EFFECT OF BUSINESS STRATEGY ON COMPETITIVE ADVANTAGE IN PRIVATE UNIVERSITIES IN SOMALIA

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ABSTRACT

The general objective of this study is to investigate the business strategy of competitive advantage among private Universities in Somalia. Specifically, this study was investigate the effects of cost leadership, growth strategies, differentiation strategies and market focus strategies on competitive advantage among private universities in Somalia. Competitive success is enhanced by moving early in each product or process generation, provided that the movement is along a path that reflects evolving technology and buyer need, and that early movers subsequently upgrade their positions rather than rest upon them. In this view, firms have considerable discretion in relaxing external and internal constraints. Identified academic and programmed issues, cost of education, location and recreation facilities and peer and family influences as four of the most important factors that influence students' choice of tertiary institution and business strategy play the effectiveness and efficiency in private Universities. The target population of this study was 100 and a proportionate sample size of approximate 80 respondents. The population was select using purposive sampling or judgmental sampling technique. The sampling procedure of this study was used non-probability sampling procedure particularly purposive sampling or judgmental sampling. The data collected was analyzed using the software called Statistical Package for the Social Sciences (SPSS) version 20 and results shown in terms of frequency distribution and percentages. A regression model was applied to determine the relationship between cost leadership, growth strategies, differentiation strategies and market focus strategies as independent variable on competitive advantage as the dependent variable. The most researchers have focused on competitive strategies adopted by universities in Somalia (Abdinor 2015). The researchers explored the competitive strategies adopted by Somalia Universities and the challenges experienced in implementing these strategies but they did not research how to gain competitive advantage or business strategy of competitive advantage among private universities. Results confirm the varying importance of the business strategy of competitive advantage among private universities in Somalia. In general, the results reveal that Cost leadership strategy, growth strategy, differentiation strategy has significance effect on competitive advantage and market focus strategy has insignificance effect on competitive advantage. The study recommends that private Universities should highly invest in market research this would help in development of unique degree programs that are relevant to the current economic trends. Innovation of these distinctive programs will increase in selling institutions image thus helping to capture new markets. The study recommends that private universities should consider sub-standardizing the cost of the programs they offer, this move is very critical based on the finding that the target population choice is usually influenced by cost of the programs in comparison to those of its rivals. The research recommends that private universities should consider outsourcing some activities (but to professionals) which are not closely related to the universities strategic plan, this would allow concentration of efforts on the main strategic goal thus enhancing probability of excellence.
INTRODUCTION

1.1 Background of the Study

The demands and wants of the environment are constantly evolving and management is about adjusting the organization according to the needs and demands of the environment. One of the environmental influences to a business arises from competition. Increased competition threatens the attractiveness of an industry and reducing the profitability of the players. It exerts pressure on firms to be proactive and to formulate successful strategies that facilitate proactive response to anticipated and actual changes in the competitive environment, (Winter, 2013).

Organizations therefore focus on gaining competitive advantage to enable them respond to, and compete effectively in the market. By identifying their core competences, firms are able to concentrate on areas that give them a lead over competitors, and provide a competitive advantage, according to Johnson and Scholes (2010), core competences are more robust and difficult to imitate because they relate to the management of linkages within the organizations value chain and to linkages into the supply and distribution chains.

In this study, the researcher seeks to determine the business strategy of competitive advantage among private universities in Somalia over other players in the same industry. In their study, Poddar & Gadhawe (2010) defines competitive advantage as the advantage that one firm has, relative to competing firms in the industry. It is the advantage a firm has over others which help the firm to fight out others in the race and trap the consumers. The competitive advantage can be in any form or manner, which helps the firm in increasing and retaining the market share. In simple terms then, competitive advantage is an advantage over competitors gained by offering consumers greater value, either by means of lower prices or by providing greater benefits and services that justifies higher prices.

The Somalia Perspective

Sustainability organization of private high educations in the future is highly dependent on the
ability of the private high education to build competitive advantage. Abdirahman (2008) says that illustrates the competitive advantage that a company can do better than other companies even if they move in the same industry. A college will be able to compete if it has a commitment to create and maintain the satisfaction of the stakeholders (students, parents of students, users).

