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EFFECT OF SERVICE DIFFERENTIATION IN MARKETING ON PERFORMANCE OF PRIVATE UNIVERSITIES IN NAIROBI COUNTY

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ABSTRACT:

The purpose of the study was to evaluate the effect of service differentiation in marketing on the performance of private universities in Nairobi County. The specific objectives of the study were to establish the effect of service expected cost on the performance of private universities in Nairobi County; to determine the effect of service promotion on the performance of private universities in Nairobi County; to identify the effect of service uniqueness on performance of private universities in Nairobi County; and to determine the effect of service convenience on the performance of private universities in Nairobi County. Theories that shaped the study were; Differentiation Theory, Marketing Mix Model (MMM) and Marketing Impact and Persistence Model (MIPM). The population of the study included all universities in Nairobi County. The target population for the study was 34 private universities in Nairobi County. This study used census surveys all the 34 private universities with operations in Nairobi County. The sample size was 34 respondents each from the registrar's office of each of the 34 private universities. A descriptive research design was adopted for this study. This study used primary data which was collected by use questionnaire. Data was analyzed using descriptive and quantitative techniques. Descriptive analysis was through mean and standard deviation. Quantitative analysis was generated with inferential statistics that included regression coefficients. These coefficients were used to test null hypothesis testing at a confidence level of 95 percent. The hypothesis findings at 95% found significant effect on service expected cost, service promotion, service uniqueness and service convenience with performance of private universities in Nairobi County hence rejecting H01, H02, H03 and H04: null hypothesis. Conclusion, recommendations and further studies were suggested.

INTRODUCTION

An organization's ability to achieve its goals and compete effectively determines the level of its performance in

the market (Rapert, Lynch & Suter, 2007). A firm's performance is the result of the actual results of an

organization measured according to its intended objectives and objectives (DeBrey, 2014). Several studies

have indicated that generic strategies can be used to measure a firm's performance (Singh, Mathur & Gleason,

2004). For example, (Chege and Oloko 2017) evaluated the Influence of generic strategies on the performance

of large dairy firms in Kenya, among the three strategies used was differentiation. Notably, in business, there

are various differentiation strategies that a company can select between to achieve superior performance, it

can be product differentiation, service differentiation, personnel differentiation, image differentiation and channel differentiation (Kottler & Keller 2007). In this study, the researcher evaluated the effect of service differentiation on the performance of private universities in Nairobi County.

In the market place, a firm may face a considerable amount of competition. For an organization to operate effectively, the marketing department will often use a differentiation strategy to make consumers believe that the firm's offering is different from those of its competitors (Kottler, 2000). This means an organization is differentiated by distinguishing its products (or service) from other sellers. Hence, differentiation is the act of designing a set of meaningful distinct to distinguish the company's offerings from competitor's offerings (Kottler, 2000). The concept of differentiation was introduced by Edward Chamer in his 1933 theory of Monopolistic Competition. In today's world, service differentiation is essential and has been fully embraced as a concept to curb competition. Hence the organization's service offering has to be different to perform better in the industry. Every organization must differentiate its services to attract targeted customers and make the purchase intended service (Kottler, 2000). As a way of striving to achieve service differentiation, companies have started including more services to their total offerings (Oliva & Kallenbeg, 2003). Nowadays, Organizations are not only focusing on product innovation and customer-centricity but also transitioning service differentiation as the main focus in their total offering. Objectively, companies that rely on the service part of their business always attain high sales and improved performance (Fang, Palmatier, and Steenkamp, 2008).

Services are processes that contain the following six characteristics; services are intangible, perishable, consumed and produced simultaneously, can differ from one customer to another, not transportable and they are co-produced by the customer (Bruhn & Georgi 2006). Based on these characteristics, in services marketing, 7 P are usually combined to ensure the creation of the best services possible. They include; Product, which concerns the service design, Price, which is the influences on pricing, Physical evidence, this means that services are intangible, Place, this is the distribution, Promotion, in regards to various media types used, People to deliver the service, Process which determines the client's satisfaction (Nargundkar, 2006)

Organizations' performance is referred to as the proper utilization of its resources to achieve intended results (Nuru, 2015). Further, the concept of performance is captured in various categories such as legal performance,

economic performance, and social performance. Legal performance is the factors dealing with the law recommendations; Economic performance involves aspects such as sales, productivity and profit, and Social performance include elements like employee and customer satisfaction. A firm's performance can also be measured using financial indicators (profits, sales, growth, cash flow returns on equity) and non- financial indicators such as innovativeness and market share (Nuru, 2015).

