Market Development Strategy and the Performance of Chartered Universities in Kenya

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ABSTRACT

In recent years, universities in Kenya have encountered significant challenges, including declining government funding, heightened competition and shifting student expectations. To navigate these complexities, institutions have increasingly adopted market-oriented strategies to sustain operations and enhance performance. As a result, chartered universities have embraced various growth strategies to maintain financial stability and remain competitive in the evolving higher education landscape. This study examined the effect of market development on the performance of public and private chartered universities in Kenya. Grounded in the Strategic Fit Theory and the Resource-Based Theory, the study provides insights into how strategic expansion initiatives and financial frameworks shape institutional performance.

This study adopted a cross-sectional research design to facilitate data collection and analysis. The target population comprised all chartered universities in Kenya, including 32 public and 22 private institutions. A census approach was utilized to ensure comprehensive representation. Primary data were gathered using structured questionnaires administered to vice-chancellors or senior management officials appointed by them. Descriptive statistics, such as frequencies, percentages, means and standard deviations, were employed to summarize the data. To test the research hypotheses, simple regression analysis was conducted to examine the relationships between key variables.

The findings revealed significant correlations between market development strategy ($r=0.357$, $p=0.014$) and university performance.

The study recommends that university management and stakeholders prioritize market development strategies.

Keywords: Ansoff Growth Strategy, Market Development Strategy, Social Media Platforms, Pay Per Click Advertising, International Students.

INTRODUCTION

Universities worldwide have undergone significant transformations in governance to address evolving societal, economic, and demographic challenges. As institutions of higher learning continue to fulfill their core mandates of teaching, research and development, they face increasing competition, reduced public funding and global uncertainties [36], [15]. In response, many universities have embraced strategic management practices as a means of enhancing their performance and ensuring long-term sustainability. The adoption of strategic thinking has become essential in navigating the complexities of a rapidly changing environment, influencing institutional success and adaptability [25].

To remain competitive and sustainable, organizations implement various strategic approaches aimed at expansion, market penetration and long-term success. These strategies generally fall into two broad categories: growth strategies and retrenchment strategies. Growth strategies, in particular, are intentional, adaptable and

market-driven, aligning closely with an institution's overarching objectives. Their successful implementation requires meticulous planning, effective resource allocation and continuous monitoring to ensure sustainable development and enhanced institutional performance.

Market Development Strategy

Ansoff Growth Strategies have become a key approach for universities seeking to expand their revenue streams, with research indicating their potential impact on institutional performance. One of the strategic options within Ansoff's framework is the market development strategy, which focuses on expanding the reach of existing products by targeting new market segments. This approach involves promoting existing offerings to previously untapped markets, identifying alternative applications, and introducing them to new customer groups. [24]. In some cases, it may also include expanding into new geographical regions through exportation or targeted marketing efforts. Market development is particularly valuable as it enables organizations to systematically acquire new customers and enhance their market presence, ultimately driving growth in sales and revenue. However, the successful implementation of this strategy requires thorough market research and substantial resource investment. When effectively executed, market development strategies can provide organizations with a significant competitive advantage, strengthening their position in the industry. [13].

Performance of Chartered Universities in Kenya

Performance is a critical aspect of strategic management, reflecting an organization's ability to achieve its corporate and functional objectives efficiently and effectively [1]. While specific performance goals may vary across sectors, a comprehensive evaluation requires consideration of multiple contributing factors. Performance can be assessed using both financial and operational indicators [22]. Financial metrics, such as return on investment, return on sales and return on equity, provide insight into an institution's economic viability. In contrast, operational measures focus on non-financial aspects that drive success, including quality, market share, customer satisfaction, new product development and overall market effectiveness. A well-rounded performance assessment enables organizations to refine their strategies, optimize resource allocation and enhance long-term sustainability in an increasingly competitive environment [41].

Operational measures for evaluating university performance differ across countries due to variations in educational policies and institutional priorities. Given the multifaceted nature of university operations, no single metric can comprehensively assess overall performance [4]. Beyond financial indicators and enrollment figures, a holistic evaluation should incorporate aspects such as research output, quality of teaching, student satisfaction, and contributions to community engagement. By considering a broad range of performance measures, universities can gain a more accurate understanding of their effectiveness and impact within the higher education sector [19].

In Europe and the United States, university performance is commonly assessed using operational measures such as graduation rates, research publications, grant acquisition, faculty demographics and student enrollment [37], [31]. These indicators are often categorized into teaching and research input-output measures. Research-related metrics include research funding and bibliometric analyses, which contribute to increased publication output. Teaching-related indicators encompass the number of undergraduate and postgraduate students as well as their respective completion rates. Ensuring high-quality education while maintaining favorable completion rates requires an optimal staff-to-student ratio [35]. Additionally, university performance is influenced by the establishment of active partnerships and the adoption of diversified income strategies, which enhance financial sustainability and institutional growth [12].