Competition between universities is getting tougher, better Inter collegiate State and Private Universities (Husein Omar, 2014). However private universities face more severe challenges, because besides fulfilling the accreditation standards, should also consider the quality aspects (Mohamed, 2012). The issue of quality is a central issue in question won the competition between Private Universities.

1.2 Statement of the Problem

As competition intensifies in the higher education sector, private universities are forced to craft superior strategies that will help them gain a competitive edge against their competitors. In Somalia there are no previous studies about Business strategy of competitive advantage among private universities in Somalia. The most researchers have focused on competitive strategies adopted by universities in Somalia (Abdinor 2014). The researchers explored the competitive strategies adopted by Somalia Universities and the challenges experienced in implementing these strategies. The first two or three universities in Somalia did not response to changing environment but when they feel huge number of universities entering to the market they start to set up strategies to survive.

The universities explored the various strategies but it did not address how these strategies help the institutions achieve competitive advantage. In the above studies, it is evident that the researchers have not really narrowed down to focus on the business strategy of competitive advantage among private Universities in Somalia despite their rapid growth in the past few years. In this study, the researcher will therefore concentrate on private universities and the determinant of their competitive advantage in order to survive in this era of great competition. Resource-based
perspective comprises of a rising and dominant area of strategy literature which responds to the question of a firm’s identity and it’s primarily concerned with the Nature and source of strategic capabilities (Theriou et al., 2009). The organization must be willing to discontinue any activities in which they do not have a cost advantage and should consider outsourcing activities to other organizations with a cost advantage (Malburg, 2011).

This study will be guided by the following question: Which are the business strategy of competitive advantage among private Universities in Somalia?

1.3 Objectives of the Study

This study will guide by the general and specific objectives as outlined.

1.3.1 General objective

The general objective of this study is to establish the business strategy on competitive advantage in private Universities in Somalia.

1.3.2 Specific Objectives

This study will guide by the following objectives:-

1. To investigate the effect of cost leadership strategies on competitive advantage in private universities in Somalia.

2. To determine the effect of growth strategies on competitive advantage in private universities in Somalia.

3. To establish the effect of differentiation strategies on competitive advantage in private universities in Somalia.

4. To find out the effects of market focus strategies on competitive advantage in private universities in Somalia.

2. LITERATURE REVIEW

2.1 Theoretical Frame work

This study is guided by the resource based view theory, knowledge-based view theory and
dynamic capabilities theory. These theories explain the business strategy of competitive advantage among private Universities in Somalia.

2.1.1 Resource-Based View Theory

The resource-based view (RBV) of (Kraaijenbrink, Spender, & Groen, 2010). suggests that competitiveness can be achieved by innovatively delivering superior value to customers. The extant literature focuses on the strategic identification and use of resources by a firm for developing a sustained competitive advantage (Barney, 2011). International business theorists also explain the success and failures of firms across boundaries by considering the competitiveness of their subsidiaries or local alliances in emerging markets. Local knowledge provided by a subsidiary or local alliance becomes an important resource for conceptualizing value as per the local requirements (Gupta et al., 2011).

According to Resource Based Theory resources are inputs into a firm's production process; can be classified into three categories as; physical capital, human capital and organizational capital (Crook, 2008). A capability is a capacity for a set of resources to perform a stretch task of an activity. In the 21st-century hyper-competitive landscape, a firm is a collection of evolving capabilities that is managed dynamically in pursuit of above-average returns. Thus, differences in firm's performances across time are driven primarily by their unique resources and capabilities rather than by an industry's structural characteristics (Crook, 2008). Resource-based perspective comprises of a rising and dominant area of strategy literature which responds to the question of a firm”s identity and it”s primarily concerned with the Nature and source of strategic capabilities (Theriou et al., 2009).

The Resource based view theory is used to explain how private Universities gain competitiveness through innovatively delivering superior value to customers, they focus on the strategic identification and use of resources for developing a sustained competitive advantage.
2.1.2 Knowledge-Based View Theory

The KBV of the firm is an extension of the RBV. The main tenet of the approach is that a firm is an institution for generating and applying various types of knowledge (Grant, 2006). While incorporating much of the content of the RBV, the KBV pays more attention to the process or path by which specific firm capabilities evolve and develop over time. This kind of development of knowledge through learning could be seen as a key element in achieving competitive advantage and superior performance (McEvily and Chakravarthy, 2002). Firm growth is not sustainable without the dynamic re-development of knowledge-based resources and capabilities because an organization is less capable of discovering new opportunities.

