**THE INFLUENCE OF COLLEGE PROGRAM DIFFERENTIATION ON MARKET PERFORMANCE OF PRIVATELY OWNED TVET COLLEGES IN KENYA**

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**ABSTRACT**

As the higher education environment has become competitive, the higher education institutions (HEIs) have equally increased their competetiveness for students in the recruitment market. College education is an investment by all stakeholders which is meant to translate into future employment prospects for the graduate and as such developing or offering market oriented courses has been a recurrent issue across academia. Concurrently, colleges or higher education institutions are repositioning themselves by trying to offer courses that are “marketable” to not only fill the employment gap but also to guarantee a good return on investment. Theoretical literature points out that a firm employs differentiation strategy to be unique in its industry along some dimensions that are widely valued by buyers and, hence, obtain competitive advantage. However, the extent to which they develop unique products for their students through differentiation had not been examined before in the context of private Technical and Vocational Education and Training institutions (TVETs) in Kenya. Therefore, the objective of this paper was to analyze the effect of programs differentiation on market performance of privately owned TVET colleges in Kenya. Guided by the Porter’s Generic Strategies theory, the study employed descriptive survey design targeting 267 privately owned TVET colleges drawn from 25 counties across the country selected using the cluster sampling method. Data for the study was obtained from the colleges’ management through questionnaires and interview schedules and analyzed using descriptive statistics which included frequency, percentage and chi-squares. The inferential statistics were mainly Pearson product moment correlation and multiple linear regression analysis. The findings revealed that college programs differentiation did not significantly affect market performance of privately owned TVET colleges in Kenya. The indifference to the programs differentiation strategies in the colleges was largely informed by the evolving needs of the learners with respect to building their careers, as opposed to having several course options. The study, therefore, recommends that the privately sponsored middle level TVET colleges should move away from the need to carry out homogenous marketing fearing costs and instead adopt the much productive differentiated approach that provides uniqueness to programs and caters for specific needs.

***Keywords: College Program Differentiation, Market Performance, private TVET Colleges***

## Introduction

In the last one century, the higher education sector at the global stage has been rapidly expanding, a phenomenon that education specialists call massification of education. In this context, the higher education has ceased being the preserve of the elites, accessed by largely the privileged groups such as the rich, to a global industry annually enrolling millions of students (Muthimi, 2013). In 1900, there were roughly 500,000 students enrolled in higher education institutions around the world that represented 1% of the university age population by then (Choy, Horn, Nuñez & Chen, 2010). This figure had grown into 68 million by the year 1991, 100 million by year 2000, 132 million by the year 2004, and 178 million by the year 2010 (Kitum, 2010). In Kenya, over 300,000 students are enrolled in universities and other higher education institutions in the country in the current cohort. Approximately 20% or 60,000 of these students are enrolled in the private higher education sector (CHE, 2016). Even then, over 30,000 students still have to go abroad for higher education.

The competition for students is intense in the developed world creating a need for creation of competitive strategies in order to attract students faced with too many options (Agumbi, 2013). For instance, the American higher education sector has grown from a collection of small, local markets to regional and national markets (Choy *et al.,* 2010). The higher education environment has become competitive and institutions increasingly have to compete for students in the recruitment market (James, Baldwin & McInnis, 2009). In a different context, the United Kingdom (UK) had 162 universities serving 2.3 million university students in the 2012/2013 academic year. The intense competition for students is due to the increasing number of colleges in close proximity to each other in major towns such as London, Oxford, Leeds and Sheffield cities amongst others. In London alone, there are over 40 universities within the M25 and more new ones set to be opened. The intense competition has seen the universities adopt strategies to remain profitable and competitive in attracting students (James et al., 2009). Some of the activities done to this end include research, conference organization, offering career advice, financing startup companies, maintaining historic buildings and promoting sport (Katamei, 2015).

