

Influence of Porter's Strategies on Competitive Advantage in Hospitals: A Case Study of Agakhan University Hospital Kenya

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Abstract: The research investigated the association between porter's generic strategies and competitive advantages at Agakhan university hospital. The research adopted descriptive research design at Aga Khan hospital services division. The population was all Aga Khan Hospital service customers. The target population consisted of 160 employees and customers within Nairobi. Proportionate stratified sampling. The study adopted stratified questionnaires to collect needed data that were. The data collected was analyzed with the assistance of statistical package for social scientists. Descriptive and inferential statistics was used. The descriptive analysis involved averages, percentages, frequency distribution and standard deviation. The study also used correlation and regression to investigate the link among competitive strategies and building of competitive advantages. The use of table and figures was applied for better understanding of the information gathered. The study established that cost leadership influenced competitive advantage. The research also established that competitive advantage was influenced greatly by differentiation. Lastly, it was concluded that competitive advantage at the hospital was achieved through focus strategy where the hospital concentrated on provision of specialized health care services not provided by other private and public hospitals. The study suggests that hospital needs to identify areas where it can cut on costs to be a cost leader by offering its services at lower cost than its competitors offer. The study also recommends that the hospital to differentiate its products by offering wide range of services and packages for various clients. Finally, the study also recommends that the hospital should implement market focus strategy by offering specialized attention to specific specialties in various diseases.

Keywords: Service Differentiation, Cost leadership, Market Focus and Competitive Advantage

I. INTRODUCTION

Globally, the market has changed and firms can no longer just wait for clients to look for them but have to go out aggressively to attract and maintain their customers (Kotler, 2001). The goal of developing and gaining an edge over competitors is the main duty of any manager in many businesses today. Organizations globally are striving to gain advantage over competitors through offering superior value to customer via means like innovation, customization, flexibility and rapid response (Ghalayani & Noble, 1996). The environment is complex and ever changing and it will continue to change rapidly and unpredictably (Burnes, 1996). According to Ansoff and Mc Donnell (1990), The ability of a firm to be able to survive the dynamic and challenging business environment depends on its stamina to operate effectively in an environment with new consumers attitudes, new dimensions of publics acting in checking firm activities, new technologies and new competitors, among other market scape dynamics. Carrell and Mann (1995) noted that the ability of the business organization to survive and grow must be anchored on well thought out competitive strategies aimed at giving the firm edge over competitors in attracting and maintaining valued customers for a long time.

This is a kind of an advantage that a firm enjoys and gains over its competitors when it offers superior value to the customers. The value can be by offering low priced products or giving additional benefits to customers in the firm of differentiated product and offering niche products ignored by other firms in the industry (Carrell and Mann (1995). Competitive advantage can only be developed when a firm can ask and give itself sincere answer as to why should the customer choose them over the competing firm by giving reasons why the customer should rank them first above

competitors in the industry (Pelaelo, 2017). Firms that are considered successful must create a superior value to customers to ensure the firm has an army of loyal customers upon which it can build on towards growth into the unforeseeable future. The introduction of niche marketing and product differentiation has changed the landscape of marketing such that customers acting as individual and group have demand highly customized products to meet their unique needs. Businesses considered successful must continue to provide superior value to customers beyond what the competing firms can provide to gain any edge over them. The firm has to use a combination of competitive strategies available in its arsenal to ensure it continues to occupy favorable position in the mind of the customer (Walker, 2010). Porter (1998) argued that competitive advantage involves the capability of an establishment to occupy a position that is favorable in the mind of the customers at the market. The aim of competitive strategy is to achieve a favorable position that ensures a sustainable profitability in the market place by providing superior value products and working to gain advantage over the forces that determine that sets the tempo concerning price setting in the industry. The process of developing competitive strategies begins with identifying changes in the factors determining competition in the dynamic market place and then developing strategies that can enable a firm compete that are in line with its strengths and capabilities. Porter (1998) further holds that competitive strategy involves the deliberate and conscious act of the firm to make market offering that is superior to what other business organizations are offering. The offering should be different and more valuable compared to what the competing firm did offering. The ability of the firm to master a given kind of market offering that is valuable, unique and not easily copied hence gaining an edge over competitors. Firms that are considered successful must identify those activities it can perform excellently given its unique capabilities and build on such capabilities to create competitive advantage. Two main competitive have dominated the marketing practice that is differentiation and cost leadership. The customer scope that the firm considers in the process of achieving cost leadership or differentiated product give rise to a third strategy called market focus strategy. The three strategies are referred to as generic strategies on which other complex strategies can be developed.