2.1.3 Dynamic Capabilities Theory

Dynamic capabilities are raised and defined as a firm's strategy to constantly integrate, reconfigure, renew, and recreate internal and external resources in response to dynamic and rapidly shifting market environments in order to attain and sustain competitive advantage (Winter, 2013).

Dynamic capabilities can explain how business firms create, define, discover, and exploit entrepreneurial opportunities in complex and volatile external environments in search for a strategic matching of resources and market needs (Teece, 2007). Especially, a firm's particular dynamic capabilities of stakeholder relationship management can determine the effectiveness of strategic alliance, in return influencing sustainability which has some of implications for corporate responsibility and emerging markets. Private Universities in Somalia gain competitive advantage through continually rare their internal resources and capabilities to assume corporate responsibility for adapting turbulent environment in the higher education sector in Somalia.
2.2 Conceptual Framework

**Business strategy**

Cost Leadership Strategies
- Workforce
- Outsourcing,
- Market share

Growth Strategies
- Market development.
- Market penetration
- Product development

Differentiation Strategies
- Price
- Product
- Innovation

Market Focus Strategies
- Marketing
- Promotion
- Target markets

**Independent Variable**

**Competitive Advantage**
- Effect on enrollments
- Quality of graduates produced
- Number of new campuses opened.

**Dependent Variable**

Figure 1.1 Conceptual framework

2.3 Review of variables

2.3.1 Cost Leadership Strategies

This is Porter's generic strategies known as cost leadership (Malburg, 2011). This strategy focuses on gaining competitive advantage by having the lowest cost in the industry (Porter, 1987, 1996; Cross, 1999). In order to achieve a low-cost advantage, an organization must have a low-cost leadership strategy, low-cost manufacturing, and a workforce committed to the low-cost strategy (Malburg, 2011). The organization must be willing to discontinue any activities in which they do not have a cost advantage and should consider outsourcing activities to other organizations with a cost advantage (Malburg, 2011). For an effective cost leadership strategy, a firm must have a large market share (Hyatt, 2011). There are many areas to achieve cost leadership such as mass
production, mass distribution, economies of scale, technology, product design, input cost, capacity utilization of resources, and access to raw materials (Malburg, 2011). Porter (1985) purports only one firm in an industry can be the cost leader and if this is the only difference between a firm and competitors, the best strategic choice is the low cost leadership role (Malburg, 2011).

2.3.2 Market Focus Strategies

The focuser’s basis for competitive advantage is either lower costs than competitors serving that market segment or an ability to offer niche members something different from competitors. Focusing is based on selecting a market niche where buyers have distinctive preferences. The niche is defined by geographical uniqueness, specialized requirements in using the product or by special attributes that appeal to members, (Stone, 2008).

A focus strategy based on low cost depends on there being a buyer segment whose needs are less costly to satisfy than the rest of the market. On the other hand, a focus strategy based on differentiation depends on there being a buyer segment that demands unique product attributes. In the focus strategy, a firm targets a specific segment of the market (Porter, 1996). The firm can choose to focus on a select customer group, product range, geographical area, or service line (Martin, 1999). For example, some service firms focus solely on the service customers (Stone, 2008). Focus also is based on adopting a narrow competitive scope within an industry.

2.3.3 Differentiation Strategies

Differentiation strategies are marketing techniques used by a firm to establish strong identity in a specific market; also called segmentation strategy. Using this strategy, a firm will introduce different varieties of the same basic product under the same name into a particular product category and thus cover the range of products available in that category. Differentiation strategy can also be defined as positioning a brand in such a way as to differentiate it from the competition and establish an image that is unique, (Davidow & Uttal, 2006).

