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STRATEGIC MANAGEMENT

DIFFERENTIATION STRATEGY AND PERFORMANCE OF ONLINE PROGRAMS AMONG PRIVATE UNIVERSITIES IN NAIROBI METROPOLITAN AREA, KENYA

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ABSTRACT

Purpose of the study: The study examined the effect of differentiation strategy on the performance of online programs among private universities in the Nairobi Metropolitan Area, Kenya.

Methodology: A positivist, cross-sectional explanatory design was adopted. From a target of 155 administrators and managers across 20 private universities, 149 usable responses were obtained (96.1% response rate). Data were collected using structured questionnaires and analyzed in SPSS v29 with descriptive statistics, model diagnostics, correlation, and simple linear regression.

Findings: Results show that differentiation practices are embraced at a high level (overall M=3.94, SD=0.821), especially the use of innovative digital tools. Regression analysis indicated a positive, statistically significant relationship between differentiation and online program performance (R=0.529; R²=0.280; Adjusted R²=0.275; F (1,147)=57.127, p<.05). The unstandardized coefficient for differentiation was B=0.529 (SE=0.070; t=7.558; p<.05), implying that a one-unit improvement in differentiation is associated with a 0.529-unit increase in performance.

Conclusion: The study concludes that strategic differentiation through distinctive curricula, superior pedagogy, and innovative technologies materially enhances enrolment, completion, and institutional standing of online programs.

Recommendations: Universities should prioritize continuous content upgrading, learner-centred teaching, and technology-enabled delivery to sustain competitive advantage in digital higher education.

Keywords: Differentiation strategy, online program performance & private universities.

INTRODUCTION AND BACKGROUND TO THE STUDY

In the evolving landscape of higher education, the performance of online programs has become a pivotal measure of institutional competitiveness, particularly within private universities in the Nairobi Metropolitan Area (Barrow et al., 2024; Yuanyuan et al., 2016). Performance in this context is commonly evaluated through three key dimensions: enrolment numbers, completion rates, and university ranking. The rapid growth of digital learning, driven by advancements in technology, increased demand for flexible education, and post-pandemic adaptations, has transformed how universities deliver and assess educational outcomes (Liu, 2022; Willging & Johnson, 2019).

However, despite increased adoption, disparities persist in student enrolment growth, program completion, and institutional recognition. Some universities report declining enrolment rates due to intensified market competition, while others struggle with low completion rates linked to inadequate student engagement and limited instructional innovation (CUE, 2023). Moreover, global university ranking systems increasingly incorporate indicators related to online learning quality and technological capability, thereby underscoring the strategic importance of managing online programs effectively. Addressing these performance challenges requires strategic initiatives that enhance both the quality and distinctiveness of online offerings, positioning institutions for sustainable growth in a competitive digital education environment.

This study was anchored on the concept of differentiation strategy, a central tenet of Porter's Generic Model, as the independent variable, and performance of online programs as the dependent variable ((Yuanyuan et al., 2016; Nguyen et al., 2021). Differentiation strategy refers to the deliberate efforts by universities to create unique value propositions that distinguish their online programs from those offered by competitors. Differentiation strategy was operationalized through three key indicators: Unique course offerings, quality online teaching and integration of innovative teaching tools.

Unique course offerings involve the development of distinctive and specialized online courses designed to meet emerging professional and academic needs, providing learners with content not easily replicated elsewhere (Palvia et al., 2018). Quality online teaching entails the delivery of superior learning experiences through qualified faculty, engaging pedagogical approaches, and robust learner support systems that enhance student satisfaction and retention. Integration of innovative teaching tools focuses on the deployment of advanced digital technologies such as interactive platforms, simulations, and artificial intelligence-driven learning systems to improve engagement, accessibility, and learning outcomes. Together, these constructs reflect how differentiation enhances institutional competitiveness by fostering innovation, academic excellence, and student-centered value creation.

OBJECTIVE OF THE STUDY

The objective of this study was to examine the effect of differentiation strategy on the performance of online programs among private universities in the Nairobi Metropolitan Area, Kenya.