Universities worldwide are undergoing unprecedented change and confronting multiple challenges brought about by the vast and complex processes of globalization and liberalization (Gudo, 2014). In nearly all African nations, universities acquire monetary help from the government (Gudo, 2014). The result is that the extent of higher schooling centers has long depended on the soundness of the countrywide economic performance. From the 1980s, maximum African international locations experienced economic constraints due to bad economic overall performance and fast population growth. University schooling has faced excessive opposition from other quarter for restrained government price range (Winfred, 2017)

In service rendering organizations such as universities, Service differentiation has been incorporated to take advantage of available marketing opportunities since they are less identifiable yet lead to co-creation of value based on the students' expectations and the organization's competencies (Mathieu, 2001). This results in resources and university offerings that are difficult to imitate and unique, hence increasing the university average performance

(Vargo and Lusch, 2008). However, most researches have been done on service differentiation and disregarding other organizational marketing activities such as promotion, cost, and convenience. The total neglect of these aspects can lead to poor organizational performance. Only the intent to include these factors in service differentiation can lead to improved performance in a service rendering organization such as universities (Hoopes, Madsen and Walker, 2003). Hence the need to research on the effect of Service differentiation on the performance of private universities in Nairobi County.

Over the past years, private universities in Kenya have faced many challenges. Among these challenges are enrollment beyond their capacity to plan and finance, fiscal challenges beyond their control, decline in quality beyond their anticipation, and weak management practices. To help solve some of these problems, private universities have increasingly emerged and gained ground in the country as an alternative to higher education

provision (Gudo, 2014).

The backbone of this study is that the economy is now full of private universities in addition to the few public universities whereby they are all competing to fulfill the career aspirations of the country's manpower and industrial needs with good human resource capital as vision 2030 projects. It is now in a form of market competition as all private Universities have drawn up their marketing plans to grow their intakes to gain high funds, profits, and improved performance. The Majority of the young men and women are now attending schools in high numbers with the zeal and passion for acquiring knowledge and skills in life through higher education (Graham & Regan, 2016). This makes the research of the service differentiation marketing more interesting.

Education institutions such as universities face a growing number of complex challenges that threaten their growth and prosperity; resulting in shrinking departmental budgets, greater institutional demands and intensified competition throughout the industry hence testing the performance of the universities, Cheruon & Richard (2015). Performance of Universities is largely characterized by the number of students enrolled and various researches undertaken by the university as a way of adding more knowledge in various fields of specialization, (DeBrey, 2014). Universities differentiate their services offering through the provision of unique courses, solving a problem through innovation, use of new technology, creation of brand awareness to remain relevant and competitive in the market (Aduda, 2014). However, very few universities have been able to fully incorporate these service differentiation strategies as a way of remaining competitive and continuously improving their performance in the education industry (Njoro, 2017).

Njoro, (2017) focused on competitive strategies influencing the growth of selected private universities in Kenya. The study asserted that technology and innovation have a great significance in the growth of a majority of the selected universities surveyed. However, these studies failed to indicate service differentiation as a variable to measure of performance of universities. Shisia, Sang, Matoke, and Omwario (2014), researched on innovation and performance of private universities in Kenya and found out that indictors of organization performance from strategic innovation were; generation of resources, teaching, and learning, research, and creation of knowledge. However, this study did not look at the number of students enrolled and the number of publications done by students in referred journals to measure the performance of universities.

Therefore from the above studies, their findings were not inclusive of service differentiation as factor influencing the performance of private universities. There exist a service differentiation gap; this informs the researcher to carry out a study on the effect of service differentiation in marketing on the performance of private universities in Nairobi County.

The general objective of the study was to evaluate the effect of service differentiation on the performance of private universities in Nairobi County.

Specific Objectives

The specific objectives of this study were as follows:

(i)   To establish the effect of service expected cost on the performance of Private Universities in Nairobi County.

(ii) To determine the effect of service promotion on the performance of Private Universities in Nairobi County.

(iii) To identify the effect of service uniqueness on the performance of Private Universities in Nairobi County.

(iv) To determine the effect of service convenience on the performance of Private Universities in Nairobi County.

1.4 Hypothesis

H_{01} Service expected cost has no significant effect on the performance of Private Universities in Nairobi County.

H_{02} Service promotion has no significant effect on the performance of Private Universities in Nairobi County.

H_{03} Service uniqueness has no significant effect on the performance of Private Universities in Nairobi County.

H_{04} Service convenience has no significant effect on the performance of Private Universities in Nairobi County.

The conceptual structure is a scheme of variables that the researcher uses to operatively achieve the established objective (Shields & Patricia, 2017). Variables are measurement characteristics that take various values between the subjects. Independent variables are variables that a researcher manipulates to determine their influential influence on another variable. The dependent variable seeks to indicate the total influence

that derives from the influence of the independent variable (Shields & Patricia, 2017).