In Malaysia, the higher education has experienced an increasing competition among universities and higher education institutes to attract students both locally and internationally (Mazzarol, 2008). Competitive pressure has forced the higher educational institutions to look for more competitive marketing strategies in order to compete for students in their respective markets. In Ghana the earlier higher education institutions were established by the government and for that matter are largely Not-for-Profit organizations aiming at providing access to education for all Ghanaians. As a result, marketing has not found its feet in educational sector. However, the introduction of private universities brought some changes in the Ghanaian higher education sector. There have been massive changes in educational policies. Governance and structure of higher education have also emerged all over the world (Nicolescu, 2009). Again, the democratization campaign of education in Africa has also contributed to the restructuring of higher education in Ghana. Some of the changes include accrediting private universities, tax exemptions on imported books, decline in the funding of higher education by the government and decreased in enrolment by public universities in order to pave way for the private ones (Manuh, Gariba & Budu, 2007). Higher education in Ghana has therefore been characterized with privatization and competition.

*1.1.1 Marketing Performance for Higher Education*

In this study, market performance refers to the performance of the colleges in terms of student’s enrolment, retention of students, attraction of students and subscription to courses as related to their respective marketing initiatives. Trullas and Enache (2011) define marketing for higher education as a process of investigation devoted to identifying social needs, developing and implementing programmes that fulfill them by means of commercial or noncommercial interchanges for the ultimate purpose of enhancing the wellbeing of the individuals and community involved. Adding that the application of marketing to higher education will create awareness that the demand is externally generated; programmes will be considered relevant when they satisfy an external need. This implies a need for a systematic investigation of the demand and the generation of new products and services designed to satisfy it. For Higher Education Institutions (HEIs) in Kenya struggling to supplant an out-moded supply-side mentality with an effective demand-side philosophy, relationship marketing may provide a way of getting to know the needs and aspirations of their potential customers better, enhancing the quality and relevance of the educational programmes they offer, and raising the profile of their institutions in a surging tide of competition

*1.1.2 College Marketing in Kenya*

There have been various challenges facing the higher education management. These challenges have adversely affected the attainment of higher education by many Kenyans (Yego, 2016). Further, universities have been accused of rigid administration criteria that do not allow credit transfer between universities and other post-secondary institutions (Ndilo, 2016). This has further made education in the higher levels seem like is locked within its boundaries. Moreover, there are some discrepancies in public universities based on gender and regions of origin. To a greater extent, higher education has been criticized as being biased to females and sometimes to people of particular backgrounds. The curriculum taught in the universities is sometimes not open to accommodate all those who wish to pursue higher education (Agumbi, 2013). These challenges have far much affected the access and realization of higher education to most Kenyans who have been trying to work hard in the lower levels with motivation that they will transit to the higher level (Katamei, 2015). Therefore, it is important to establish how private mid-level colleges which are entrepreneurial in nature capitalize on the opportunities presented to them by these challenges to increase their enrolment given the demand for higher education in the country and beyond

*1.1.3 TVETs in Kenya*

 Technical and Vocational Training Institutions (TVTIs) are responsible for the provision of skills. Moreover, it underlines the basis for which TVET colleges are used by several developed countries as an instrument of development according to Nyerere who noted that countries like Japan, Sweden and Italy gave more recognition to TVETcolleges through adequate funding. In Europe, at least 50% of the students in upper secondary education pursued some form of technical cum vocational education while in China, India and South East Asia, the figure was 40% whereas in Africa it was less than 20% (Nyerere, 2009). Research done by UNESCO noted that while enrolments in TVETcolleges was quite high in North Africa (averaging 24% of total sector enrolment between 2001 and 2005), the sector generally occupied a smaller position in school system in sub-Saharan Africa (5% between 2001 and 2005 with a falling trend) (UNESCO,2006).