THEORETICAL FRAMEWORK

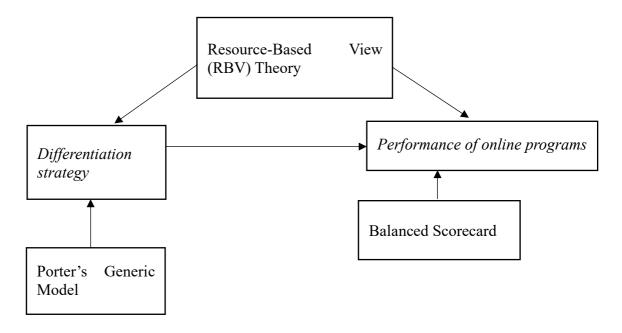


Figure 1: Theoretical framework

Source: Researcher (2025)

The theoretical framework integrates Porter's Generic Model, the Resource-Based View (RBV) Theory, and the Balanced Scorecard (BSC) to provide a comprehensive understanding of how differentiation strategy influences the performance of online programs in private

universities within the Nairobi Metropolitan Area. Porter's Generic Model (1980) forms the foundation for explaining how organizations attain competitive advantage through differentiation by offering unique products or services that stand out from competitors. In the context of online education, this entails developing specialized courses, employing innovative teaching tools, and ensuring superior learning quality to attract and retain diverse learners. Differentiation, therefore, represents the external strategic positioning of the institution aimed at achieving competitiveness through value creation and innovation.

Complementing this, the Resource-Based View (RBV) Theory by Barney (1991) underpins the internal strategic perspective by emphasizing that sustainable competitive advantage arises from an institution's unique resources and capabilities those that are valuable, rare, inimitable, and non-substitutable (VRIN). In online education, such resources include advanced digital infrastructure, skilled faculty, institutional reputation, and innovative learning technologies. RBV thus explains how universities can leverage internal competencies to support and enhance their differentiation strategies, transforming resource endowments into superior institutional performance.

The Balanced Scorecard (BSC) model by Barney (1991) is employed to operationalize the dependent variable performance of online programs through a multidimensional lens encompassing financial, customer, internal process, and learning and growth perspectives. This enables the study to assess not only financial indicators such as revenue from online programs but also non-financial metrics such as student satisfaction, completion rates, and institutional ranking. The integration of BSC within this framework ensures that performance is evaluated holistically, capturing both tangible and intangible outcomes.

EMPIRICAL REVIEW

Karadağ et al. (2022) investigated the impact of user-generated and brand-generated content as indicators of university brand personality and differentiation strategies. This quantitative study employed a cross-sectional survey design and utilized social media analytics alongside structured surveys as data collection instruments. The sample comprised 210 universities, and the data analysis was performed using Structural Equation Modeling (SEM). The findings indicated that there is a strong correlation between effective differentiation strategies and enhanced university brand identity, with p-values reported at 0.001 and an R-squared value of 0.45, suggesting that differentiation significantly boosts brand engagement and visibility. Notably, the study highlighted the need for additional research regarding how these branding

efforts specifically affect enrollment and retention in online programs, thus revealing a methodological gap. The current study aimed to address this gap by investigating the direct effect of differentiation strategies on both enrollment rates and student success metrics in online learning programs.

Njue et al. (2023), explored the effects of product differentiation strategies on the performance of commercial banks in Kenya. Using a quantitative correlational analysis approach, this survey-based research considered a sample size of 200 bank managers. Data were collected via structured questionnaires, and Multiple Regression Analysis was employed for data analysis. The results demonstrated a strong positive correlation between differentiation strategy and performance metrics (R=0.63, p=0.000); however, the context was predominantly financial rather than educational. This study unveils a conceptual gap, as it fails to adequately connect differentiation strategy to educational program outcomes. This study extended this exploration by applying these insights to the realm of online education, thereby providing clarity on which differentiation strategies yield the most favourable outcomes for online programs.

