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Private Secondary Schools in Kasarani Constituency,
Nairobi County**

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Abstract

A strategy is a critical component of any successful business plan. A company can use an effective strategy to find its industry niche and gain a competitive advantage in the marketplace. Kenya's education sector has recently expanded. Therefore, the objective of this study was to look into the impact of service strategy on the competitive advantage of private secondary schools in Kasarani Constituency, Nairobi City County. The study was also founded on theories of resource-based, knowledge-based, and dynamic capabilities. A cross-sectional descriptive research design was used, with both qualitative and quantitative methods. The population consisted of 51 private secondary school directors, and census sampling was used to select all as a sample, yielding a response of 43 (84.31%) after data cleaning. The primary data were collected through questionnaires, and the analyses were carried out using descriptive and inferential statistics. The study found a moderate positive correlation between Service Differentiation Strategy and Competitive Advantage ($r=0.859$, $p=0.004 < 0.05$). According to the findings of this study, service differentiation strategy accounted for 67% of competitiveness in the study area's private secondary schools. The study concluded that the service differentiation strategy's impact on the competitive advantage of private secondary schools was significant. The study recommended that private secondary schools in the Kasarani Constituency of Nairobi City County embrace and invest in service differentiation, particularly ensuring that employees understand their customers' specific needs. This will give them a competitive advantage over other private secondary schools in Nairobi City County that have not invested in any strategy. Further research in the study suggests that a similar study be conducted to investigate the effectiveness of marketing strategies on student enrollment in international private primary schools. Further, more research was recommended to establish other impacts of competitive advantages (33%), which were not captured in this study.

Keywords: *Service Strategy, Competitive Advantage, Private Secondary Schools, Kasarani Constituency, Nairobi County*

1.0 Background of the Study

Many educational institutions have made efforts to develop strategic plans, despite the inherent complexity and laborious nature of this undertaking (Glory, 2021). The strategic focus could be strengthened by the deliberate implementation of a well-designed curriculum that promotes students' fundamental skills and maintains consistency in their educational experiences both within and outside of the school setting (Ortega, 2018). Private secondary schools are characterized by their profit-oriented nature and their operation within highly competitive contexts. According to projections, the enrolment in private schools is expected to reach 20 million students by the year 2030. The retention rates in private schools in rural Kenya have been reported to be 25 percent in rural areas and 75 percent in urban regions. Private schools implemented many marketing methods and strategic management approaches to effectively attract and retain students. According to a survey, school programs in Brazil and Chile in Latin America have resulted in both parallels and variances in the process by which parents choose schools.

The demand for educational services is increasing at a more rapid pace than what the government is able to provide, both in industrialized nations and developing countries. The establishment of secondary education in Kenya is governed by the Education Act, 1968, which is a legal framework in Kenya. Private secondary schools in Kenya are typically characterized by their elevated tuition fees, providing pupils with an alternate educational system that boasts superior or more opulent amenities in comparison to public schools. Several private secondary schools in Kenya provide the British System of Education, while a limited number offer the American system of Education. Additionally, a significant proportion of these schools offer the Kenya System of Education, commonly known as the 8-4-4 system. Private schools are managed by a variety of entities, including religious organizations such as churches and mosques, charitable trusts or community groups, individual proprietors, and commercial corporations.

2.1 Literature Review

This section begins by exploring competitive advantage as a strategic differentiator, followed by differentiation strategy as an approach to develop unique products/services. The section concludes by analyzing how service differentiation impacts competitive advantage in private schools, particularly focusing on quality assurance and resource utilization.

2.1.1 Competitive Advantage

The concept of competitive advantage refers to the strategic advantage that a company entity possesses in relation to its competitors within its respective industry. According to Brown and Faye (2016), competitive advantage refers to the capacity acquired via distinctive traits and resources to enhance performance outcomes at a superior level compared to other entities operating within the same industry or market. The concept of competitive advantage refers to the capacity acquired via distinctive traits and resources to outperform competitors within a given sector or market. A corporation possesses a competitive advantage when it successfully implements strategic features that are not being simultaneously applied by any existing or potential competitors (Barney, 2017). There exists a robust correlation between competitive advantage and strategy. According to Aharoni (2016), strategy is seen as the mechanism via which a company acquires a competitive edge. According to Barney (2018), a corporation might attain a competitive edge when it implements a value creating strategy that is not being concurrently pursued by its competitors. Another noteworthy element of competitive advantage is its limited observability and inference from a firm's performance (Klein, 2018).