Competitive strategies conceptualized by Porter that can enable a firm achieve competitive edge over the competitors (Malburg, 2007). Porter identified three competitive strategies. Cost leadership is a kind of strategy employed by a firm aimed at achieving competitive edge through offering comparable quality products at lower cost and prices beyond the reach of rivals in the industry (Porter, 1987). To be able to achieve a firm must strictly implement cost leadership policy, pursue lowest cost manufacturing or service provision and having staff who are consistently concerned with achieving efficiency through minimizing wastes and encouraging effectiveness in achieving goals (Malburg, 2007). The second generic strategy suggested in Porter's theory is product differentiation strategy. Differentiation strategies enable a firm to achieve identity in the market by enabling prospective and existing customers to be able to differentiate products of a firm from those of competing firms. While employing this strategy, a firm offers variant products from the same basic product such that unique qualities are infused into a product that is identifiable with specific customer groups in the market place. Product differentiation enables a firm to create favourable position of its product to enable the customer to identify the brand from competing brands (Somba, 2016). The third generic competitive strategy conceptualised by Porter is focus strategy. Focus strategy involves offering products to a selected niche that has been ignored by competitors in the field. A market niche a geographical market that is not or underserved or a group of customer in need of special characteristics not being serviced by existing products in the market or products requiring specialised training on how to use (Stone, 2005). The firm intending to use market focus can choose selected product or service line, selected customer group and specific geographical region (Martin, 2009).

The Aga Khan University Hospital, (AKUH) one of the premier hospitals operating in Kenya health service sector was initiated in 1958 to provide both secondary and tertiary level health care services in Kenya. The hospital is non-profit making meaning it focuses on service provision rather than profitability goal. The hospital concentrates on offering quality and affordable health care services. Aga Khan University Hospital, Nairobi has several clinics throughout the Country. Major Towns / cities like Mombasa and Kisumu have fully pledged hospitals. These Medical Centres or Clinics has employed highly skilled medical staff of all cadres including doctors and nurses to handle customer issues. The AKUH was upgraded to a tertiary level teaching and referral hospital to handle unique needs of clients across countries in the east African region. The hospital boasts of being a market leader in emergency and critical care centre for various ailments and accidents. The hospital has been implementing programmes to improve collaboration with other teaching university hospitals as well as ministry of health to encourage sharing of experience, collaboration in research and management of health issues facing the population in east African countries. Hospital has opened all these facilities to gain competitive advantage. They offer the same kind of services under the same model. The only difference arises in the capacity. The clinics act as feeders to the Main Hospital. They have also done well as far as differentiation is

concerned with prices for health services slightly lower in the clinics compared to Main Hospital in Nairobi (Agha Khan Hospital, 2016).

1.1 Statement of the Problem

Private hospitals in Kenya have been increasing in number and each is trying to come up with competitive measures to be the best service provider. An institution selects has to do market targeting and segmenting and then picking a segment in the overall market that it intends to service and tailors its strategy to serving them to the exclusion of other service providers. Agakhan hospital as premier private hospital has been implementing programmes to improve collaboration with other teaching university hospitals as well as ministry of health to encourage sharing of experience, collaboration in research and management of health issues facing the population in east African countries. The hospital has opened all various state of the art clinics and laboratories with the sole aim of enhancing their competitive edge over rival hospitals. They offer the same kind of services under the same model. The only difference arises in the capacity. The clinics act as feeders to the Main Hospital. They have also done differentiation in their services making them unique compared to other health service providers. The costs are comparatively lower in the peripheral clinics as compared to the Main Hospital in Nairobi (Agha Khan Hospital, 2016). Even with this competitive strategies and programs implemented at AKUH, there is scanty literature on the role played by competitive strategies on gaining competitive advantage at the AKUH hospital. Given the scanty literature at AKUH and empirical literature gaps, the current study was conducted to establish the influence of porter's competitive strategies on competitive advantage at Agakhan University Hospital.