The study looked at the effect of service differentiation in marketing on performance private universities in Nairobi County. The independent variable was service differentiation, while the dependent variable was the performance of private universities in Nairobi County. Service expected cost, Service promotion, Service differentiation, and Service uniqueness, Service convenience formed the constructs of the independent variable. While the number of students enrolled and the number of researches conducted formed constructs of the dependent variable which is the performance of private universities as shown in figure below;

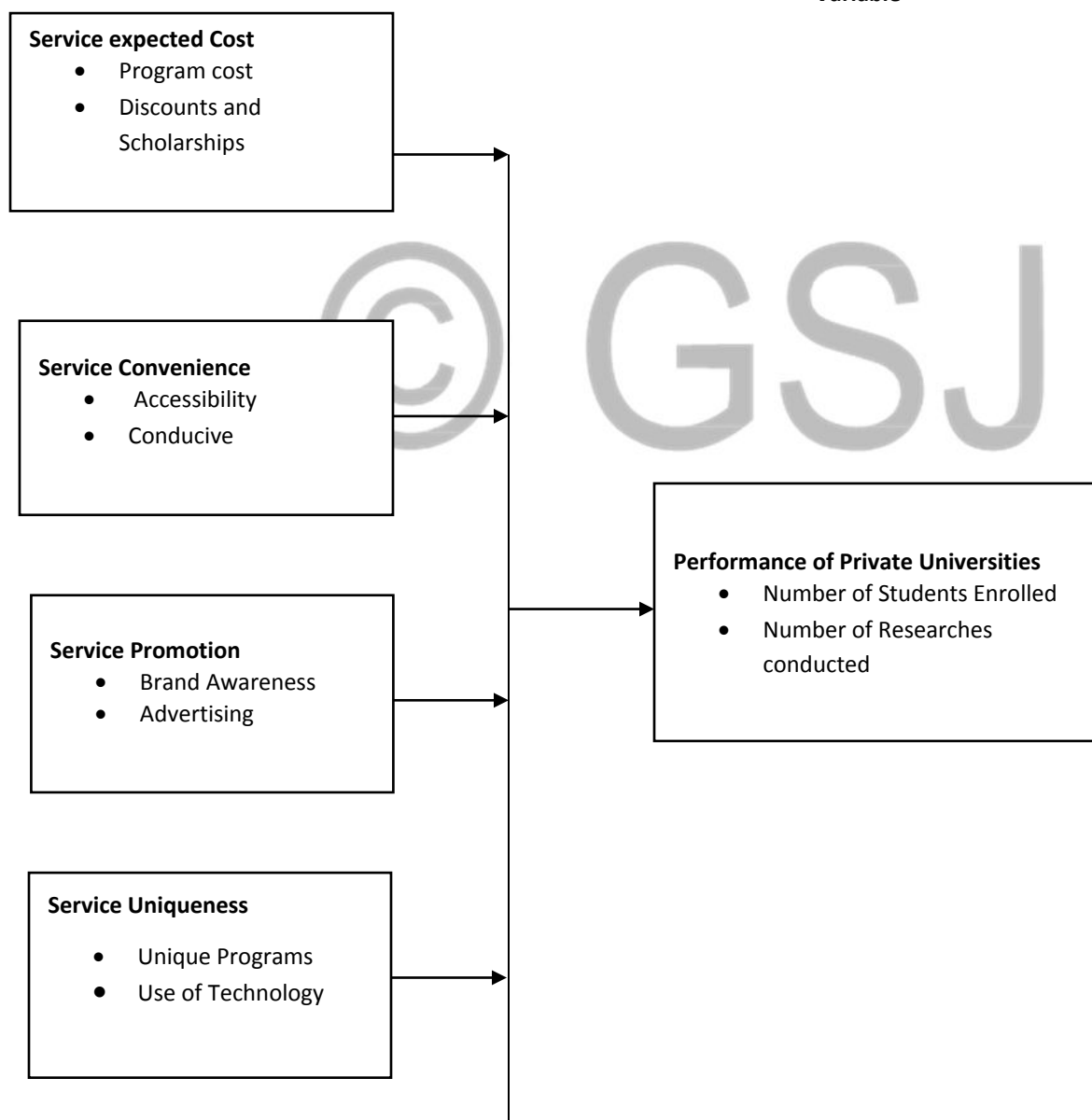**Independent variables**   **Dependent**

Variable

Service expected Cost
- Program cost
- Discounts and Scholarships

Service Convenience
- Accessibility
- Conducive

Performance of Private Universities
- Number of Students Enrolled
- Number of Researches conducted

Service Promotion
- Brand Awareness
- Advertising

Service Uniqueness
- Unique Programs
- Use of Technology

Figure 2.1: Conceptual framework

RESEARCH METHODS

Research Design

The researcher adopted a descriptive survey research design that guaranteed compilations and descriptive analysis of the data of the study population. Mugenda and Mugenda (2003) give the purpose of descriptive research on how to determine and inform how things are. The purpose of the survey of a descriptive survey is to produce statistical information on aspects of education that are of interest to those responsible for the formulation of policies and educators. The study was quantitative in nature. The design of the descriptive survey research allowed the researcher to highlight the effect of service differentiation on the performance of private universities in Nairobi County in Kenya.