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The competitive advantage of a corporation is influenced by various aspects pertaining to its capabilities, including client orientation, value chain, culture, and change management approaches. It is imperative for a firm to allocate attention to all of these elements, as disregarding any of them has the potential to undermine the firm's competitive edge.

2.1.2 Differentiation Strategy

Differentiation strategy refers to the approach taken by a corporation to develop a product or service that possesses unique characteristics, hence satisfying client needs and preferences (Denis et al., 2017). According to Mahdi et al. (2018), differentiation is distinguished by the creative capabilities of a corporation and its ability to promptly address client requirements. The authors emphasize that creativity and innovation are fundamental strategies for achieving differentiation. In order to effectively navigate the competitive landscape of the market and effectively respond to evolving consumer demands, companies must strategically utilize their unique strengths and organizational capacities to develop novel product features, offerings, services, and operational procedures.

2.1.3 Relationships between Service differentiation and Competitive Advantage

There exist a multitude of factors that motivate parents to choose for private schools. Hence, it is crucial for educational institutions to possess knowledge and effectively convey their offerings to parents and other interested parties. Additionally, they should acquire the necessary skills to ensure the delivery of quality assurance, thereby optimizing their ability to serve their clientele (Losike & Sedimo, 2019). Private schools possess knowledge regarding their competitors in the market and the resources they employ to attain superior educational services. According to Bob (2017), the enhanced profitability and subsequent economic expansion are key advantages associated with a superior economy component. The implementation of service differentiation and the attainment of competitive advantage have the potential to enhance the performance of service-oriented institutions. Therefore, it is imperative to conduct study in private secondary schools in Kenya, with a specific focus on service differentiation.

3.0 Research Methodology

The cross-sectional descriptive survey design was used in this study. The design also contributed to explaining the relationship between the study variables and assessing the impact of specific changes on existing processes in order to explain the patterns of relationships between the variables (Mugenda and Mugenda, 2003). This study's target population included all 51 private secondary schools in Nairobi City County's Kasarani Constituency that follow an 8-4-4 curriculum (Ministry of Education Directory, Nairobi City County, 2023). The directors of these schools were interviewed to investigate the impact of a service differentiation strategy on competitive advantage. All 51 directors of private secondary schools were included in the sample. These were the key respondents who helped the researcher investigate the impact of differentiation strategies on competitive advantage in private secondary schools. The study collected primary data from 51 private secondary schools using a structured questionnaire. The researcher scheduled appointments with individual school directors and asked them to fill out questionnaires. The drop and pick later method were used in the study to give respondents enough time to properly read and understand the questions. Self-administered questionnaires were appropriate for this study because they reduced response error. This self-administered questionnaire data collection method provided significant confidentiality and improved the researcher's control over the data collection process. Data analysis was done in three stages: preparation, analysis, and reporting. Descriptive and inferential statistics were calculated using

SPSS software. Descriptive statistics were interpreted using frequencies, mean, and standard deviation, and presented as pie charts, graphs, and tables. They also used Pearson correlation analysis to determine the strength of the impact of service, image, and market focus on competitive advantage.

4.0 Results and Discussion

The purpose of this study was to determine the effect of a service differentiation strategy on the competitive advantage of private secondary schools. The analyzed data is presented, along with the relevant interpretations.

4.1 Service Differentiation and Competitiveness

The objective focused on Service differentiation strategy and competitive advantage of Private secondary schools. The formulated null and alternative hypotheses for this study were as follow:

H₀₁:-β₁=0: H₀₁: There is no statistically significant impact of Service differentiation strategy on competitive advantage of private secondary schools in Kasarani Constituency, Nairobi City County.

H_{a1}:-β₁≠0: H₀₁: There is a statistically significant impact of Service differentiation strategy on competitive advantage of private secondary schools in Kasarani Constituency, Nairobi City County.

Therefore, a Pearson correlation analysis was done on the variables and the results were presented as shown in Table 1.