In their 2019 study, Estelami and Mao conducted a quantitative analysis that employed an exploratory survey design to investigate the determinants of tuition for online MBA programs. The study employed a sample size of 200 universities and collected data through online surveys targeted at program administrators. Utilizing regression analysis in SPSS, they found a significant correlation between pricing strategies, specifically cost differentiation and program prestige and enrollment figures, reporting an R² of 0.71 with a p-value of less than 0.01. These findings underline the importance of competitive pricing in attracting students to online programs. However, the study highlighted a gap in understanding the influence of nonmonetary aspects, such as institutional reputation, on competitive strategies. The current research aims to address this gap by further exploring these non-monetary factors. Empirically the study focused on MBA online programs. Conceptually, lacked integration of institutional factors as moderating variables. Contextually, conducted in India, thus lacking relevance to the Kenyan context. Methodologically, relied solely on self-reported data without triangulation. The current study addressed the contextual and conceptual gaps by examining competitive strategies in online programs, while incorporating institutional factors as moderators in a Kenyan setting. It also considers CUE reports to triangulate self-reported data.

Another significant contribution is presented in the work by Levin et al. (2016), which utilized a randomized controlled trial design with 150 university student participants to assess webbased self-help interventions for mental health. The data was collected through pre- and post-

intervention surveys, and analysis techniques such as ANOVA revealed that the Acceptance and Commitment Therapy-based intervention showed significant outcomes, with p-values indicating statistical relevance (p<0.05). This study underlined innovative strategy integration within online programs as crucial for enhancing student engagement and performance metrics. Yet, it lacked a direct exploration of competitive strategies affecting academic performance, thus exposing a conceptual gap that the current study will seek to fill through a comparative analysis of various strategic frameworks. Gap wise, the study focused more on student satisfaction than institutional performance indicators with limited generalizability. The present study builds on Levins (2016) by integrating performance metrics such as enrollment, completion rate, and institutional rankings. It also adopted a more robust methodology and aligns with Kenyan CUE guidelines.

Jiménez-Crespo's (2021) qualitative case study provided crucial insights into feedback mechanisms in online translation courses, emphasizing the engagement and performance benefits that arise from timely and constructive feedback. This research, based on a sample of 30 undergraduate students, utilized thematic analysis and revealed that feedback acts as a critical differentiator in competitive strategies for online learning environments, with findings demonstrating statistical significance (p<0.05). However, the study's contextual applicability and lack of diverse settings raise questions about its generalizability. The current research adopted a broader approach, incorporating various program contexts to yield a more comprehensive understanding of effective feedback strategies in competitive environments. The current study addresses these gaps by employing a quantitative approach to measure performance outcomes statistically and examining the moderating effect of institutional factors like technological infrastructure and leadership.

Lastly, a recent study by Maware et al. (2023) focusing on transitioning lab-based training to online modalities utilized a design-based research methodology with a sample size of 45 participants. The study aimed to determine differing performance levels between online and in-person program formats, relevant findings suggested a correlation (R²=0.55, p<0.01) demonstrating the feasibility of quality education online. However, an empirical gap regarding industry-specific applications emerged, as did a methodological gap related to longitudinal knowledge retention assessments. The present research intended to address these by examining various contexts and incorporating longer-term follow-up evaluations of learning outcomes. Conceptually, the study excluded moderating role of regulation and leadership. Empirically, it did not analyze specific performance indicators like student completion rates or enrollment

trends. The current study expanded on Maware et al. (2023) by incorporating performance indicators such as enrollment, student completion rates, and institutional rankings, and includes government regulation as a moderating factor.

In synthesizing these studies, a recurring theme of the tension between cost leadership and differentiation strategies emerges. While Estelami and Mao emphasize cost strategies, other studies, like Jiménez-Crespo's, articulate the value-based differentiation through feedback mechanisms. Discrepancies in the findings of Levin et al. regarding direct links to competitive strategies are acknowledged, suggesting a need for further exploration into how varied strategies might coexist and influence performance metrics. The focus of the current study provided a holistic view of how competitive strategies impact online program performance by integrating qualitative and quantitative methods that bridge the identified gaps.