Study Population

The population is the total count of items represented in a particular geographical area (Mugenda and Mugenda, 2003). The population of the study will include 34 universities. The target population for the study was private universities in Nairobi County.

Sampling Frame

Lists of 34 private universities formed the sampling frame of the study. The unit of observation and analysis was the university's staff as guided by the questionnaire.

Sampling Technique and Sample Size

The research study adopted the census method given that the population is small. The entire population formed the sample size. According to Mugenda and Mugenda (2003), when the sample size is less than 80 respondents, we use the census. This study therefore, uses a census survey of all the 34 private universities with operations Nairobi County. The sample size contained 34 respondents each from the registrar's office of each of the 34 private universities. Each staff from each private university was be administered a questionnaire.

Data Collection Tools

Questionnaire was used in gathering information on the effect of service differentiation in marketing on the performance of private universities in Kenya. The researcher used both open-ended and close-ended questions. The researcher adopted the use of a questionnaire. The questionnaire was used to gather information on the performance of private universities in terms, the number of students enrolled per year and

the number of researches conducted. It also captured information on service expected costs such as program fees, discounts, and scholarships, university's service promotion such as brand awareness and advertising methods, Service uniqueness such as unique programs and use of technology, Service conveniences such as universities' accessibility and conduciveness. The questionnaire contained six sections; namely, service expected cost, service promotion, service uniqueness, service convenience and performance of private universities.

Operationalization and Measurement of Study Variables

In this section, study variables were operationalized and measured. Service expected the cost was measured to indicate the extent to which various costs affect service expected cost in marketing on the performance of private universities in Nairobi County. Service promotion was measured by determining the extent to which application of service promotion affects service differentiation in marketing on performance private universities in Nairobi County. Service Uniqueness was measured to indicate the extent to which service uniqueness in marketing on the performance of private universities in Nairobi County. Service convenience was measured to determine the extent to which service convenience affects service convenience in marketing on the performance of private universities in Nairobi County. The performance of a private university was measured using the number of students enrolled and the number of researches done or published by a private university when the p- values less than 0.05.

Operationalization and Measurement of Study Variables

Variable	Variable Constructs	Indicator/Measurement
Service expected cost	1. Program Fees 2. Discounts and scholarships	The extent to which cost affects service expected cost in marketing on the performance of private universities in Nairobi county on a scale of 1-5.
Service promotion	1. Brand awareness 2. Advertising	The extent to which application of service promotion affects service differentiation in marketing on the performance of private universities in Nairobi county on a scale of 1-5.
Service uniqueness	1. Unique programs 2. Use of technology	The extent to which service uniqueness in marketing on the performance of private universities in Nairobi county on a scale of 1-5
Service convenience	1. Accessibility 2. Conducive	The extent to service convenience affects service convenience in marketing on the performance of private universities in Nairobi county on a scale of 1-5
Performance of Private Universities	1. Number of students enrolled 2. Number of research done	When the *P-values* will be less than 0.05 will be an indicator that the performance of private universities can be measured by the number of students enrolled and the number of researches done or published by a private university.

Pilot, Reliability and Validity tests

This section indicated pilot, reliability and validity tests used to conduct the study.

Pilot Test

A Pilot study was carried at the University of Nairobi, which is a public university in Kenya**.** The university was

not be part of the sampled universities for data collection. The pilot study was to be conducted to measure the

validity and reliability of data collection tools before the main survey. Zikmund (2010) refers to a pilot study as

a small-scale preliminary study carried out before the main study. These respondents were included in the

final study.

Reliability Tests

According to Zikmund (2010), reliability is the measure in which the result is extra constant hours and the

precise representation of the total population studied is called reliability and if the result of a study can be

reproduced according to a similar methodology, the instrument is considered to be reliable research. A high

degree of stability indicates a high degree of reliability, which means that the results are repeatable.

Reliability was measured using Cronbach's alpha, correlations will be performed by comparing the elements determined as similar. The acceptable threshold will be above 0.7 (Peil, 2005). To ensure the equivalence of data collectors, two or more data collectors were evaluated to verify whether they administer a written or oral questionnaire in the same way and obtain consistent results (Mugenda and Mugenda, 2003). They were trained to follow the same script to obtain the participant's consent and give instructions before and during data collection. The measurement error was reduced by situational contamination through the coherence in data collection, if applicable. The characteristics of the researcher, the physical environment, the weather or the time of day will be favorable to the collection of data. Temporary conditions such as pain, anxiety or mood and need will be assessed (Kombo & Tromp, 2006).

