



## EFFECT OF PRODUCT/PROGRAM ADVERTISING ON ORGANIZATIONAL GROWTH OF UNIVERSITIES IN THE COASTAL COUNTIES OF KENYA

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### ABSTRACT

*The competition for students is intensifying across the globe and creating a need for competitive strategies in order to attract students and partners. In Kenya, however, little is known regarding the influence of product/program advertising on organizational growth of universities in the coastal region of Kenya. Therefore, the main objective of this study was to determine the effect of academic program advertising on organizational growth of universities in the coastal region of Kenya. The study adopted a survey research design targeting 16 universities, both public and private located in the coastal region of Kenya. From these the accessible population comprised 160 management level employees. Naissuma formula was used to generate a sample size was 65 respondents who were selected from the universities through systematic random sampling. Data was collected through copies of questionnaires and was analyzed using descriptive and inferential analysis methods. From the findings of this study, it emerged that academic program advertising positively influenced university growth in the study area in terms of; growth of facilities ( $p < 0.05$ ), growth in student enrolment ( $p < 0.05$ ) and increase in fee payment ( $p < 0.05$ ). The study, thus, recommends that academic programs should be regularly reviewed to match the changing market dynamics and that universities consider the market requirements during development and introduction of new programs.*

**Keywords:** Program advertising, Organizational growth, Higher education marketing, changing market dynamics, student enrolment

## 1.0 INTRODUCTION

### 1.1 Background

Higher education world today is trying to adapt to the rapidly changing environmental dynamics and one that is characterized by intensifying competition that is promising to



transform the sector significantly. For instance, the American higher education sector has grown from a collection of small, local markets to regional and national markets (Hoxby, 2007). 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, that is, the United Kingdom (UK), the intense competition for students is due to the increasing number of universities in close proximity to each other in major towns such as London, Oxford, Leeds and Sheffield cities amongst others. In Malaysia Higher education has experienced an increasing competition among universities and higher education institutes to attract students both locally and internationally (Mazzarol & Soutar, 2008). Higher education in Ghana is also been characterized with privatization and competition (Manuh, et al., 2007). Consequently, the competition for students has been intensifying globally creating a need for creation of competitive strategies in order to attract students faced with too many options (Agumbi, 2013). Among these is product/service advertising.

### **1.1.1 Advertising**

Advertising is a way of communication to encourage an audience for making purchase decision about a product or service and conveying information to viewers. It is considered as a vital and essential element for the economic growth of the marketers and businesses (Ryans, 1996). Advertising is usually a paid form of exposure or promotion by some sponsor that reaches through various traditional media such as television, newspaper, commercial radio advertisement, magazine mail, outdoor advertising or modern media such as blogs, websites and text messages (Ahmed & Ashfaq, 2013). However, the extent to which product/service advertising influences growth of universities in Kenya is not known.

### **1.1.2 University Growth**

University growth is as a result of effectiveness of the strategies adopted by the University (Odhiambo, 2013). There are many indicators that can be used to show that growth has taken place in the University. Growth can occur in terms of infrastructural facilities the university possess. The facilities are in form of buildings for classes and offices, laboratories, libraries and other facilities that facilitate learning in the university. This can be used as



measure of whether a given institution has grown or not. Student enrollment is another factor that can be used to indicate growth of a university. Increment in student enrollment in a university is an indicator of growth (Kitum, 2010). Fees payment is another significant issue when assessing growth of a university. When universities put in place measures to improve fees payment, they are able to create improved growth avenues.

### **1.1.3 Universities in Coastal Counties in Kenya**

In nearly two decades after the introduction of free education, there has been marked levels of students transitioning from primary to secondary schools and as such the number of students graduating from secondary school. Consequently, there has been a high number of college age students in the country demanding to be absorbed in institutions of higher learning. This, together with reforms in the higher education sector has seen the establishment of several universities and growth of their satellite campuses in several towns in the country (Mukhwana et al., 2016). The Coast region of Kenya comprises of six counties on the south eastern side of the country contiguous to the Indian Ocean. These counties also benefited from this the expansion of the universities with a number of constituent colleges of universities and several satellite campuses having been established in the region. Among the institutions in the coast are the following; Cooperative University College of Kenya, Taita Taveta University College, Daystar University, KAG East University. Methodist University in Kenya, Kenyatta, Moi, Technical University of Mombasa, Pwani. Evidently, the high number of universities in the region suggests that the level of competition for students is high. Therefore, the universities have to embark on competitive strategies to achieve growth in the area.