Differentiation strategy is an approach under which a firm aims to develop and market unique
products for different customer segments. Usually employed where a firm has clear competitive advantages, and can sustain an expensive advertising campaign. It is one of three generic marketing strategies that can be adopted by any firm. To maintain this strategy the firm should have: strong research and development skills, strong product engineering skills, strong creativity skills, good cooperation with distribution channels, strong marketing skills, and incentives based largely on subjective measures, be able to communicate the importance of the differentiating product characteristics, stress continuous improvement and innovation and attract highly skilled, creative people, (Baum & Oliver, 2007).

2.3.4 Corporate Growth Strategies

To portray alternative corporate growth strategies, Ansoff presented a matrix that focused on the firm's present and potential products and markets (customers). By considering ways to grow via existing products and new products, and in existing markets and new markets, there are four possible product-market combinations. Ansoff's matrix provides four different growth strategies: Market Penetration - the firm seeks to achieve growth with existing products in their current market segments, aiming to increase its market share, market development - the firm seeks growth by targeting its existing products to new market segments, product development - the firms develops new products targeted to its existing market segments and diversification - the firm grows by diversifying into new businesses by developing new products for new markets, (King’oo, 2012).

The market penetration strategy is the least risky since it leverages many of the firm's existing resources and capabilities. In a growing market, simply maintaining market share will result in growth, and there may exist opportunities to increase market share if competitors reach capacity limits. However, market penetration has limits, and once the market approaches saturation another strategy must be pursued if the firm is to continue to grow, (Mintzberg, 2003).
2.3.5 Competitive advantage

In their study focused on Indian students, O’Brien and Webb (2006) emphasize that Universities today operate in an increasingly competitive market place facing new and complex social-technical and economic challenges. They further contend that knowledge in this area is usually insufficient as the changing environment and diversity of student home cultures challenge previous assumptions and common wisdom, hence the need to identify factors responsible for influencing Indian students’ choice of international University. The study emphasizes the need to fully understand students from diverse cultural settings in University marketing and student recruitment process. The study revealed that with sufficient knowledge of the students, there are a number of ways that a University can influence the choice making process by a student.

Wang (2009) in his study conclude that the needs, perceptions and preferences for higher education vary among students of different national cultures. Further, the study contends that in order to improve market position, higher education institutions should identify values, choice factors and relative priorities and then practice diversified marketing tactics across different groups of potential students. Joseph and Joseph (2000) point out the need to develop different strategies for different markets.

It also highlights the importance of identifying and understanding the important factors that potential students consider when choosing a tertiary institution. It concludes that if higher educational institutions are to develop strategies that will attract a sustainable share of the market, they need to know their customers understand their needs and develop strategies to satisfy these needs. (Joseph and Joseph, 1998) identified academic and programme issues, cost of education, location and recreation facilities and peer and family influences as four of the most important factors that influence students’ choice of tertiary institution.

3. RESEARCH METHODOLOGY

3.1 Research Design
This study was conduct through a descriptive survey design

The regression model is indicated as shown as follows: \( Y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \epsilon \)

4. RESEARCH FINDINGS AND DISCUSSION

4.1 Study variables Findings

The following presents the findings on the various study variables.

4.1.1 Cost leadership strategies on competitive advantage

The study sought to investigate the effects of Cost leadership strategy on competitive advantage. Table 4.7 summarizes respondents' level of agreement on how cost leadership strategies affect competitive advantage. Most of the respondents agreed that to achieve cost leadership, the university should seek to outsource some services as shown by a mean of 2.32. Most of the respondents also agreed to the Universities use focus-based strategies but only in combination with differentiation or cost leadership were similar, reporting a mean of 2.32. The above finding concurs with the research findings by (Malburg, 2009) he asserts that the organization must be willing to discontinue any activities in which they do not have a cost advantage and should consider outsourcing activities to other organizations with a cost advantage.