Belostecinic and Jomir (2023) adopted a mixed-methods approach to analyze the role of online educational marketing as means to enhance university attractiveness. The study encompassed both qualitative interviews and quantitative surveys, with a sample of 150 stakeholders, including students and faculty. Through thematic analysis and statistical techniques, the findings underscored that targeted marketing strategies aligned with differentiation led to considerable improvements in institutional image and attractiveness (p<0.01). Yet, despite these insights, the study lacked a robust connection between marketing differentiation and concrete enrollment figures, creating a substantial gap. The present research examined how specific marketing techniques rooted in differentiation strategies relate directly to enrollment rates and student attrition in online programs.

Hidayat et al. (2024) conducted an experimental study assessing strategies to enhance the effectiveness of differentiated learning. Utilizing a randomized control trial design with a sample size comprising 12 groups of 30 students each, the researchers employed pre- and post-tests and observational checklists as data collection instruments, followed by ANOVA for data analysis. Their findings indicated a significant impact of differentiated learning strategies on student engagement (F(2, 33)=5.89, p=0.01). While this study focused on pedagogical approaches, it failed to account for the broader marketing implications necessary for attracting students. The current study addressed this contextual gap by linking pedagogical differentiation with strategic marketing efforts to enhance online program visibility and success.

In synthesizing these studies, a recurring theme surfaces regarding the tension between cost leadership and differentiation within higher education contexts. While universities often pursue

cost efficiency, differentiation strategies, encompassing aspects of branding, marketing, and pedagogical approaches can create unique value propositions that attract and retain students. The existing literature also indicates a fragmented understanding of how these strategies can be holistically integrated within online education. Contradictory findings around the effectiveness and applicability of these differentiation strategies necessitate a nuanced approach in the current research.

CONCEPTUAL FRAMEWORK

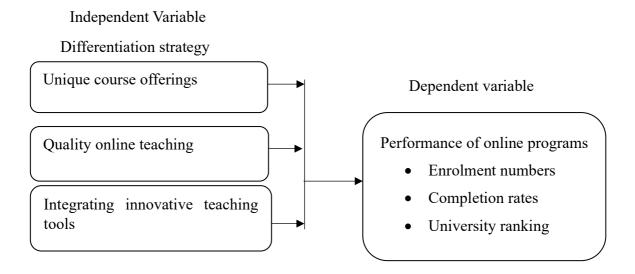


Figure 1: Conceptual framework

Source: Researcher (2025)

The conceptual framework illustrates the hypothesized relationship between the differentiation strategy and the performance of online programs among private universities within the Nairobi Metropolitan Area. The framework posits that differentiation strategy, operationalized through unique course offerings, quality online teaching, and integration of innovative teaching tools, directly influences how universities perform in key areas such as enrolment numbers, completion rates, and university rankings (Kimiti et al., 2021& Gill, 2016). The construct of unique course offerings represents the strategic decision by universities to design programs that address emerging academic and professional needs, thereby distinguishing their educational services from competitors. By developing specialized and niche-oriented online programs, institutions can attract diverse learner groups who seek distinct competencies that are not widely available elsewhere (Hilman and Kaliappen, 2024). This strategy enhances enrolment growth by appealing to specific market demands and contributes to improved institutional

reputation, which is reflected in higher rankings. Quality online teaching encompasses pedagogical excellence, faculty competence, and interactive engagement strategies that enhance the learning experience (Kinyuira, 2024; Lechner and Gudmundsson, 2022). The quality of instruction, supported by clear communication, timely feedback, and robust learner support systems, fosters improved student satisfaction and retention. When learners perceive value and engagement in their academic journey, completion rates rise, reinforcing institutional credibility and trust in online education delivery quality (Demir et al., 2020). The third construct, integration of innovative teaching tools, reflects the adoption of modern technological platforms and digital pedagogies such as simulations, virtual classrooms, artificial intelligence-based tutoring systems, and learning management systems (LMS). These tools facilitate personalized and flexible learning experiences, promoting accessibility and interactivity. Their application aligns with global best practices in online education, positioning institutions competitively in both local and international academic landscapes. On the other hand, performance of online programs is multidimensional, encompassing both quantitative and qualitative indicators. Enrolment numbers measure the university's ability to attract students to its programs; completion rates assess academic success and institutional efficiency in retaining and graduating students; and university ranking serves as an external validation of institutional performance and reputation within the higher education ecosystem.