### **1.2 Research Problem**

This rise of university education 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 marketing strategies of universities. The main problem currently is that some institutions may have the status though having not the facilities and the working personnel. Their survival in the industry is largely determined by their ability to respond to the changing



environment competitively (Nicolescu, 2009). Several universities have embarked in advertising through various media outlets. However, the effect of this as a strategy on the growth of universities is not yet fully understood. Previous studies (for example, Kitoto, 2005; Mukokho, 2010; Ndirangu & Udoto, 2011; Mathooko, 2013) done on competitive strategies used by universities in Kenya to market themselves have largely been inconclusive and, moreover, these studies did not establish how product/program advertising influenced organizational growth of universities in the Coastal Counties of Kenya, therefore, motivating the need for the current study.

### **1.3 Objectives of the Study**

The main objective of this study was to determine the effect of product/program advertising on organizational growth of universities in the Coastal Counties of Kenya.

## **2.0 LITERATURE REVIEW**

### **2.1 Promotion and the hierarchy of effects model**

The Hierarchy-of-effects model was published in 1961 by Lavidge and Steiners (1961). Lavidge and Steiners Hierarchy-of-effects model was created to show the process, or steps, that an advertiser assumes that customers pass through in the actual purchase process (Barry & Howard, 1990). The model is based on seven steps, which as with the other models must be completed in a linear way. The big difference between this model and the others, such as DAGMAR and AIDA, is not only the steps, but also the view on how to pass them. Under the hierarchy of effects model, the buyers purchase decision is preceded by steps such as conviction about product benefits, preference for the brand, liking for the brand, knowledge relating to the benefits and features of the product, after an awareness of the product has been gained. Students use different media when searching to choose universities they wish to enroll with thus they make use of the media for their specific needs. The basic implication of this model is that the function of persuasive communication should be handled deftly at every stage of the buyer's adoption process. This, then, should be the premise on which advertisements should be built on. The hierarchy of effects model



can, therefore, be useful in examining how universities deploy their advertising power to create competitive advantage and ultimately sustained organizational growth.

## **2.2 Product Advertising/Publicity**

Sustained competitive advantage has become more of a matter of creativity, movement and ability to change than of location or position (Breznik, 2012). When referring to educational services, competitiveness should also include the sustainability of local resources for ensuring the maintenance of long term success as well as the achievement of equitable returns-on-resources utilized to satisfy all stakeholders (Buhalis & Law, 2008). Higher education is now facing increasing competition from for-profit universities and reduced funding from typical sources (McCoy, 2011). Typically, as a consequence of massification of education, universities find themselves offering similar products and services to their students and, further, being in close proximity to each other does not help. Therefore, advertising is now becoming one of the most viable tools at their disposal which can give them competitive advantage.

The major aim of advertising is to impact on buying behaviour; however, this impact about brand is changed or strengthened frequently through people's memories. Memories about the brand are formed by associations that are related to brand name in consumer mind (Khan, Siddiqui, Shah & Hunjra, 2012). These brands continuously influence consideration, evaluation and finally purchases (Romaniuk & Sharp, 2004). Consumers buying behaviour has always been given so much importance and space in the literature study of impact of advertising regarding its effectiveness (Ajzen, 2002). Most of the time consumers buying behaviour depends on liking or disliking of consumer towards the advertisement of the product advertised (Smith et al., 2006). A good quality advertisement is likely to influence consumers into buying that product while a poor quality advertisement will do the opposite.

Publicity success and adverts of activities that can assist with enlarging enrollment, widening fund capabilities, and other more outcomes (Ivy, 2008). Institutions that craft, present and manage a message that is unified, experience and environment succeed in a competitive advantage in adding more people, retaining and building loyalty amongst their partners. Informing about a brand successfully to both current and prospective students



requires planning that has been strategized and tools that are effective (Aronczyk, 2008). There are various strategies that University are using to advertise their institutions and measure the effectiveness. Most have hired marketing professionals from the other parts of the world and invested a lot time and money to come up with strong institutional brands. For example the likes of the Northwestern University that is in the U.S., this comes along with getting a Chief Marketing Officer (CMO) post and making brand creation and campaigning for a core function of the institution. Alliance and other industry experts recognize several high trends from 2013, and most of these branding and marketing methods are feasible for most colleges and universities. Previous studies have been conducted on effectiveness of advertisement and on advertisement's impact on consumer buying behaviour which depicted positive relationships in other industries. However, in this paper the advertising is examined for its effects in spurring growth of universities.