Validity Tests

Content validity was used to measure validity. The validity of the content is the extent to which items in a procedure of measurement are relevant and representative of the construct they intend to measure. Responsive sensitive information was kept confidential (Kombo & Tromp, 2006). The content and adequacy of the questionnaire was to be gauged by experienced researchers and supervisors.

Data Collection Procedure

After approval of the research project, the researcher obtained a letter of authorization from the university's postgraduate studies department. The researcher also obtained a letter of authorization for the data collection of the National Commission of Science, Technology, and Innovation (NACOSTI). The researcher recruited and trained two research assistants who helped in data collection. The Pilot study was conducted in a week while actual data collection and fieldwork was carried out in three weeks of the month of August 2019. The questionnaires were self-administered, where the questionnaires were sent to the respondents and decided later. The questionnaire required that the respondents complete the form by themselves, and consequently require an excessive stage of literacy. The questionnaires were prepared for the use of the main languages of the target institutions, preferably in English

Data Processing and Analysis

The received questionnaires were checked to verify completeness. In case of incomplete questionnaires, the repeat calls were made to ensure complete information is obtained.

Data Processing

The raw data gathered were converted into the computer usable form through the following stages: first, categorization of the open ended questions was done to ensure uniformity during the coding process. Coding process, with categories established for each response, a master codebook was established which was then be used to code the rest of the questionnaires. Third stage involved transfer of codes from the serialized questionnaires into a worksheet having respondents as variables against questionnaire serial numbers as identities.

Finally, data was entered into Statistical Package for Social Sciences (SPSS) version 20. With data in the SPSS program, each variable name and label was defined. SPSS has been credited because it can take data from almost any type of file and use them to generate tabulated reports, descriptive statistics, inferential statistics, charts and plots of distribution (Kothari, 2008).

Data Analysis

The data collected was modified to ensure that they are correct and complete, which reduces bias, increases accuracy and achieves consistency to ensure correct entry of data. Data was analyzed using both qualitative and quantitative techniques. Qualitative techniques informed of descriptive analysis which generated descriptive statistics inform of mean, variance and standard deviation. Quantitative analysis was inform of inferential analysis known as regression analysis. A multiple regression model will be applied to analyze the relationship between the various variables. The model covered the performance of private universities as a dependent variable, while the independent variables are the pricing, the promotion, the differentiating services, and the convenience. These variables were analyzed against the dependent variable, performance of private university. The regression coefficients generated were fitted in the regression equation shown below to generate the coefficient of determination.

$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$

Where Y - performance of private universities

α - Constant term

$\beta_1, \beta_2, \beta_3, \beta_4,$ - Beta coefficient

X_1 - Expected Service Cost

X_2 - Service Convenience

X_3 - Service promotion

$X_{4\backslash}$ Service uniqueness

ε= Error term

These coefficients generated were used to test the four null hypotheses at five percent (5%) significance level

as shown in Table 3.9 of summary of the hypothesis, regression test statistics, and decision rule. The

regression coefficients generated were presented in tables.

Table 3.10: Summary of Hypothesis, Regression Test Statistics and Decision Rule

Hypothesis/ Regression Model	Test Statistics	Decision Rule
$H_{01:}$ Service expected cost has no significant effect on the performance of Private Universities in Nairobi County. $Y=\alpha +\beta_1 X_1+\varepsilon$ Where Y= Dependent variable, α = Constant, β_1 is the slope, $X_{1=}$ Expected Service Cost and the ε error term	Regression coefficient (linear regression between Service Expected Cost and Performance of Private Universities)	Reject H_0 if p≤.05 H_{01} β = 0 [There is no actual relationship] HA1: β ≠ 0 [There is relationship]
$H_{02:}$ Service promotion has no significant effect on the performance of Private Universities in Nairobi County. $Y=\alpha +\beta_2 X_2+\varepsilon$ Where Y= Dependent variable, α = Constant, β_2 is the slope, $X_{2=}$ Service Promotion, and the ε error term	Regression coefficient (linear regression between Service Promotion and Performance of Private Universities)	Reject H_0 if p≤.05 H_{02}: β = 0 [There is no actual relationship] HA2: β ≠ 0 [There is relationship]
$H_{03:}$ Service uniqueness has no significant effect on the performance of Private Universities in Nairobi County. $Y=\alpha +\beta_3 X_3+\varepsilon$ Where Y= Dependent variable, α = Constant, β_3 is the slope, $X_{3=}$ Service Uniqueness, and the ε error term	Regression coefficient (linear regression between Service Uniqueness and Performance of Private Universities)	Reject H_0 if p≤.05 H_{03}: β = 0 [There is no actual relationship] HA3: β ≠ 0 [There is relationship]
$H_{04:}$ Service convenience has no significant effect on the performance of Private Universities in Nairobi County. $Y=\alpha +\beta_4 X_4+\varepsilon$ Where Y= Dependent variable, α = Constant, β_4 is the slope, $X_{4=}$ Service Uniqueness, and the ε error term	Regression coefficient (linear regression between Service Convenience and Performance of Private Universities)	Reject H_0 if p≤.05 H_{04}: β = 0 [There is no actual relationship] HA4: β ≠ 0 [There is relationship]