According to the National Policy for Vocational Training Centers (MoEST, 2013) it was noted that vocational education and training was an investment with significant social rate of returns including enhanced productivity and competitiveness in a market economy. The Sessional Paper No.1 of 2005, a policy Framework for Education, Training and Research strengthened the National Skills Training Strategy and the revision of the legal framework for TVET institutions (TVET Bill) whose aim was to strengthen the mechanisms for the implementation of the necessary TVET reforms (ROK,2012). Vision 2030 is an important country development blue-print that among other things places great emphasis on science, technology and innovation in general and TVET institutions in particular as the vehicle for socio-economic and technological transformation. Therefore, in her Vision 2030, Kenya earmarked TVET institutions to play a key role in human resource development through the social, economic and political pillars identified to drive her envisaged development agenda.

The constitution of Kenya 2010 fourth schedule part (2)-9 transfers Youth Polytechnics to county governments to enable them be relevant in addressing the communities’ socio-economic needs while the TVET Bill 2012 contains revision of legal framework in the TVET sector and provides for the establishment of a TVET Authority (TVETA) to oversee the TVET system. Moreover, the Kenya Qualification Framework Bill (2012) provides for the establishment of Kenya Qualifications Authority and its functions. The TVET Act 2013 provides for the establishment of a technical and vocational education and training system to deal with governance and management of institutions offering technical and vocational education and training (MoEST, 2014).

## 2. The Problem

The competition for students is intense in the developed world. In Kenya, the higher education sector has been rapidly expanding in terms of student enrolments. Available statistics shows rapidly expanding higher education sector student enrolments levels from 67,558 (2003/2004 academic year), 198,260 (2011/2012 academic year), 340,550 (2014/2015 academic year), to 769,550 (2015/2016 academic year). The expansion in the higher education sector is also experienced across the gender lines and across private institutions. For example, the female student enrollment rose from 80,560 in 2011/2012 to 186,115 in 2012/2013 academic years. The enrollment in private universities rose from 40,344 in 2011/2012 academic year to 95,023 in the 2013/2014 academic year (Oduor *et al.*, 2015). This rise in higher education enrolment has been fueled by many factors among them; demand from employers for undergraduate qualifications as a minimum requirement, increased access to student loans and bursaries, students’ individual characteristics and the opening of campuses and their marketing strategies.

In the process, however, private TVET colleges have become casualties as prospective students either join universities or other government owned tertiary institutions (Katamei, 2015). This has led to a decline in establishment of private mid-level colleges in the country and even those available are still contending with several challenges among them student retention. With a critical mass of potential students in the country in need of college education to equip them with skills for the job market, tapping this market will be important to investors in the TVET sector as in a bid to bridge the skill gap in the economy. Failure to do this will result in the economy struggling. In the same way, the millions of worth of investments in the TVET colleges could be lost or fail to yield the desired returns on investment. Private TVET colleges which have been under intense pressure to compete in the dynamic higher education sector in the country have, however, been largely overlooked in research. As such, their market performance determinants are largely unknown. Therefore, the present study examines how a factor such as college program differentiation influences the market performance of these colleges.

## 3. Objectives of the Study

To analyze the influence of college programme differentiation on market performance of privately owned TVET colleges in Kenya

* 1. *Research Hypothesis*

Ho College programme differentiation does not significantly influence market performance of privately owned TVET colleges in Kenya

**4. Literature Review**

*4.1 Programme differentiation and market performance*

Theoretical literature points out that in differentiation strategy a firm seeks to be unique in its industry along some dimensions that are widely valued by buyers. It selects one or more attributes that many buyers in an industry perceive as important and uniquely positions it to meet those needs. Differentiation is aimed at the broad market that involves the creation of a product or services that is perceived throughout its industry as unique. In this section several aspects of differentiation are considered in relation to the college programs offered.