## RESEARCH METHODOLOGY

### 3.1 Research design

This research adopted a survey research design. The use of this design was informed by its convenience when dealing with a large number of the interviewees from a large number of institutions (Cooper & Schindler 2008).

### 3.2 Target population

The population of interest to the present study were the 16 universities, both public and private, in four Coastal Counties in Kenya, that is; Taita Taveta, Kwale, Mombasa and Kilifi. Each university has management team members that sets the strategies. Hence, the accessible population for this study was one hundred and sixty management team members.

### 3.3 Sample and Sampling Techniques

The study sampled the universities across the four counties and for the accessible population, employed the Nassiuma (2000) formula, under.

$$n = \frac{NC^2}{C^2 + (N - 1) e^2}$$

Where;

N = 160 was the total accessible population



$C = 0.5$  was the coefficient of variation

$e = 0.05$  was the significance level

$n = 65$  was sample size determined by the formula

Systematic random sampling was used to select the members of management team in the universities in such a way as to ensure each member had an equal chance of being selected to participate in the study.

### **3.4 Data Collection Instruments**

Collection of the data was majorly done by use of a questionnaire developed by the researcher that comprised of both structured and unstructured questions. The structured part contained Likert scale to enable quantification of the responses. The advantage of using questionnaires is that each respondent gets to be asked a similar set of questions that provide an efficient way of collecting responses from a large sample prior to analysis. (Saunders, et al 2015). The questionnaires were pretested for validity and reliability before being administered. This was achieved by first pilot testing the instruments on a non-participating sample of respondents.

### **3.5 Data processing and analysis**

The analysis of data was done with the aid of SPSS version 23.0. The data was analyzed using descriptive and inferential statistics. Descriptive statistics involved percentages and means while inferential statistics employing Spearman's rank coefficients was used to examine the relationship between the independent variable and the dependent variables.

## **RESEARCH FINDINGS AND DISCUSSION**

### **4.1 Introduction**

The researcher administered 65 to the respondents drawn from universities located in the coastal region, out of these, 59 questionnaires were returned representing a response rate of 91%. This response rate was very high and, therefore, very good for research purposes as recommended by Babbie (2004).

### **4.2 Advertising of Academic Programmes and organizational growth of universities**

The study first sought to assess the perception of product/program advertising on organizational growth of universities in the coastal region of Kenya. A Likert scale of 1 to 5 was used with 1 representing not at all and 5 representing very great extent.



Correspondingly; 1 = Not at all; 2 = Little extent; 3 = Moderate extent; 4 = Great extent; 5 = Very great extent. The results are summarized in Table 2. The results are given in Table 1.

**Table 1: Perception on advertising of academic programmes on organizational growth**

Statement	1 %	2 %	3 %	4 %	5 %	Mean	Std. Dev.
Most institutions market themselves to able students by over-the-top housing and recreational opportunities.	0%	0%	17%	58%	25%	4.08	0.841
The local community is made aware of university programs through outreach, billboards, brochures and open day forums	0%	0%	17%	58%	25%	4.08	0.86
Self-marketing of universities so as to attract more students in their institution	0%	0%	15%	68%	17%	4.02	0.662
Our university advertises its programs in various languages and attracts relevant student traffic	0%	0%	9%	49%	42%	4.34	0.763
Our university uses social media like Facebook, twitter to advertise academic programs	0%	0%	0%	59%	41%	4.41	1.125

The results in Table 1 indicate that most institutions market themselves to able students by over-the-top housing and recreational opportunities (Mean = 4.08). The local community was made aware of university programs through outreach, billboards, brochures and open day forums (Mean = 4.08). Most universities in the area opted to self-market so as to attract more students in their institution (Mean = 4.02). The universities advertised their programs in various languages and attracts relevant student traffic (Mean = 4.34). In addition, the universities made use of social media platforms like Facebook and Twitter to advertise academic programs (Mean = 4.41).

#### **4.3 Organizational growth of universities in the coastal region of Kenya**

The study sought to establish the status of organizational growth of universities in the Coastal Region of Kenya. The findings are given in Table 2.