RESULTS AND FINDINGS

Service Expected Cost

This research sought to establish the effect of service differentiation in marketing on performance of private universities in Nairobi County; from the table below study findings depict that respondents further agreed that universities through using cost of programs as a strategy to attract students has a mean of 3.71 and standard deviation 0.772. The university admission fee is affordable to the students to attract more entry with a mean of 4.61 and standard deviation of 0.502. The respondents agreed further that university adapting value based pricing on courses had a mean of 4.39 and standard deviation 0.502 while the tuition discount rates rising substantially as the university offers large scholarships and grants as a way of enticing students to enroll had a mean of 3.44 and standard deviation 0.511.

Table 4.4 Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
The university has been using the cost of programs as a strategy to attract students.	30	3	5	3.71	.772
The university admission fee is affordable to the students to attract more entry.	30	4	5	4.61	.502
The university has adopted a value-based pricing of courses.	30	4	5	4.39	.502
Tuition discount rates have risen substantially as institutions offer larger and larger scholarships and grants to students to entice them to enroll	30	3	4	3.44	.511
Valid N (list wise)	30				

Source Researcher, (2019)

Service Convenience

The findings of this study reveal that the university having fast and available internet services thus improving the quality of research by students had a mean score of 4.61 and standard deviation 0.502. The university offering a conducive environment for learning hence making it a preferred institution of higher learning thus improve in university ranking had a mean of 4.67 and standard deviation of 4.85. The university providing practical learning amenities such as labs, library, research labs etc had a mean score of 4.56 and standard deviation 0.511 while the university being located near town hence improving accessibility which contributes to an increase in student enrollment had a mean of 4.61 and standard deviation 0.502.

Table 4.5 Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
The university has fast and available internet services which improve the quality of researches done by students.	30	4	5	4.61	.502
The university offers a conducive environment for learning which makes it a preferred institution for higher learning hence improving the university ranking.	30	4	5	4.67	.485
The university has provided practical learning amenities such as laboratories, library and research labs which makes it a preferred institution of higher learning.	30	4	5	4.56	.511
The university is located near town which improves the accessibility hence increment in student enrollment.	30	4	5	4.61	.502
Valid N (list wise)	30				

Source Researcher, (2019)

Service Promotion

From the study results brand awareness influencing university performance had a mean score of 4.67 and standard deviation 0.485 while advertising as a promotional tool has attracted more students enrollment in the university had a mean score of 4.72 and standard deviation 0.461 while social media as a promotional tool influencing student enrollment in the university had a mean score of 4.50 and standard deviation 0.514.

Table 4.6 Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Brand awareness has influenced university performance.	30	4	5	4.67	.485
Advertising as a promotional tool has attracted more students enrollment in the university.	30	4	5	4.72	.461
Social media as a tool for promotion has influenced student enrollment in the university.	30	4	5	4.50	.514
Valid N (list wise)	30				

Source Researcher, (2019)

Service Uniqueness

From the research findings unique courses being offered by the university influence university's performance had a mean score of 4.50 and standard deviation 0.514 while the use of the latest technology in various university amenities improving university performance with a mean of 4.72 and standard deviation 0.461. The university employing well trained tutors who influence the quality of training to students had a mean score of 4.67 and standard deviation of 0.485 whereas investment in modern learning facilities affecting university performance had a mean score of 4.78 and standard deviation 0.428

Table 4.7 Descriptive Statistics

	N	Minimum	Maximum	Mean	Std Deviation
Unique courses offered by the university influence university performance	30	4	5	4.50	.514
The usage of the latest technology in various university's amenities has improved university performance	30	4	5	4.72	.461
The university has employed well-trained tutors who influence the quality of training to students	30	4	5	4.67	.485
Investment in modern learning facilities affects university performance	30	4	5	4.78	.428
Valid N (list wise)	30				

Source Researcher, (2019)

Reliability of Study Measures

The table below shows the Cronbach alpha coefficient of each variable; Service expected cost 0.897 service convenience 0.946, service promotion 0.886, and service uniqueness 0.954. From the research findings, the coefficients are all above the 0.70 lower level of acceptability.