College education is an investment by all stakeholders meant to translate into future employment prospects for the graduate and as such the developing or offering market oriented courses have been a recurrent issue across academia. Concurrently, colleges or HEIs are repositioning themselves through trying to offer courses that are “marketable” to not only fill the employment gap but also to guarantee a good return on investment. Hence the education industry is facing a lot of turbulence from the upsurge in enrolment, changes in employers/market demand and technological changes (Gudo *et al*., 2011). Agrey and Lampadan (2014) found that job prospects of graduates leaving the college are an important consideration when settling for a course of study. Moogan (2011) in his study also cited the desire to just get a degree as the main factor for most students. This was because most employers were currently demanding degrees as their entry level qualifications. John-Charles and Walstrom (2010) found the primary reasons that African American students selected their major were interest and enjoyment in an area of study, enjoyment of the working conditions, and marketability.

Crampton, Walstrom and Schambach (2016) carried out a study on factors influencing major selection by college of business students in the US. The study found that respondents were more knowledgeable about careers in management, marketing, accounting, and finance than they were about careers in other areas. Awareness of opportunities in information systems careers ranked particularly low. Factors related to the profession itself, such as personal interest in the subject matter, long-term salary prospects, probability of working in the field after graduation, starting salary, and prestige of the profession, had great importance when selecting a major. However, student perceptions of various profession-related attributes may not align with reality. Twenty-one separate studies of the choice-of major decision were reviewed by Simons *et al*., (2013). They identified the principal categories in student expectations when selecting a major as: earnings, career opportunities, career characteristics, and characteristics of the major. They found the most important career factors when selecting a major were: financial rewards (with long-term earnings outweighing initial earnings), job availability, and interest in the major/career.

Some research indicates that students with higher aptitude begin thinking about college earlier, apply earlier, and consider a larger number of schools (Keling, 2006; Paulsen, 2010). Studies also indicate that high ability students differ in their rankings of various college choice factors. According to Paulsen (2010), the higher the academic ability of a student, the greater the concern about academic standards, program offerings, and awareness of “net cost” rather than just “price,” and the lesser the concern about career outcomes, campus appearance, and financial matters. There is also some evidence that high ability students tend to have much broader geographic limits regarding the search and application process.

Yusof *et al.,* (2008) explicated that the availability of the required program is the top attribute in choosing a particular institution for higher education, which shows that the respondents were well-informed about their institution of choice and had previously decided on the programs for which they wanted to apply or be admitted. The identical findings are also found in the literature from Baharun (2012) in which he concluded that students' selection of a university is mainly determined by types of academic programs available, quality of education, administration standards, faculty qualification, and convenient and accessible location.

Universally, availability of a desired course is the most important for students when selecting a university (Price *et al*., 2013). However, the costs of going to university are the most influential when selecting between several universities that offer a similar course. Interestingly, Maringe’s (2006) findings suggest that the three top reasons students choose courses and subjects of study are no longer related to intrinsic motives of interest and love for the subjects of study. They are no longer passive consumers in that they have changed and place more focus on higher education (HE) as a career investment. ‘Value for money’ is a critical issue for students when selecting higher education abroad (Petruzzellis & Romanazzi, 2010).

Mbawuni and Nimako (2015) found that failure to gain alternative admissions was found to be a factor that made the HEIs loose out on competition. The fact that prospective students who do not gain admission elsewhere as a first priority tend to seek for alternative admission. One probable reason for this situation is that, as the education industry becomes more and more competitive, it demands varied admission criteria across similar colleges and programs of study. Consequently, prospective applicants also tend to apply for admission in more than one college and make judgment about which program of study to consider as first, second and third choices. Theoretically this finding supported some existing work by ( Sidin *et al*., 2003) which was conducted in developed countries. It implies that management needs to pay close attention to this factor as it serves as an important source of competitive advantage to the institution in question for attracting potential master’s students within the competition of HEIs in Ghana.