Table 4.1 Cost leadership strategies on competitive advantage

<table>
<thead>
<tr>
<th>Statement</th>
<th>n</th>
<th>Mean</th>
<th>S.D</th>
</tr>
</thead>
<tbody>
<tr>
<td>In order to achieve a low-cost advantage, an organization must have a low-cost leadership strategy</td>
<td>75</td>
<td>2.05</td>
<td>.899</td>
</tr>
<tr>
<td>To achieve cost leadership, the university should seek to outsource some services</td>
<td>75</td>
<td>2.32</td>
<td>.918</td>
</tr>
<tr>
<td>Universities use focus-based strategies but only in combination with differentiation or cost leadership</td>
<td>75</td>
<td>2.32</td>
<td>.888</td>
</tr>
<tr>
<td>Lower costs and cost advantages result from process innovations, economics of scale and product designs.</td>
<td>75</td>
<td>2.08</td>
<td>.955</td>
</tr>
</tbody>
</table>
4.1.2 Growth strategies on competitive advantage

The study sought to establish the effects of growth strategies on competitive advantage. From the findings indicated in table 4.8 most of the respondents agreed that the Focus strategy based on low cost depends on buyer segment whose needs are less costly to satisfy than the rest of the market, averse with a mean of 2.20 being obtained. The results also conquer with the findings on the question that was asked whether the occasionally the university undertakes promotion. The findings on this question obtained a mean of 2.12. Market Penetration - the firm seeks to achieve growth with existing products in their current market segments, aiming to increase its market share, market development - the firm seeks growth by targeting its existing products to new market segments, product development - the firms develops new products targeted to its existing market segments and diversification - the firm grows by diversifying into new businesses by developing new products for new markets, (King”oo, 2012).

Table 4.2 Growth strategies on competitive advantage

<table>
<thead>
<tr>
<th>Statement</th>
<th>N</th>
<th>Mean</th>
<th>S.D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focus strategy based on low cost depends on buyer segment whose needs are</td>
<td>75</td>
<td>2.20</td>
<td>.822</td>
</tr>
<tr>
<td>less costly to satisfy than the rest of the market.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Occasionally the university undertakes promotion</td>
<td>75</td>
<td>2.12</td>
<td>1.013</td>
</tr>
<tr>
<td>Focus aims at growing market share through operating in a niche Market</td>
<td>75</td>
<td>2.15</td>
<td>1.036</td>
</tr>
<tr>
<td>use focus-based strategies but only in combination with</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>differentiation or cost leadership generic strategies</td>
<td>75</td>
<td>1.91</td>
<td>.825</td>
</tr>
</tbody>
</table>

4.1.3 Differentiation strategies on competitive advantage

The study sought to establish the effects of differentiation strategies on competitive
advantage. Respondents agreed that to maintain the differentiation strategy the firm should have: strong research and development skills, strong marketing skills. As represented by a mean of 1.91, most of the respondents agreed that differentiation strategy calls for the development of a product or service that offers unique attributes as showed by a mean of 2.21 and a mean 2.08 were obtained on the question whether Value added by the uniqueness of the product may allow the firm to charge a premium price for it. The above findings concurs with the research findings by Phillips and Peterson, 2011) concludes that product differentiation is a common way of differentiating the firm's offerings from those of its competitors.

**Table 4.3 Differentiation strategies on competitive advantage**

<table>
<thead>
<tr>
<th>Statement</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Differentiation strategy calls for the development of a product or service that offers unique attributes.</td>
<td>75</td>
<td>2.21</td>
<td>.741</td>
</tr>
<tr>
<td>Value added by the uniqueness of the product may allow the firm to charge a premium price for it.</td>
<td>75</td>
<td>2.08</td>
<td>.912</td>
</tr>
<tr>
<td>Essential success factor of differentiation in terms of strategy implementation is to develop and maintain innovativeness and</td>
<td>75</td>
<td>2.11</td>
<td>.709</td>
</tr>
<tr>
<td>To maintain the differentiation strategy the firm should have: strong</td>
<td>75</td>
<td>1.91</td>
<td>.841</td>
</tr>
</tbody>
</table>

### 4.1.4 Market focus strategies on competitive advantage

The study sought to establish the effects of Market focus strategies on competitive advantage. Respondents agreed that University is seeking to penetrate more in the market through opening of new campuses and increasing the number of collaborations with other collages as described by a mean of 2.24, most of the respondents agreed that Market development options include the pursuit of additional market segments or geographical regions depicted by a mean of 2.27 and a
mean of 2.00 were obtained on the question whether Rapid diffusion of best practices, though, allows competitors to quickly imitate management techniques and practices. The above findings concurs with the study findings by King’oo, (2012) he asserts that a successful focus strategy depends upon an industry segment large enough to have good growth potential but not of key importance to other major competitors.