1.2 Objectives of the study

To determine the factors influencing the competitive advantage of an organization, the case of Aga Khan University Hospital. The specific objectives included:

1. To establish the influence of cost leadership on attainment of competitive advantage.
2. To determine the effect of Service differentiation on attaining competitive advantage.
3. To investigate the effects of market focus on achieving competitive advantage.

II. LITERATURE REVIEW

2.1 Theoretical Review

Resource Based View Theory: Penrose (1959) was the leading proponent of Resource based view theory that explained that the growth and expansion of a firm could be due to external or internal factors. The theory further explains that a firm can seek growth through diversification, mergers and acquisition based on the distribution of resources across firm. Firms can combine their activities with other firms to accrue advantages associated with getting the best out of resources owned by other firms in a symbiotic relationship. The theory further posits that each firm has unique productive resources that it can exploit in gaining competitive advantage. The firm must use the resources in a way to realize maximum benefit. The resources are said to be valuable, unique and not equally distributed across firm in the industry. Andreu, Claver, and Quer (2009) further explained that idle resources could only assist the firm to gain competitive advantage if they are optimally exploited for the benefit of the firm not assist them firm. Wernerfelt, (1984) further explained that even though the product provides the basis for the performance of the business organization, underlying resources explain the real performance of a firm that the firm exploits in achieving competitive advantage and produce the products making the available for the customers and the market. The theory further explain that the resources processed by a firm may be unique or general. The unique sources are usually not static as they are very dynamic with various uses. In addition they are also imitable and unequally distributed across firm such that some firm have more of the resources while other may have little lack them in totality. The unique resources may take the form of imitable superior technology, unique knowledge, highly refined skills among other resources that a firm can utilize in production of goods or service provision (Newbert, 2007). Further, Prahalad and Hamel, (1990) explained than an organization together with its management should concentrate in producing products and proving service that are very unique by taking advantage of its core resource capabilities. Barney's (1991), borrowing from the works of Penrose (1959) and other scholars were of the opinion that a firm has a set of capabilities which are critical, cannot be easily duplicated, unequally distributed across firms and are not completely substitutable.

Theory of Competitive Advantage : The advantages gained by a firm that is a position giving maximum benefit from the set of resources it owns better than other firms. Sustainable competitive advantage is the sustained superior performance that is developed form short-term performance. The firm can achieve sustained edge over rival firms depending on the structure of the external environment that firm operates in. The five forces that a firm faces including

customer demands, intensity of competition among others determines the competition in the market place as well as performance of the same firms. In addition, a firm can achieve a strong position in the market by adopting cost either leadership or differentiation strategies (Porter, 2008). Barney (2007) on the other hand explained that a firm could gain competitive edge over and above competing firm in the industry by generating more economic value to its customers. Economic value is measured by the gap between economic sacrifices made in the acquisition of products and services and the promised benefits achieved by a consumer who buys them (Barney, 2007). He adds that a firm's competitive edge over competitors may be temporary or sustained. A competitive edge that is temporary befits the firm but shorts lived however, sustainable competitive advantage can last long into the unforeseeable time. The theory further posits that firm can only gain sustainable competitive edge over its competitors if it is capable of using key competencies that makes it possible for the firm to outperform rivals in the industry. Renowned gurus of strategic management, Michael Porter posits that a firm can remain ahead of its competitors by having power over them (Gituku & Kagiri (2015). His main focus is on the external environment's competitive forces using the five forces model which in turn use of the five generic strategies of sustainable competitive advantage (Porter, 1998). According to him, besides analyzing the industry, the business has to control the cost drivers/differentiation drivers in order to gain differentiation advantage or cost advantage. Porter also examined a middle ground kind of strategy that can enable a firm to operate but may not necessarily contribute to any competitive advantage.