However, existing research in the higher education sector in Kenya has largely ignored the aspect of college programs differentiation and as such its effect on market performance of privately owned TVET colleges in Kenya has not been well understood

*4.2 Theory – Porter’s generic strategies*

Differentiation enables firms to achieve competitive advantage over their rivals because of the perceived uniqueness of their products and services (Acquaah & Yasai-Ardekani, 2006). Porter (1980) stated that, competitive strategies deal with the development of attributes that characterize a company and differentiate the value it creates and offers in comparison to its competitors. Pearce and Robinson (2008) aver that differentiation strategies are based on providing buyers with something that is different or unique, that makes the company’s strategic positioning, product or service distinct from that of its rivals. Superior value is created because the product is of higher quality, is technically superior in some way, comes with superior service, or has a special appeal in some perceived way. In effect, differentiation builds competitive advantage by making customers more loyal - and less price-sensitive to a given firm’s product/service. Additionally, consumers are less likely to search for other alternative products once they are satisfied (Hernant, Mikael & Thomas, 2007). Through this strategy, a college seeks to be unique in its industry along some dimensions that are widely valued by students.

**5. Methodology**

*5.1 Research Design*

The study was grounded on a positivist philosophy. The purpose of research in this paradigm is to prove or disprove a hypothesis. This study adopted the descriptive survey design. Descriptive designs result in a description of the data, either in words, pictures, charts, or tables, and indicate whether the data analysis shows statistical relationships or is merely descriptive (Upagade & Shende, 2012). The descriptive survey research design was used for this study so as to examine a diverse range of mid-level colleges in the country.

*5.2 Target Population*

There are 355 privately owned TVET registered private colleges in Kenya (MoE, 2018). Majority of these are located in the urban areas of the country. The study targeted 25 TVET colleges in eight regions to make the sample inclusive. From these, the accessible population was one member of the management of each of the colleges bringing the entire target population to 355 persons.

*5.3 Sampling and Sampling Techniques*

The total population under consideration in this study was 355 persons, the sample size was computed using the formula proposed by Kathuri and Pals (1993) as follows;



Where:

 n = required sample size

 N = the given population size

 *P* = population proportion, assumed to be 0.5

q = 1 - *p*

 σ2 = the degree of accuracy whose value is 0.05

 χ2 = table value of chi-square for one degree of freedom, which is 3.841

Substituting these values in the equation, estimated sample size (n) was:



Therefore, the sample size used in the study was 267 respondents.

The study used cluster sampling to select the colleges according to the regions in the country. This was intended to make the sampling representative enough of the entire population under study.

*5.4 Research Instruments*

The study used primary data which collected by use of questionnaires, data collection sheet and interview schedules. The Likert scale was used in the structured questionnaires.

*5.5 Pilot Test, Validity and Reliability of the Research Instruments*

*5.5.1 Pilot Testing*

The pilot study was undertaken using 20 respondents drawn from various public TVET colleges in Nakuru County. The respondents in the pilot study were not among those who participated in the actual study.

*5.5.2 Reliability of the Research Instrument*

The researcher endeavored to enhance the reliability of the data collected by ensuring that the questionnaires tested and retested by having them administered to the same pilot group twice at an interval of two weeks under the same conditions.

This test minimized instrument and researcher’s error and it enabled the restructuring of some items in the questionnaires.

*5.5.3 Validity of the Instrument*

The validity of the instruments used in this study was established through the following steps: piloting tools of data collection, doing member checks with the interviewed sample, care was taken during data analysis and by ensuring that the researcher adheres to ethical issues during conduct of research. The returned instruments from the pilot study were subjected to review and analysis from experts in the university to ensure that the contents of the questionnaires are suitable for the purpose for which they were set and are also highly consistent. Content validity was used for the purposes of determining whether the instrument really measures what it is designed to measure (Kathuri & Pals, 1993).

