes within a shorter period of time. In other words, fee payable for academic programmes and the mode of fee payment are flexible which make private universities have a competitive edge over public universities.

VIII. RECOMMENDATIONS

Drawing from the study findings, the study recommends that, in order to further increase enrollment rates, private universities should further see that fee designed for every academic programme should be affordable for students from all socio-economic backgrounds. Mode of fee payment should also be made more flexible in order to further attract more postgraduate and undergraduate students. The Ministry of Education through Commission for University Education should formulate policies which ensure that universities offer quality and affordable academic programmes for students from different socio-economic backgrounds in order to admit the 40% of KCSE candidates who miss placement after public and private universities.

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