RESEARCH METHODOLOGY

The study adopted a positivist philosophical paradigm and a cross-sectional-explanatory research design. The total population comprised of all the 20 private universities offering online programs in the Nairobi Metropolitan Area, where a target of population of 251 senior and midlevel managers was obtained. A sample of 155 was obtained using the Yamane formula and selected using stratified sampling technique. Primary data was collected through semi-structured questionnaires administered as google forms electronically. Quantitative data was subsequently entered into SPSS version 29.0 and processed and analysed descriptively using mean and standard deviation. Diagnostics tests such as multicollinearity, homoscedasticity, linearity and normality were done to establish the assumptions requisite for the statistical methodologies employed. Data was further analysed inferentially using correlation and regression analysis.

DATA ANALYSIS AND DISCUSSION OF FINDINGS

The data analysis is presented in sections

Table 1: Response Rate

| Category | Frequency | Percentage (%) |
|---------------------------|-----------|----------------|
| Targeted Sample Size | 155 | 100.0 |
| Actual Responses Received | 149 | 96.1 |
| Non-Responses | 6 | 3.9 |
| Total | 155 | 100.0 |

Source: Field Data (2025)

Table 1 presents the response rate obtained from the study's data collection process. Out of the 155 targeted respondents, a total of 149 responses were successfully received and analyzed, representing a response rate of 96.1%, while 6 questionnaires (3.9%) were not returned or were incomplete. This high response rate demonstrates strong engagement and cooperation from the study participants, which significantly enhances the reliability, validity, and generalizability of the research findings. According to Mugenda and Mugenda (2019), a response rate above 70% is considered excellent for social science research, suggesting that the achieved rate of 96.1% provides a robust empirical foundation for subsequent statistical analysis and interpretation. The minimal non-response rate also indicates that data loss was negligible, thus minimizing the likelihood of non-response bias and ensuring that the collected data accurately represents the views of the target population.

Table 2: Descriptive analysis of differentiation strategy

| | Mean | Std. Dev. |
|---|------|-----------|
| | (M) | (SD) |
| Online teaching integrates innovative digital tools and platforms | 4.15 | 0.701 |
| Marketing efforts highlight the uniqueness of online programs. | 3.82 | 0.806 |
| Faculty employ high-quality and engaging teaching techniques. | 4.00 | 0.838 |
| The university prioritizes personalized student support in online | | |
| learning. | 3.74 | 0.989 |
| Partnerships with industry enhance the relevance of online | | |
| programs. | 3.82 | 0.797 |
| There is continuous investment in upgrading online course | | |
| content. | 4.01 | 0.839 |
| The university incorporates global best practices in its online | | |
| programs. | 4.05 | 0.778 |
| Overall Mean / SD | 3.94 | 0.821 |

Source: Field Data (2025)

The overall mean for differentiation strategy was 3.94 with a standard deviation of 0.821, implying strong agreement and relatively low variability across responses. The item "Online teaching integrates innovative digital tools and platforms" had the highest mean of 4.15, exceeding the overall mean by 0.21, indicating that innovation in digital tools is a highly visible differentiating factor. Its low standard deviation (0.701) reflects high consensus among respondents. "The university incorporates global best practices in its online programs" (M=4.05, SD=0.778) and "Continuous investment in upgrading online course content" (M=4.01, SD=0.839) also scored above the overall mean, emphasizing the institution's commitment to quality improvement and modernization. Conversely, "The university prioritizes personalized student support in online learning" (M=3.74, SD=0.989) was 0.20 below the overall mean, suggesting room for improvement in individualized engagement. Despite this, the low overall variability (SD=0.821) indicates consistent recognition of differentiation efforts across respondents. Collectively, these results suggest that innovation, content quality, and global alignment are the strongest pillars of differentiation in online programs.