*5.6 Data Processing and Analysis*

Data was analyzed using descriptive and inferential statistics. Descriptive statistics included frequencies, percentages and chi-squares. Inferential statistics were in form of both Pearson’s correlation coefficient and bivariate regressions. The linear regression model assumed to hold under the equation;



Where;

*y* = Market Performance of privately owned TIVET colleges in Kenya

*b0* = Model Constant

x1 = College Programme Differentiation

*b1*, the coefficients of the variable to be determined by the model

*e* = the estimated error with zero mean and a constant variance

**6. Results**

*6.1 Introduction*

This chapter consists of the analysis of the data collected from the study. Both descriptive and inferential outputs are presented together with the interpretation of the findings and discussions as per the objective and hypothesis of the study.

*6.1.1 Instrument Response Rate*

The researcher administered 267 questionnaires however, 223 were returned indicating a response rate of 84%. A summary of the instrument response is given in Table 1.

**Table 1: Response Rate**

|  |  |  |
| --- | --- | --- |
| **Sample size**  | **Returned Questionnaires** | **Response Rate** |
| **267** | **223** | **84%** |

The response rate was high and was, therefore, acceptable for the purposes of the study. According to Mugenda and Mugenda, (2013), a response rate of 50% is acceptable for studies of this kind while Babbie (2004) rates instrument response rates above 80% as very good. In this study, the response rate was above the two thresholds and, therefore, fit for use in the study.

*6.2 Program Differentiation*

The objective of the study was to analyze the effect of program differentiation on market performance of privately owned TVET colleges in Kenya. The objective was measured on the basis of three constructs the three are specialization, customization and uniqueness A five point likert scale was used to rate the responses of this variable and it ranged from 1=strongly disagree to 5= strongly agree. The findings are presented in the Table 2.

**Table 2: Program Differentiation on market performance of TVET colleges**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **SA** | **A** | **N** | **D** | **SD** |  | **p-** |
| **Statement** | **Freq(%)** | **Freq(%)** | **Freq(%)** | **Freq(%)** | **Freq(%)** | **χ2** | **Value** |
| We often assess the market demands for our programs and try to offer them differently from other colleges | 59(26.5) | 140(62.8) | 18(8.1) | 6(2.7) | 0 | 97.14 | 0.001 |
| We have tailored our courses to meet both market and student demands | 85(38.5) | 118(53.4) | 15(6.8) | 2(0.9) | 1(0.4) | 114.26 | 0.001 |
| We often liaise with the industry stakeholders to identify the specializations we should offer | 66(29.9) | 116(52.50 | 27(12.20 | 9(4.1) | 3(1.4) | 108.67 | 0.001 |
| Most students prefer programs with prospects for advancement to higher levels of education | 103(46.4) | 100(45) | 15(6.8) | 4(1.8) | 0 | 84.05 | 0.001 |
| Our programs have specialization options in order to attract students | 108(48.6) | 98(44.1) | 13(5.9) | 3(1.4) | 0 | 87.34 | 0.001 |
| We sometimes offer specialization courses on need basis | 97(44.7) | 95(43.8) | 21(9.7) | 3(1.4) | 1(0.5) | 143.04 | 0.001 |
| Most private colleges do not have rigid entry requirements and this encourages students to join them  | 72(32.3) | 105(47.1) | 15(6.7) | 19(8.5) | 12(5.4) | 104.1 | 0.001 |
| Government TVETs programs are becoming more attractive to students and many are opting to join government colleges | 91(40.8) | 96(43) | 25(11.2) | 9(4) | 2(0.9) | 112 | 0.001 |

The results in Table 2 suggests that all the chi-square values for the reactions to the statements were significant (p<0.05). This implies that the results could be statistically inferred as representative of the entire population. According to the results in Table 2 majority (89.3%) of the respondents said their colleges often assessed the market demands for their programs and tried to offer them differently from other colleges. Majority (91.9%) had tailored their courses to meet both market and student demands. Most often they liaised with the industry stakeholders to identify the specializations they should offer (82.4%). Most respondents agreed (91.4%) that majority of the students prefer programs with prospects for advancement to higher levels of education. The findings also suggest that majority of the colleges’ programs had specialization options in order to attract students as indicated by most respondents (92.7%). However, most colleges sometimes offered specialization courses on need basis (88.5%). The findings also indicated that most private colleges did not have rigid entry requirements and these encouraged students to join them (79.4%). The results also show that Government TVETs programs were becoming more attractive to students and many were opting to join the government TVET colleges as most respondents (83.8%) agreed.