Table 4.4: Market focus strategies on competitive advantage

<table>
<thead>
<tr>
<th>Statement</th>
<th>n</th>
<th>Mean</th>
<th>S.D</th>
</tr>
</thead>
<tbody>
<tr>
<td>University is seeking to penetrate more in the market through opening</td>
<td>75</td>
<td>2.24</td>
<td>1.384</td>
</tr>
<tr>
<td>of new campuses.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market development options include the pursuit of additional market</td>
<td>75</td>
<td>2.27</td>
<td>1.369</td>
</tr>
<tr>
<td>segments or geographical regions.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rapid diffusion of best practices, though, allows competitors to quickly</td>
<td>75</td>
<td>2.00</td>
<td>.805</td>
</tr>
<tr>
<td>imitate management techniques and practices.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In a growing market, simply maintaining market share will result in</td>
<td>75</td>
<td>1.85</td>
<td>.692</td>
</tr>
<tr>
<td>growth, and opportunities increase market share if competitors.</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

4.1.5 Competitive advantage

A number of questions were asked to determine how Competitive advantage was conducted in the Private Universities in Somalia, Somalia. Respondents agreed that As a result, the motivating factors for students in picking a University have undergone changes. Obtaining a mean of 2.09. The respondent agreed that the identified academic and programmed issues and cost of education, influences as students’ choice of tertiary institution obtaining a mean of 2.43 and similarly a mean of 2.19 terms of Competitive success enhanced by moving early in each product or process generation was respondent agreed. Wang (2009) in his study conclude that the needs, perceptions and preferences for higher education vary among
students of different national cultures. Further, the study contends that in order to improve market position, higher education institutions should identify values, choice factors and relative priorities and then practice diversified marketing tactics across different groups of potential students. Joseph and Joseph (2000) point out the need to develop different strategies for different markets.

**Table 4.5 Competitive advantage**

<table>
<thead>
<tr>
<th>Statement</th>
<th>n</th>
<th>Mean</th>
<th>S.D</th>
</tr>
</thead>
<tbody>
<tr>
<td>As a result, the motivating factors for students in picking a University have undergone changes.</td>
<td>75</td>
<td>2.09</td>
<td>.947</td>
</tr>
<tr>
<td>identified academic and programmed issues and cost of education, influences as students' choice of tertiary institution</td>
<td>75</td>
<td>2.43</td>
<td>.903</td>
</tr>
<tr>
<td>Higher educational institutions are to develop strategies that will attract a sustainable share of the market.</td>
<td>75</td>
<td>1.88</td>
<td>.986</td>
</tr>
<tr>
<td>Competitive success enhanced by moving early in each product or process generation.</td>
<td>75</td>
<td>2.19</td>
<td>.704</td>
</tr>
</tbody>
</table>

**4.2 Correlation Analysis**

Pearson Bivariate correlation coefficient was used to compute the correlation between the dependent variable (competitive advantage) and the independent variables (Cost leadership strategies, Growth strategies, Differentiation strategies and Market focus strategies). According to Sekaran (2008), this relationship is assumed to be linear and the correlation coefficient ranges from -1.0 (perfect competitive advantage, \( r = .510, P > 0.05 \)). Imply that Cost leadership strategies, Growth strategies and differentiation strategies significantly influenced competitive advantage for private universities in Somalia, Somalia.
**Table 4.6 Correlation**