Table 4.8 Reliability of Study Measures

Variable	Reliability Coefficient
Service Expected Cost	0.897
Service Convenience	0.946
Service Promotion	0.886
Service Uniqueness	0.954

Source Researcher, (2019)

Inferential Analysis

The relationship between the independent variable and the dependent variable was done through inferential analysis. This involved the coefficient of determination as well as a multiple regression analysis. With inferential analysis it helps to establish whether a relationship exists between the variables.

Regression Analysis

The study conducted multiple regression analysis to determine the impact of the independent variables on performance of private universities. From the analysis, the relationship between variables can be expressed using the equation

$Y= \alpha+\beta_1X_1 +\beta_2X_2 +\beta_3X_3 +\beta_4X_{4} + \varepsilon$

Where Y= Performance of Private universities

à= y-intercept/ Constant

β_1, β_2, β_3 and β_4=coefficient regression of each independent variable

X_1= Service expected cost

X_2=Service convenience

X_3 =Service promotion

X_4= Service uniqueness

ε= Error term

Table 4.9 ANOVA

<div align="center">ANOVA^a</div>

	Model	Sum of Squares	Df	Mean Square	F	Sig.
	Regression	16.106	2	9.674	111.121	.000[b]
1	Residual	2.024	120	.032		
	Total	18.130	122			

a. Dependent Variable: Performance of Private University

b. Predictors: (Constant), Service expected cost, Service convenience, Service promotion
, Service uniqueness

Anova test was done to establish the significance of the model and the existence of variations in variables within the model. According to the research results the F-statistic is 111.121 which was significant at 0.05 ($p<0.05$) meaning that the model used for the study was significant.

Significance of Variables in the Model

Table 4.10 Significance of Variables in the Model

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.344	.187		.045	.876
	Service expected cost	.532	.057	.000	.005	.885
	Service convenience	.422	.062	.546	10.562	.000
	Service promotion	.462	.075	.335	4.554	.000
	Service uniqueness	-.004	.059	-.003	-.021	.930

a. Dependent Variable: Performance of Private University

According to the study findings, the multiple regression analysis was used to estimate performance of private universities in Nairobi County.

Performance of private universities= 1.346+0.532SE+0.422SC+0.462SP-0.004SU

Where; SE= Service expected cost

SC= Service convenience

SP= Service promotion

SU=Service uniqueness

From the study results, a unit change in service expected resulted in 53.2 per cent (ß=0.532) change in performance of private universities, while a unit change in service convenience resulted in 42.2 per cent (ß=0.422) change in performance of private universities. A unit change in service promotion led to 46.2 percent (ß=0.462) change in performance of private universities whereas a unit change in service uniqueness led to 0.40 per cent (ß=0.004) hence service expected cost has the highest contribution to performance of private universities in Nairobi County.

Pearson Correlation Analysis

Pearson correlation analysis is used to establish relationship among the independent variables. A high correlation is close to positive while low correlation is one below the 0.5 level. In this study all the independent variables were found to be positively correlated.

Table 4.11 Correlations

Correlations

		Service expected cost	Service convenience	Service promotion	Service uniqueness	Performance of Private University
Service expected cost	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	30				
Service convenience	Pearson Correlation	.783**	1			
	Sig. (2-tailed)	.000				
	N	30	30			
Service promotion	Pearson Correlation	.808**	.892**	1		
	Sig. (2-tailed)	.000	.000			
	N	30	30	30		
Service uniqueness	Pearson Correlation	.783**	.892**	.886**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	30	30	30	30	
Performance of Private University	Pearson Correlation	.799**	.707**	.826**	.784**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	30	30	30	30	30

**. Correlation is significant at the 0.01 level (2-tailed).
Source Researcher, (2019)

Pearson Correlation Coefficient of the Model

From the research findings there was a significant positive correlation between service expected and performance of private universities at (r=0.783), the correlation between service convenience and the performance of private universities was also found to be positive at (r=0.892). A strong significant correlation was also found to exist between service promotion and performance of private universities at (r=0.886) while the correlation between service uniqueness and performance of private universities was also found to be positively correlated at (r=0.784). From the study findings any increase in service expected, service convenience, service promotion and service uniqueness will positively affect performance of private universities in Nairobi County.

Coefficient of Determination

Table 4.12 Coefficient of Determination

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.747[a]	.570	.520	.515

a. Predictors: (Constant), Service expected, Service convenience, Service promotion, Service uniqueness

b. Dependent Variable: Performance of Public University

According to the research results, the model indicated that 57 per cent of change in performance of private universities was explained by the independent variables while the remaining percentage could have been explained by other factors not captured by this research.