These findings concur with those of Yusof *et al.,* (2008) who established that the availability of the required programme is the top attribute in choosing a particular institution for higher education, which shows that the respondents were well-informed about their institution of choice and had previously decided on the programs for which they wanted to apply or be admitted. The findings also agree with Baharun (2012) in which he concluded that students' selection of a university is mainly determined by types of academic programs available, quality of education, administration standards, faculty qualification, and convenient and accessible location.

*6.3 Market Performance*

The study also sought to evaluate the status of market performance of privately owned TVET colleges in Kenya. This was the dependent variable and the constructs used to market performance included, Retention, Course Subscription and Attraction of Students. The responses to this constructs were rated on a 5 point Likert scale ranging from; 1 = strongly disagree to 5 = strongly agree. The results are as shown by Table 3.

**Table 3: *Market performance of private TVET colleges***

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **SA** | **A** | **N** | **D** | **SD** |  | **p-** |
| **Statement** | **Freq(%)** | **Freq(%)** | **Freq(%)** | **Freq(%)** | **Freq(%)** | **χ2** | **value** |
| My college is able to attract a diverse range of students at undergraduate level compared to peers | 54(24.8) | 113(51.8) | 34(15.6) | 15(6.9) | 2(0.9) | 329.58 | 0.001 |
| Of all applications we receive from prospective students, majority end up enrolling | 70(31.4) | 115(51.6) | 25(11.2) | 12(5.4) | 1(0.4) | 463.65 | 0.001 |
| Our college has developed strategic partnerships with other institutions including potential employers | 59(26.5) | 120(53.8) | 26(11.7) | 16(7.2) | 2(0.9) | 281.93 | 0.001 |
| Our college is able to recruit students across its different courses and programs | 73(33) | 122(55.2) | 17(7.7) | 9(4.1) | 0 | 209.48 | 0.001 |
| Majority of our courses get enough quorum throughout their cohort | 51(23.3) | 100(45.7) | 46(21) | 19(8.7) | 3(1.4) | 272.17 | 0.001 |
| Our college is a market leader in this locality | 75(34.1) | 91(41.4) | 38(17.3) | 14(6.4) | 2(0.9) | 422.83 | 0.001 |
| Finding industry placement for our graduates is not difficult due to our market position | 86(38.7) | 98(44.1) | 27(12.2) | 8(3.6) | 3(1.4) | 433.9 | 0.001 |
| We have been able to expand our course portfolio in the last few years in order to satisfy market demand | 86(38.6) | 112(50.2) | 15(6.7) | 8(3.6) | 2(0.9) | 403.09 | 0.001 |

The results in Table 3 suggest that all the chi-square values for the reactions to the statements were significant (p≤0.05), therefore, implying that the results could be statistically inferred as representative of the entire population. Most of the respondents agreed that their college were able to attract a diverse range of students at undergraduate level compared to peers (76.6%). Majority (83%) of the respondents also agreed that of all applications their colleges received from prospective students, majority ended up enrolling. Most colleges had developed strategic partnerships with other institutions including potential employers (80.3%). The results also indicate that majority of the colleges were able to recruit students across their different courses and programs (88.2%). The respondents also show that most of the respondents agreed that majority of their courses get enough quorum throughout their cohort (69%).

The results also indicate that most respondents agreed that their colleges were the market leaders in their area (75.5%). Most respondents also agreed that finding industry placements for their graduates was not difficult due to their market position (82.8%). Most had been able to expand their course portfolio in the last few years in order to satisfy market demand (88.8%). These results agree with Mazzarol (2008) who found that the higher education has experienced an increasing competition among universities and higher education institutes to attract students both locally and internationally. James et al., (2009) also found that the higher education environment has become competitive and institutions increasingly have to compete for students in the recruitment market.