<table>
<thead>
<tr>
<th></th>
<th>Cost leadership strategies</th>
<th>Growth strategies</th>
<th>Differentiation strategies</th>
<th>Market focus strategies</th>
<th>Competitive advantage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td>.123</td>
<td>.209</td>
<td>.400</td>
<td>.710</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.291</td>
<td>.073</td>
<td>.000</td>
<td>.048</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>75</td>
<td>75</td>
<td>75</td>
<td>75</td>
<td>75</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>.123</td>
<td>1</td>
<td>.499</td>
<td>.229</td>
<td>.433</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.291</td>
<td>.000</td>
<td>.048</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>75</td>
<td>75</td>
<td>75</td>
<td>75</td>
<td>75</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>.209</td>
<td>.499</td>
<td>1</td>
<td>.114</td>
<td>.439</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.073</td>
<td>.000</td>
<td>.329</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>75</td>
<td>75</td>
<td>75</td>
<td>75</td>
<td>75</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>.400</td>
<td>.229</td>
<td>.114</td>
<td>1</td>
<td>.268</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.048</td>
<td>.329</td>
<td>.020</td>
<td>.020</td>
</tr>
<tr>
<td>N</td>
<td>75</td>
<td>75</td>
<td>75</td>
<td>75</td>
<td>75</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>.710</td>
<td>.433</td>
<td>.439</td>
<td>.268</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.020</td>
<td>.020</td>
</tr>
<tr>
<td>N</td>
<td>75</td>
<td>75</td>
<td>75</td>
<td>75</td>
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</tr>
</tbody>
</table>

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

**. Correlation is significant at the 0.01 level (2-tailed).**
5. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of Findings

The general objective of this study was to investigate the business strategy of competitive advantage among private Universities in Somalia, Somalia. Specifically; this study investigated the effects of cost leadership strategies, growth strategies, differentiation strategies, market focus strategies among private Universities in Somalia, Somalia. The study employed a survey research design in data collection. This research employed quantitative data collection method whereby data was gathered by the use of closed ended questionnaires which were self-administered. Factor analysis was used to assess the validity and Cronbach alpha to assess reliability of the questionnaire. Multiple regression analysis was performed to assess the relationship between the dependent variable (competitive advantage) and the independent variables (cost leadership strategies, growth strategies, differentiation strategies, market focus strategies) and to test the research on the business strategy of competitive advantage with specific focus on the private Universities in Somalia, Somalia.

Standard multiple regression analysis was conducted for hypotheses testing (Cooper & Schindler, 2013; Sekaran, 2008). Results confirm the varying importance of the competitive advantage business strategy in the private universities in Somalia. In general, the results reveal that cost leadership strategy, growth strategy and differentiation strategy have significant and positive effects on competitive advantage, while market focus strategy has insignificant effects on competitive advantage in the private universities in Somalia, Somalia.

5.2 Conclusions

From the research findings the research established that to achieve cost leadership, the university should seek to outsource some of the services which are not among the core business of the university thus the study concludes that cost leadership strategies had a positive impact on the competitive advantage in private universities in Somalia. The study revealed that in pursuing greater market the university is embarking on creating more potential programmes which are more
relevant to the market thus the study concludes that corporate growth strategies had a positive impact on competitive advantage in private universities in Somalia. The study further established that the institution has greatly been able to differentiate itself by pricing its programs according to the quality of the service offered by the institution and determined by the completion in the market thus the study concludes that differentiation strategies had a positive effect on competitive advantage in private universities in Somalia.

From the research it was established that occasionally the university undertakes promotion activities with their target market which has raised the awareness of the university programmes within the market, therefore the study concludes that market focus strategies had a Negative effect on the competitive advantage in private universities in Somalia.

5.3 Recommendations

Based on the major findings of this study, the following recommendations were made:

1- The study recommends that private Universities should highly invest in market research this would help in development of unique degree programs that are relevant to the current economic trends. Innovation of these distinctive programs will in selling institutions image thus helping to capture new markets.

2- The study recommends that private universities should consider sub-standardizing the cost of the programs they offer, this move is very critical based on the finding that the target population choice is usually influenced by cost of the programs in comparison to those of its rivals.

3- The research recommends that private universities should consider outsourcing some activities (but to professionals) which are not closely related to the universities strategic plan, this would allow concentration of efforts on the main strategic goal thus enhancing probability of excellence.

4- This will help to keep the targeted market segment with what the institutions offers. This may highly influence new students decision for the power of remembrance has been found
be correlated with the frequency of advertising.

5- The study recommends that private universities should maintain numerous market campaigns this will help to keep the targeted market segment with what the institutions offers. This may highly influence new students decision for the power of remembrance has been found be correlated with the frequency of advertising.

**REFERENCE**