Table 3: Descriptive analysis of performance of online programs

| | Mean (M) | Std. Dev. (SD) |
|--|----------|-------------------|
| Online programs contribute significantly to the university's overall rankings. | 3.99 | 0.775 |
| Students complete online programs at a satisfactory rate. | 3.87 | 0.738 |
| Employer feedback on graduates of online programs is positive. | 3.61 | 0.760 |
| Faculty retention rates for online teaching roles are high. | 3.83 | 0.873 |
| Online programs generate significant revenue for the university | 4.13 | 0.836 |
| Students report high levels of satisfaction with online learning. | 3.81 | 0.928 |
| The university effectively manages and scales its online education operations | 3.91 | 0.841 |
| Overall Mean / SD | 3.88 | 0.822 |

Source: Field Data (2025)

As shown in Table 3, the overall mean for performance of online programs was 3.88 with a standard deviation of 0.822, denoting strong performance perceptions with relatively consistent responses. The item "Online programs generate significant revenue for the university" recorded the highest mean of 4.13, exceeding the overall mean by 0.25, highlighting the financial contribution of online programs as their most notable success indicator. "Online programs

contribute significantly to the university's overall rankings" (M=3.99, SD=0.775) and "The university effectively manages and scales its online education operations" (M=3.91, SD=0.841) also scored above the overall mean, underscoring institutional efficiency and reputational benefits. On the lower end, "Employer feedback on graduates of online programs is positive" (M=3.61, SD=0.760) was 0.27 below the overall mean, implying that while performance is strong, graduate outcomes and market perceptions could be enhanced. The narrow SD range (0.738-0.928) reflects a stable consensus among respondents. Overall, the findings depict a well-performing online education system with strong financial, operational, and reputational outcomes, though stakeholder satisfaction could be further strengthened.

Table 2: Model summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------|----------|-------------------|----------------------------|
| 1 | .529a | 0.28 | 0.275 | 0.462058 |

a Predictors: (Constant), Differentiation strategy

Source: Field Data (2025)

The results presented in Table 4 show that the correlation coefficient (R=0.529) indicates a moderate positive relationship between differentiation strategy and the performance of online programs in private universities within the Nairobi Metropolitan Area. The coefficient of determination (R²=0.280) reveals that approximately 28.0% of the variation in the performance of online programs can be explained by differentiation strategy, while the remaining 72.0% is attributed to other factors not included in the model. The Adjusted R²=0.275 confirms the model's reliability and stability after accounting for the number of predictors. These findings suggest that universities implementing differentiation strategies through unique course content, superior learning experiences, and innovative service delivery experience better performance in their online programs.

Table 3: ANOVA

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|--------|-------|
| 1 | Regression | 12.196 | 1 | 12.196 | 57.127 | .000b |
| | Residual | 31.384 | 147 | 0.213 | | |
| | Total | 43.581 | 148 | | | |

a Dependent Variable: Performance

b Predictors: (Constant), Cost leadership strategy

Source: Field Data (2025)

The Analysis of Variance (ANOVA) results in Table 5 indicate that the regression model is statistically significant, with an F-value=57.127 and a p-value=0.000, which is less than 0.05. This implies that differentiation strategy significantly predicts the performance of online programs. The regression sum of squares (12.196) compared to the residual sum of squares (31.384) demonstrates that a considerable portion of the variability in performance is explained by differentiation strategy. The high F-statistic confirms that the model provides a good fit and that the likelihood of this relationship occurring by chance is minimal. Therefore, the ANOVA results affirm that differentiation strategy meaningfully contributes to variations in online program performance across private universities.