*6.4 Regression Analysis*

Bivariate regression analysis was caried out to evaluate the relationships between the dependent and independent variables. The results were then used to test the corresponding hypothesis stated for the study. The decision rule was to reject the null hypotheses if the corresponding p-value was less than (α) .05. The findings are summarized in Table 4.

**Table 4:**

***Regression Analysis***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Model Summary*** |   |   |   |   |
| R | R Square | Adjusted R Square | Std. Error of the Estimate |
| .433 | 0.187 | 0.183 | 4.424 |   |   |
| ***Model ANOVA*** |  |  |  |  |
|  | Sum of Squares | df | Mean Square | F | Sig. |
| Regression | 910.557 | 1 | 910.557 | 46.534 | .000b |
| Residual | 3952.673 | 202 | 19.568 |  |  |
| Total | 4863.23 | 203 |  |  |  |
| ***Model Coefficients Summary*** |   |   |   |
|  | Unstandardized Coefficients | Standardized Coefficients | t | Sig. |
|  | B | Std. Error | Beta |  |  |
| (Constant) | 12.638 | 2.893 |  | 4.369 | 0.000 |
| Program Differentiation | 0.578 | 0.085 | 0.433 | 6.822 | 0.000 |

Table 4 shows that the overall model adjusted R2 is 0.183 which suggests that the model could explain up to 18.3 % (Adjusted R-Square) of the variations in the dependent variable the rest of the variation being explained by the variables not fitted in the model. The F-statistic in the ANOVA is 46.534 with a P value of 0.000 which implies that the explanatory variable is significant in explaining variations in the dependent variable. The sign of college program differentiation denotes a positive relationship between the two variables meaning an increase in college programme differentiation0 would necessarily result in increase in the market performance. Further, the coefficient beta value 0.433 suggests that an increase in one unit of college program differentiation would result in a corresponding increase of 0.433 standard deviations of market performance of the privately owned TVET colleges in the country. These findings supported those of Paulsen (2010) whose study on program differentiation revealed that the higher the academic ability of a student, the greater the concern about academic standards, program offerings, and awareness of “net cost” rather than just “price,” and the lesser the concern about career outcomes, campus appearance, and financial matters.

*6.5 Hypothesis Testing*

The null hypothesis was tested under;

**H01**: College programs differentiation does not significantly affect market performance of privately owned TVET colleges in Kenya.

This hypothesis was rejected since its p-value of 0.001 was less than the 0.05 significance level. Hence, the study concluded that college programs differentiation had a low but statistically significant effect on market performance of privately owned TVET colleges in Kenya.

These findings reveal that the way program differentiation was done by the TVET colleges was not improving their competitiveness in the market. The differentiation strategies applied by the colleges were no longer a source of competitive advantage as the students needs had evolved and ‘value for money’ was now a critical issue for students when selecting higher education abroad (Petruzzellis & Romanazzi, 2010). Maringe’s (2006) findings also suggested that the three top reasons students choose courses and subjects of study are no longer related to intrinsic motives of interest and love for the subjects of study. They are no longer passive consumers in that they have changed and place more focus on higher education as a career investment.

## 7. Recommendations and areas for further study

The privately sponsored middle level TVET colleges should move away from the need to carry out homogenous marketing fearing costs and instead adopt the much productive differentiated approach that provides uniqueness to programs and caters for specific needs.

## 8. Conclusions

From the regression model results it was evident that college programs differentiation had a low but significant affect market performance of privately owned TVET colleges in Kenya. The indifference to the programs differentiation strategies in the colleges was largely informed by the evolving needs of the learners with respect to building their careers as opposed to having several course options. This led to the conclusion that in this study college programs differentiation was not necessarily a factor of market performance of privately owned TVET colleges in Kenya.

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