2.2 Empirical Review

Muasa (2014) revealed that competitive edge was created by involving cost leadership through concentrating on customer service, selling a variety of products, heightened customer satisfaction. The super market was able to achieve competitive advantage by implementing cost leadership through raft measures of cost cutting. A research on the link among competitive strategies and cost leadership for sugar cane milling firms in Kenya by Marangu, Mwititi and Thoronjo (2017) revealed that competitive edge over rivals was achieved through meticulous programs of cost cutting among firms and that cost leadership played critical role in the enhancing of the building of competitive edge over rival firms. Another empirical study studied causal effect relationship between performances of Kenyan manufacturing firms (Atikiya, Mukulu, Kihoro & Waiganjo, 2015) showed a performance that was influenced by implementation of strategies that are inherently cost performance based. Another studied investigated the link subsisting among performance and cost leadership in LPGC firms in Elmore Kenya (Josiah & Nyagara, 2015) established that cost leadership significantly influenced performance. Karimi (2014) findings showed that NMG is facing competitive pressures from other media houses, political and legislative changes, demographic changes, change in customer tastes and preferences, globalization, economic factors and the emergence of the digital space. In a bid to remain, competitive NMG has embraced cost leadership, differentiating its products and focus. An empirical study by Dirisu, Iyiola and Ibidunni (2013) examined the role of product quality enhancement and creation of quality products that meet customer needs and enhance level of customer loyalty that in term makes the firm more competitive. The research revealed that product quality, customer satisfaction and growth of sales was positive. Another study established that the link between product differentiation and profitability was strong and positive (Shafiwu & Mohammed (2013). Orry (2011) studied the association creation of a competitive edge that is long term in nature and provision of products that have been customized and made different from what the rival firms are offering in the market of banking through offering credit cards results after analysis established that product differentiation has influenced edge over rivals. The role of strategies for competition and creating of competitive edge over rival firms established that the organizational structure moderated the connection between competitive edge creation and firm performance. Ambatasa (2016) revealed that the competition success of the firm was majorly determined by the ability of the firm to implement strategies that were useful in gaining edge over rival firms.

Omwoyo (2016) studied the link subsisting the relation existing among strategies with role of enhancing competition establishing that firms had concentrated in specialized activities making them more competitive. Akintokunbo (2018) revealed that focus strategy and performance of firms in telecommunication industry were directly related. Nyamori (2015) revealed that that competitive edge was build when the firm was able to compliment different strategies of enhancing customer service. Another study investigated the auditing firms in Kenya Githuku (2016) while examining the role that strategies of competition plays in enhancing the development of competitive edge over the rival firms. The study results revealed that reduced wastage and nature of software enhanced competitive advantages of the firms. Abdikadir (2017) established a strong link between customer loyalty and competitive advantage by firms operating in that part of the country. Muigai (2018) revealed that the process of creation of competitive edge over rival firms was majorly created by the firm putting up resources mainly the human resources to provide superior customer services that stuck in the mind of customer for a long time hence enhancing their loyalty to company product end improving

competitive edge in the end. Another study by Maina (2018) established that competitiveness of Kenyan tea and practices of strategic management were significantly related. Kyengo, Ombui and Iravo (2016) concludes that telecommunication firms can improve their competitiveness by implementing the competitive strategies identified. Finally, Ouma and Oloko (2017) established a very strong relationship between gaining competitive advantage and implementation of competitive strategies suggested by porter.