**Table 2: Perception on organizational growth of universities in the coastal region of Kenya**

Statement	1 %	2 %	3 %	4 %	5 %	Mean	Std. Dev.
Profitability and financial muscle has increased as a result of academic program development and advertising in universities	0%	20%	37%	34%	9%	3.31	0.554
Universities have witnessed increased growth in facilities emanating from increased student enrolment and increased academic programs	0%	14%	39%	42%	5%	3.36	0.678
There is noticeable growth in the number of university students as a result of competitive strategies employed by Kenyan universities.	0%	25%	39%	25%	10%	3.2	0.912
The adoption of the various coping strategies in universities has resulted to student satisfaction hence more enrolment	0%	19%	51%	22%	9%	3.2	0.776
There is intense competition of universities fuelled by academic program development	0%	34%	46%	14%	7%	2.93	1.069

The findings in Table 2 indicate that profitability and financial muscle has increased because of academic program development and advertising in universities (Mean = 3.31). Universities have witnessed increased growth in facilities emanating from increased student enrolment and increased academic programs (Mean = 3.36). There was noticeable growth in the enrolment of students because of competitive strategies employed by universities in the area (Mean = 3.2). The findings also suggest that the adoption of the various coping strategies in universities had resulted to student satisfaction hence more enrolment (Mean = 3.2). However, there was moderate competition of universities in the area fueled by academic program development (Mean = 2.93).

#### **4.4 Correlation of product/program advertising on organizational growth**

Spearman's Rank correlation was carried out to determine if there was a significant relationship between the independent variable, that is, product advertising and constructs



of the dependent variable, organizational growth of universities in the coastal region of Kenya. The results are summarized in Table 3.

**Table 3: Correlation summary of product/program advertising on organizational growth**

Variables	Correlation	Sign
Independent Variable		
Product advertising		
Dependent Variable		
Growth of Facilities	0.106	(0.039)
Growth in Student enrollment	0.544	(0.001)
Increased fees payment	0.472	(0.016)
N=59		

The results in Table 3 suggest that there was a significant relationship between program advertising and the dependent variable constructs identified in the study, that is, growth of facilities ( $p < 0.05$ ), growth in student enrolment ( $p < 0.05$ ) and increase in fee payment ( $p < 0.05$ ). This shows that product advertising indeed significantly influenced the growth of universities in the coastal region of Kenya ( $p < 0.05$ ). Further, the findings suggest that there were strong correlations between program advertising and growth in student enrolment ( $r = 0.544$ ) and increase in fee payment ( $r = 0.472$ ). However, the correlation between program advertising and growth of facilities was weak ( $r = 0.106$ ).

## 5.0 DISCUSSIONS

The results on the perception of product/program advertising on organizational growth of universities in the coastal region of Kenya imply that the universities in the area had embarked on aggressive advertising of their programmes to the public using different media as a means of obtaining competitive advantage. These findings reflect the views of Kerin, Hartley and Rudelius (2011) that by identifying trends related to competitive forces, institutions can leverage their marketing plans on them and remain competitive. The findings on organizational growth of universities in the Coastal Region of Kenya suggest that the adoption of various strategies by Kenyan universities have greatly influenced university growth. These findings agree with Mathooko (2013) that university growth is as a result of



effectiveness of the strategies adopted by the University. The positive correlations between program advertising and the dependent variable constructs identified in the study, that is, growth of facilities, growth in student enrolment and increase in fee payment were largely informed by the fact that advertising of university programmes attract more student to universities hence increase in student numbers and fees received. The findings agree with Aronczyk (2008) who found that institutions that craft, present and manage a message that is unified, experience and environment succeed in a competitive advantage in adding more people, retaining and building loyalty amongst their partners.

## **6.0 CONCLUSIONS AND RECOMMENDATIONS**

### **6.1 Conclusions**

From the findings of this study, it is reasonable to conclude that academic program advertising and publicity contributed positively to university growth in the Coastal region. Universities have come up with self-sponsored programs ranging in between certificate, diploma and degree courses to get funds that will sustain the institution financially. Many new programs are being developed in University to meet the university growth objectives in addition to providing solutions to the society. This is leading to increased enrolment as the new programmes attract many new students in the Universities. This contributes to the overall growth of the Universities. Comprehensive guidelines for developing, altering, and closing programs and courses are designed to ensure that Universities fulfill their pledge to their students and preserve their accountability. Some universities employ market push system in introducing new academic programs to the market. This is where new academic programs are developed without involving the market and later on advertisement is done to convince the market to accept the programs. It can be concluded that an increase in academic programs has increased the number of students in universities. This is because allocation of students by KUCCPS is done based on capacity.



## 6.2 Recommendations

- i. Academic programs should be regularly reviewed to match the changing market dynamics and that universities consider the market requirements in development and introduction of new programs and advertise them promptly.
- ii. Universities should go to their own level to be able to differentiate themselves from other organizations through well-structured adverts of activities following the hierarchy of effects model to improve student enrollment that is a significant growth indicator.

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