Table 1: Service Differentiation Strategy and Competitive Advantage

		Service Strategy	Differentiation	Competitive Advantage
Service Differentiation Strategy	Pearson Correlation	1		0.659"
	Sig. (2-tailed)			0.004
Competitive Advantage	Pearson Correlation	0.659"		1
	Sig. (2-tailed)	0.004		

Results showed a Pearson correlation coefficient of 0.659 which indicated that there was a moderate positive correlation between Service Differentiation Strategy and Competitive Advantage. The level of significance (p-Value) obtained was 0.004. The null hypothesis was therefore rejected and a conclusion made that there was a positive significant correlation between the variables of the study. ($P=0.004<0.05$). This further implied that competitive advantage was attained through the application of service differentiation strategy.

4.2 Model Summary of Service Differentiation and Competitive Advantage

The study sought to establish the influence of service differentiation on the competitive advantage of Private secondary schools in Nairobi, Kenya. Results are presented under the

model summary, ANOVA, and regression coefficients. The Correlation of determination action is used to tell the extent to which change in the dependent variable can be explained by the independent variables. Table 2 shows an R square of 0.67 which revealed that Service Differentiation explain about 67% of the changes in the competitiveness of private secondary schools as shown in Table 2.

Table 2: Model Summary of Service differentiation and Competitive advantage

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.259 ^a	0.067	0.044	.0012

From these findings, it is evident that service differentiation is a significant contributor to competitiveness in private schools. These findings were in line with Oliver and Kleinberg (2012), who found that company which provides an extensive range of services encompassing enjoys market presence and competitiveness. Kotler (2017) observed that consumers favor products and services that are distinct with additional benefits.

4.3 Multiple regression of Service Differentiation and Competitive Advantage

Analysis of variance was conducted to reveal the overall significance of the model or the overall significance of variables included in the model. The F column shows the F-tests or the F-ratio associated with the hypothesis tested at a p-value of 0.05. The p-value revealed by the study was 0.001 which was less than 0.05 which revealed that service differentiation had a significant influence on the performance of private secondary schools in Nairobi Kenya. The model is therefore a good fit because the p-value is less than 0.05. Results are shown in Table 3.

Table 3: Multiple regression of Service Differentiation and Competitive Advantage

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0.992	1	0.992	2.942	.094 ^b
	Residual	13.832	42	0.337		
	Total	14.824	43			

4.4 Service Differentiation and Competitive Advantage

Regression Coefficients are used to explain the statistical significance of the relationship between the independent and the dependent variables as well as the direction and the strength of the relationship. The results of the study revealed a positive relationship between service differentiation and performance. Service differentiation revealed a $\beta = -0.538$, $t = 1.715$ associated with a p-value of 0.001. With the p-value being less than 0.05, the influence of service differentiation on secondary school performance was statistically significant. Results were as shown in Table 4.

Table 4: Regression: Service Differentiation and Competitive Advantage

Model		Unstandardized	Standardized		t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	3.194	0.596		5.359	0.000
		0.238	0.139	0.538	1.715	0.001

5.0 Conclusions and

The study found that service differentiation has a significant impact on the competitiveness of private secondary schools. According to the study, employees' understanding of their customers' specific needs has a significant impact on the competitiveness of private secondary schools. It was also established that staff being always polite and willing to assist customers, staff being available at all times for consultation, schools providing the best education, staff being sincere and dependable in dealing with service problems, and schools providing services as promised all had a significant impact on the competitiveness of private secondary schools. According to the study, service differentiation has a significant impact on the competitiveness of private secondary schools. The study concluded that employees' understanding of their customers' specific needs had a significant impact on the competitiveness of private secondary schools. It was also established that the staff is always courteous and willing to assist customers.

6.0 Recommendation

This study recommended that private secondary schools embrace and invest in service differentiation to gain a competitive advantage over other private secondary schools that do not pursue this strategy. To achieve effective competitiveness in these private secondary schools, management should always ensure that the staff are well trained to be polite and willing to assist customers, that the staff are always available for consultation at any time of day, that the schools provide the best education possible, that the staff are always sincere and dependable in dealing with service problems, and that the school provides services as promised. The study also recommended additional research on other determinants (33%) of competitive advantage in private secondary schools that were not considered.

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