III. METHODOLOGY

The research was descriptive and took the form of a case study of Aga Khan hospital services division. The study investigated intensely and comprehensively the effect of differentiation of Agakhan Hospital services so that the background and the status would be made clear. A case study was also the most appropriate design because it was usually used when the study focus on an item, an individual or institution or particular community. Aga Khan Hospital was the case under study. An in-depth understanding of the effect of product differentiation strategy implemented in the Aga Khan Hospital services. The target population consisted of 160 employees and customers of Aga Khan Hospital within Nairobi. The study employed Proportionate stratified random sampling since the target population was homogenous with different numbers of Respondents. The sample size allocated for each package was based on the proportion of the Respondents in that category. Respondents from each stratum were then be drawn from the strata using simple random sampling method. In the case of the study at the private hospital, all the staff had an opportunity to be part of the study based on the sampling method used. The research was interested collecting primary data about competitive strategies implemented by Agakhan and how the strategies have affected the competitive edge of the hospital. The study collected such information based on questionnaire item that was Likert type scale to enable the conversion of qualitative data into quantitative form. The questionnaires had three parts that is demographic information section, competitive strategies section and competitive advantage section. The study employed a pilot study at Nairobi women hospital where six respondents participated in the pre study. A pilot study carried out with three customers in order to fine-tune the questionnaire to enhance reliability of the research instrument. The sample methodology used was reliable as the managers were able to give feedback on the sampled items. The researcher first obtained letter of introduction from board of postgraduate studies that permitted the study before getting research permit from national commission of science, technology and innovations. The permit obtained was used to get permission to carry out the study at Agkhan University hospital. The researcher then prepared questionnaires for eventual distribution to respondents chosen. The filled questionnaires were immediately collected back for analysis. The staff who were busy on the day of the study and could not fill the questionnaires immediately, their questionnaires was left with the public relation officer for later filling after which that were also collected after one week. Filled and returned questionnaires were serialized for ease of reference. They were then checked for completeness, coded and keyed into SPSS. Data was processed by employing descriptive and inferential statistics. The study employed multivariate regression analysis to establish the influence of competitive strategies on competitive advantage at Agakhan University Hospital. The study thus was based on the f regression formulae in equation (1).

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon \dots \dots \dots (1)$$

Where **Y**= **Competitive advantage**, **X₁** = Cost Advantage, **X₂**= Service Differentiation, **X₃**= Market focus, **β₀** = Intercept Term , **β₁**, **β₂**, and **β₃** = coefficient of independent variables **and** **ε** = error term.

IV. RESULTS AND DISCUSSION

4.1 Response Rate

About 60 self-administered questionnaires were distributed among various employees and customers of AKUH out of which 43 were filled and returned, yielding a response rate of 71.7 %..The study issued 60 questionnaires and received 43 back that were usable for further analysis. The 71.7 % return rate was adequate as supported by Mugenda and Mugenda (2009) who held that 50% response rate in descriptive analysis is adequate and therefore a return rate of 71.7% was adequate for further analysis.

4.2 Demographic Information

Majority of the respondents 32.6% were 18 – 24 years old, 23.3 % of the respondents were 25-34 years old, 20.9% of the respondents were 35- 44 years old, 16.3 % of the respondents were 44-55 years old while the minority 7.0% were over 55 years old. From the findings, majority of respondents were aged between 18-44 years (76.8%) implying that most of the

employees at Agakhan hospital are still youthful hence they can aggressively pursue competitive strategies to achieve competitive advantage. most of the respondents (48.8%) possessed undergraduate degree with the remaining respondents having either a masters or doctorate level qualification. The fact that majority of the students were undergraduate mean that they had high expectations about the competitiveness of the hospital and did not have much experience with the institution.

4.3 Descriptive Statistics of the Study Variables

The findings in Table 1 were on the opinion of the respondents on the extent to which cost cutting efforts were implemented at the private hospital. Asked on whether the hospital reduces the cost of items in an attempt to increase competitive advantage, the respondents strongly agreed as indicated by a mean of 4.66 and a standard deviation of 1.00. On whether the hospital offers quantity discount and other attractive cost reduction packages to cater for the needs of its customers, the respondents strongly agreed as shown by a mean of 4.50 and a standard deviation of 1.00. On whether prices of services and items are adjusted to fit different types of clients and different branches of the facility, the respondents agreed as shown by a mean of 4.42 and a standard deviation of 1.12. On whether the hospital's cost for major services was cheaper than its competitors, the respondents strongly agreed as shown by a mean of 4.80 and a standard deviation of 0.89.