Summary of the Findings

This research was to determine the effect of service differentiation in marketing performance of private universities in Nairobi County. The study developed a conceptual framework showing the relationship between the variables. Primary analysis was on description of responses as the hypotheses were tested at 95 per cent level to address the study objectives. The key findings are explained further in the following sections.

Service Expected Cost and Performance of Private Universities

The relationship between service expected cost and performance of private universities was found to be positive and significant with a standard estimate of 0.79, standardized error of 0.145 and t statistic 3.357 thus rejecting the null hypotheses. The study concluded that service expected cost had a significant effect on the performance of private universities in Nairobi County. From the study findings, majority of the respondents agreed with Ngari and Gichira (2015) that by testing the applicability of differentiation techniques in business construction, it explains the overall performance and how frequent techniques can provide a competitive advantage over rival competitors. This study was also in agreement with Jones and Linderma (2014) that cost strategies influence consumer purchase decisions as cost strategies are significant in explaining service choice, purchase timing and purchasing. The findings further agreed with the marketing mix model that through the mixer ingredient, one is able to build a marketing mix that adapts to actions and solutions that meet customer needs and achieve organization goals.

Service Convenience and Performance of Private Universi*ties*

The relationship between service convenience and performance of private universities was significant and positive with a standard estimate of 0.64, a standardized error of 0.135 and t statistic of 4.217 hence rejecting the null hypotheses. The study pointed out that through service convenience universities had a significant increase in terms of enrollment. The findings of the study are consistent with those of Lewis (2014) that there was a significant relationship between the strategies used by the universities and the enrollment of students. The study was also in agreement with Peter, Namusonge, Waema and Ngonzo (2014) that through market differentiation private universities were able to gain competitive advantage. By helping consumers reduce time and effort to decide ,access and execute transactions as they consume services greatly contributes to the success of an organization as observed by Grotkowska, wincenciak, and Gajderowicz (2015) on their study on the effect of service convenience (SERVCON) towards the successful model of information system.

Service Promotion and Performance of Private Universities

The relationship between service promotion and performance of private universities was found to be positive and

significant with a standard estimate of 0.61, standardized error of 0.141 and t statistic of 3.142 thus rejecting the null hypotheses. The study highlighted the importance of promotional techniques and how they affect the performance of an organization. This is in line with Mwanangoro and Imbambi (2014) who opined that through promotion variables that is scholastic aspect, public relations, advertising are used to recruit and retain students. The study result are also in line with Gudo (2014) that through sales promotion there's a significant positive relationship between income merchandising and profitability. This is in concurrence with the marketing mix model which opines that as private universities adopt relevant marketing mix aspects i.e. product, pricing, place, promotion and people it will contribute to boosting and achieving desired university performance. Gudo (2014) further recommends that university administrators should involve main members of the supply chain in sales promotion activities to ensure the integration of all promotional tools and means to communicate to consumers. Sales promotional activities induce consumers to consume services on the market hence increasing the rate of consumption and sales volume.

Service Uniqueness and Performance of Private universities

The study results showed that service uniqueness and performance of private universities had a significant and positive relationship with a standard estimate of 0.67, standardized error of 0.136 and a t statistic of 4.120 hence rejecting the null hypotheses. Service uniqueness had a statistically significant effect on performance of private universities as most of the factors that is using latest technology; having well trained tutors and investing in modern learning facilities had a significant effect on performance of private universities. The study results are consistent with the differentiation theory which opines that any service is perceived as unique by a set of clients. The research results are also in line with Gado (2014) that with service uniqueness there's a significant positive effect on the performance of private universities.

Performance of Private Universities

The study sought to find out how service expected cost, service convenience, service promotion and service uniqueness affected performance of private universities. Aduda (2014) suggested that through the adoption of pricing, innovation, research and development, private universities have a chance to attract more students. This was in line with Yap and Yazdanifard (2014) that through service quality levels most learning institutions were assured of generating optimal referrals hence enhancing growth.

Conclusion

The study established that service expected cost strongly affected performance of private universities. This was evidently supported by the positive correlation between service expected cost and performance of private universities where any advancement of the aspects of service expected cost greatly improved the performance of private universities. On service convenience , the study indicated that by having fast and reliable internet , offering a conducive environment ,having practical learning amenities and being located near town positively affected the performance of private universities. This is in line with Waema and Ngonzo (2014) that through market differentiation, institutions can be able to gain competitive advantage. From the study findings there was a positive correlation between service promotion and the performance of private universities; which was in

agreement with Gudo (2014) as a significant relationship exists as a result of incorporating income merchandise and profitability. On service uniqueness, there was a positive correlation which was in concurrence with the differentiation theory where the available market offerings within identical enterprise, customers enjoy the privilege of a one of a kind experience. The four independent variables were found to be statistically significant thus affecting performance of private universities in Nairobi County.

Acknowledgment

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