Table 4: Coefficients

| Mod | | Unsta | andardized | Standardized | | |
|-----|-----------------|--------------|------------|--------------|------|------|
| el | | Coefficients | | Coefficients | t | Sig. |
| | | В | Std. Error | Beta | | |
| | | | | | | 0.00 |
| 1 | (Constant) | 1.797 | 0.278 | | 6.46 | 0 |
| | Differentiation | | | | 7.55 | 0.00 |
| | strategy | 0.529 | 0.07 | 0.529 | 8 | 0 |

a Dependent Variable: Performance

Source: Field Data (2025)

The coefficients result in Table 6 provide further insight into the predictive influence of differentiation strategy on performance of online programs. The unstandardized coefficient for differentiation strategy (B=0.529, t=7.558, p=0.000) is positive and statistically significant, showing that a one-unit increase in differentiation strategy leads to a 0.529-unit increase in performance. The standardized beta coefficient (β =0.529) reinforces that differentiation strategy exerts a strong positive effect on performance. The constant term (B=1.797) represents the baseline performance level when differentiation efforts are absent. The derived regression equation is:

$$Y=1.797+0.529X$$

where Y represents the performance of online programs and X represents differentiation strategy. The statistical significance (p<0.05) confirms that differentiation through unique course offerings, brand distinctiveness, and superior service quality enhances online program outcomes, including enrollment, completion rates, and institutional ranking. Hence, the null hypothesis (H_{01}), which stated that differentiation strategy has no significant effect on performance, is rejected, affirming that differentiation strategy significantly and positively affects the performance of online programs in private universities.

DISCUSSION OF FINDINGS

The study sought to determine the effect of differentiation strategy on the performance of online programs in private universities within the Nairobi Metropolitan Area. The regression analysis results indicated a statistically significant and positive relationship between differentiation strategy and performance, as shown by the correlation coefficient (R=0.529) and the coefficient of determination (R²=0.280). This implies that differentiation strategy accounts for 28% of the variance in online program performance, while 72% of the variation is explained by other factors not captured in the model.

The ANOVA results (F=57.127, p=0.000) confirmed that the model was statistically significant, indicating that differentiation strategies contribute meaningfully to the improvement of performance outcomes. The regression coefficient (B=0.529, t=7.558, p<0.05) further demonstrates that an increase in differentiation efforts leads to a corresponding increase in online program performance. Descriptive statistics (overall M=3.94, SD=0.821) revealed a high level of agreement among respondents that universities are implementing effective differentiation strategies, particularly through innovative digital tools (M=4.15), global best practices (M=4.05), and continuous content upgrading (M=4.01). These findings suggest that innovation, content modernization, and global alignment are the most impactful aspects of differentiation in online programs.

The results support Porter's Generic Strategy Model, which emphasizes that differentiation through unique value creation and superior quality enhances competitiveness. The findings are also consistent with empirical studies such as those by Gichuki and Kinyua (2022) and Mutua and Kamau (2023), who found that universities adopting unique digital learning solutions and personalized service models record superior student satisfaction and institutional performance. Therefore, differentiation strategy emerges as a critical determinant of the success of online programs, driving both reputational and operational excellence among private universities.

CONCLUSION

The study concludes that differentiation strategy significantly and positively influences the performance of online programs in private universities within the Nairobi Metropolitan Area. Institutions that emphasize innovation, high-quality teaching practices, personalized learning support, and global benchmarking achieve improved enrollment, student satisfaction, and institutional ranking. Differentiation enables universities to distinguish their online programs from competitors by offering unique value propositions tailored to diverse learner needs. This

strategic positioning not only enhances competitiveness but also strengthens long-term institutional sustainability in the increasingly dynamic online education sector.

RECOMMENDATIONS TO STAKEHOLDERS

- 1. University Management prioritize continuous innovation in online teaching and learning platforms, ensuring that digital tools and content are regularly upgraded to maintain quality and competitiveness.
- 2. Academic Leadership encourage faculty to adopt learner-centered and interactive teaching techniques that enhance engagement and perceived value of online programs.
- 3. Marketing Departments emphasize the uniqueness of each online program in promotional campaigns, highlighting superior content, flexibility, and global recognition to attract diverse learners.
- 4. Government and Regulatory Bodies (CUE and Ministry of Education) should support and incentivize institutions that demonstrate commitment to quality differentiation in online education through funding and policy frameworks.
- 5. Industry Partners should be actively engaged in curriculum development to ensure that differentiated programs remain relevant to market needs, thereby improving graduate employability and institutional reputation.

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