Table 1: Perception on Cost Leadership Strategy

Statement	Mean	Std Dev
The hospital's cost for major services was cheaper than its competitors	4.80	0.89
The hospital reduces the cost of items in an attempt to increase competitive advantage	4.66	1.00
The hospital offers quantity discount and other attractive cost reduction packages to cater for the needs of its customers	4.50	1.00
Prices of services and items are adjusted to fit different types of clients and different branches of the facility	4.42	1.12

The study investigated the role of strategy of customization of products making them unique from what rival firms are offering. The findings were as shown in the Table 2. Asked if the hospital differentiates its services by offering different cadres of services throughout the country, the respondents agreed as shown by a mean of 4.01 and a standard deviation of 1.20. The respondents agreed that the hospital offers various packages tailor made for various cadres of medical conditions, with a mean of 4.40 and a standard deviation of 1.07. Asked whether the hospital offers highly specialized services to its customers, the respondents agreed with a mean of 4.00 and a standard deviation of 1.12. Respondents strongly agreed that the hospital has invested in advanced equipment treating patients locally like Cancer care and heart surgery with a mean of 4.61 and a standard deviation of 0.10. Asked if the hospital differentiates its services from the VIP to common person in remote areas, the responds were neutral, as indicated by a mean of 3.22 and a standard deviation of 0.88.

Table 2: Perception on Differentiation Strategy

Statement	Mean	Std Dev
The hospital differentiates its services by offering different cadres of services throughout the country	4.01	1.20
The hospital offers various packages tailor made for various cadres of medical conditions	4.86	0.81
The hospital offers highly specialized services to its customers	4.00	1.12
The hospital has invested in advanced equipment treating patients locally like Cancer care and heart surgery	4.61	0.10
The hospital differentiates its services from the VIP to common man in remote areas	3.22	0.88

The study lastly sought to establish the effect of market focus on gaining competitive advantage. The findings were as shown in the table 3. Asked if the hospital the hospital offers specialized attention to specific medical conditions, the respondents strongly agreed as shown by a mean of 4.76 and a standard deviation of 0.87. The respondents agreed that

the hospital has adjusted its cost of services to fit its target market which ranges from VIP to common man, with a mean of 4.21 and a standard deviation of 1.03. Asked whether the hospital has specialized in handling most life style diseases, accidents and emergencies; the respondents agreed with a mean of 4.12 and a standard deviation of 1.12. Respondents strongly agreed the hospital has several branches strategically located in order for easy access to customers with a mean of 4.77 and a standard deviation of 0.24. Asked if the hospital the hospital focuses on good customer service, employee training and information technology in a bid to be leaders in medical service delivery; the respondents agreed, as indicated by a mean of 4.12 and a standard deviation of 0.68

Table 3: Perception on Market Focus Strategy

Statement	Mean	Std Dev
The hospital offers specialized attention to specific medical conditions	4.76	0.87
The hospital has adjusted its cost of services to fit its target market which ranges from VIP to common man	4.21	1.03
The hospital has specialized in handling of most life style diseases, accidents and emergencies	4.12	1.12
The hospital has several branches strategically located in order for easy access to customers	4.77	0.24
The hospital focuses on good customer service, employee training and information technology in a bid to be leaders in medical service delivery.	4.12	0.68

4.4 Regression Analysis

The regression was linear multi variate in nature with the study having three independent variables including cost leadership strategy, differencing strategy and market focus strategy. The regression analysis involved the model summary, analysis of variance and regression coefficients. Table 4. presents the R that signifies overall Pearson correlation coefficient between porter's competitive strategies and competitive advantages. The table also gives the coefficient of determination (R^2) with the value being 0.63 signifying that 63% of the variation in competitive advantage at Agakhan university hospital is explained by the model (Porters competitive strategies).The remaining variation (37%) in competitive advantage is explained by unobserved parameters not considered in the model.

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.7962	0.63	0.59	0.61

Table 5 present the analysis of variance. The p-value (0.000) less than 0.05 level of significance indicated that the competitive strategies implemented at Agakhan University Hospital in Kenya has a significant influence on the building of competitive edge over rival firms. In addition, the value of F calculated at 5% level of significance was 30.316 since F calculated is greater than the F critical hence the study concludes that porters competitive strategies significantly influences overall competitive advantage.

Table 5 : Analysis of Variance (ANOVA)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.178	3	1.393	30.316	.000 ^b
	Residual	3.629	79	.046		
	Total	7.808	82			

a. Dependent Variable: Competitive advantage

b. Predictors: (Constant), Cost leadership, Differentiation and market focus

Table 6 presents the coefficients of the regression analysis. The regression coefficients were computed to establish the influence of porter's competitive strategies on competitive advantage at Agakhan University Hospital. The purpose of regression analysis was to estimate the coefficients of the independent variable in the regression equation (1).

Competitive Advantage = 1.111+ .222 Cost Leadership+ .274 Differentiation + .255 Market Focus..... (1)

The value β_0 (1.111) is the intercept term showing the level of competitive advantage when Porter's strategies are held constant at zero. The influence of cost leadership strategy on competitive advantage at Agakhan University Hospital was statistically significant at 5% level of significance with the p-value being less than 0.05 ($\beta_1 = .222$, P-value = .037 < 0.05). The influence of differentiation strategy on competitive advantage at Agakhan University Hospital was statistically significant at 5% level of significance ($\beta_2 = .274$, P-value = .001 < 0.05). Finally, the influence of market focus on competitive advantage at Agakhan University Hospital was also statistically significant at 5% level of significance ($\beta_3 = .255$, P-value = .028 < 0.05).

Table 6 : Coefficients of Explanatory Variables

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.111	.362		3.065	.003
	Cost Leadership	.222	.104	.250	2.126	.037
	Differentiation	.274	.080	.355	3.438	.001
	Market Focus	.255	.114	.238	2.233	.028

a. Dependent Variable: Competitive Advantage

V. CONCLUSION

The conclusion section has also been organised according to study objectives. Conclusions is based on study findings presented in chapter four. This study concludes that AKUH offers quality and relatively cheap services as compared to her competitors. On top of that, the hospital offers quantity discount and other attractive cost reduction packages to cater for the needs of its customers. It also adjusts prices of services and items to fit different types of clients and different branches of the facility. The study thus concludes that offering quantity discounts and other attractive cost reduction packages enables the hospital to be a cost leader hence gaining competitive advantage. The study concludes that the hospital differentiates its services by offering different cadres of services throughout the country. It also offers various packages tailor made for various cadres of medical conditions. Not only does it offer highly specialized services to its customers but it has also invested in advanced equipment treating patients locally like Cancer care and heart surgery. The hospital differentiates its services from the VIP to common man in remote areas. The study concludes that the hospital offers specialized attention to specific medical conditions. It also adjusts its cost of services to fit its target market that ranges from VIP to common person. AKUH has specialized in handling most life style diseases, accidents and emergencies. Additionally, the hospital focuses on good customer service, employee training and information technology in a bid to be leaders in medical service delivery. This study recommends that AKUH should be able to continue offering cheap services as compared to her competitors. On top of that it should offer quantity discount and other attractive cost reduction packages to cater for the needs of its customers. The hospital should also identify other areas for possible cost cutting especially by minimizing wastages in use of human and non-human resources with sole goal of operating at comparatively lower costs compared to competing hospitals. The study concludes that nature of services help reduce wastage which increases competitive advantage of the organization. The service quality helps increase the quality, type and magnitude of service of the various audit firms which increases the performance and helps them compete with other firms. Study also suggests that the hospital should continue differentiating its services by offering different cadres of services throughout the country. It should also continue to offer various packages tailor made for various cadres of medical conditions. Not only should it offer highly specialized services to its customers, but it should continue to invest in advanced equipment treating patients locally like Cancer care and heart surgery. A third recommendation is that the hospital should continue to offer specialized attention to specific medical conditions. It should also adjust its cost of services to fit its target market which ranges from VIP to common man. It should also train and have specialists in handling most life style diseases, accidents and emergencies. Additionally, the hospital should continue to focus on good customer service, employee training and information technology in a bid to be leaders in medical service delivery.

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