Building on the significance of operational measures in assessing university performance, it is essential to explore the strategic approaches institutions adopt to enhance their outcomes.

Statement of the Problem

Market development strategy is a key driver of organizational performance and remains a central focus in strategic management. Institutional leaders continuously strive to make informed decisions that foster growth and competitiveness. A well-executed market development strategy plays a pivotal role in strengthening

competitive advantage and improving institutional performance. Studies have shown that organizations in diverse industries, including manufacturing, retail and insurance, have benefited significantly from implementing market development strategies [27], [39], [16].

In Kenya, chartered universities are grappling with intensifying competition and diminishing government funding, necessitating the adoption of strategic growth approaches such as market development to sustain performance and remain competitive [29]. However, despite the growing emphasis on strategic management in higher education, research examining the role of market development strategy in universities remains scarce. Existing studies primarily employ case-based approaches that focus on direct correlations between growth strategies and university performance [21], [38]. While market development is widely acknowledged as a fundamental mechanism for institutional growth, much of the existing literature has concentrated on its application in other industries, leaving a significant knowledge gap regarding its impact within the university setting.

Given the mounting financial constraints and competitive pressures confronting universities, there is an urgent need for research that examines how market development strategies influence performance in higher education. This study aims to fill this gap by analyzing the effect of market development strategy on the performance of chartered universities in Kenya, offering valuable insights to inform strategic decision-making in the sector.

Objective and Hypothesis of the Study

This study aimed to determine the impact of market development strategy on the performance of chartered universities in Kenya. To achieve this, the research tested the hypothesis that market development strategy does not have a significant effect on university performance.

Conceptual Framework

Organizations implement strategies and associated processes with the goal of achieving desired outcomes. In this study, market development strategy is proposed as a key factor influencing the performance of chartered universities in Kenya. University performance is examined as the dependent variable, assessed using key indicators such as student enrollment, program completion rates, academic staff recruitment, internal scholarships, research publications and institutional collaborations. These indicators collectively provide a comprehensive measure of a university's effectiveness in fulfilling its educational mission and sustaining growth.

Market development strategy, as the independent variable, involves expanding into new geographical regions, introducing distance learning programs and targeting non-traditional student demographics. By adopting these initiatives, universities aim to increase student enrollment, enhance accessibility to higher education and diversify revenue streams. This study explores the relationship between market development strategy and university performance, providing insights into how strategic expansion efforts contribute to institutional growth and sustainability. The relationship of these variables is illustrated in Figure 1.

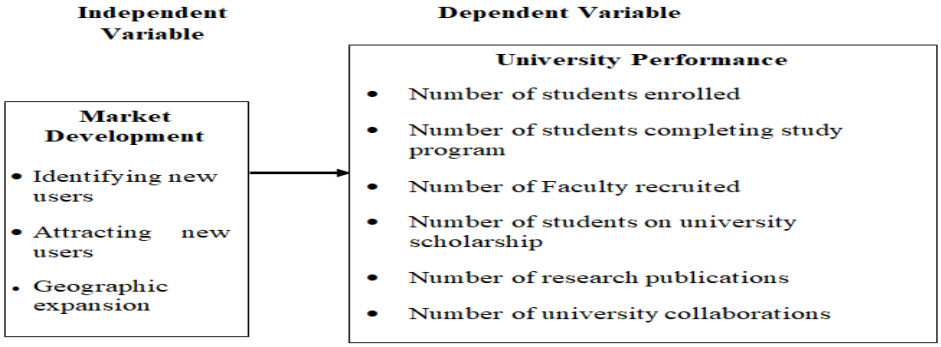

Figure 1: Conceptual Model of the Relationship Between Market Development Strategy and University Performance

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METHODS

Study Area

The research was conducted across 60 chartered universities distributed across various regions in Kenya. These institutions are located in all 47 counties, ensuring a comprehensive representation of the chartered universities in the country.

Research Philosophy

This study adopted a positivist philosophical orientation, which aligns with its quantitative research approach. A quantitative strategy emphasizes systematic data collection and numerical analysis, allowing for conclusions to be drawn based on observable and measurable evidence. Positivism follows a deductive reasoning process, where hypotheses are formulated based on existing theories and tested using structured methodologies. By employing this approach, the study ensured objectivity, replicability and generalizability of findings regarding the relationship between Ansoff Growth Strategies, funding policies and university performance.

Population of the Study

The population for this study consisted of both public and private chartered universities in Kenya. There are 60 chartered universities in the country [5] as outlined in Table 1.

Table 1: Population of the Study

Chartered Universities	
Public Universities	35
Private Universities	25
TOTAL	60

Source: CUE (2022)

As shown in Table 1, Kenya has 35 public and 25 private chartered universities, all of which were included in the study due to their established status. These institutions have adopted various growth strategies aimed at improving their performance, making them relevant for examining the effect of market development strategies in the higher education sector.

Sample Size and Sampling Procedure

Regression analysis and other statistical techniques require a minimum of 30 study units to ensure reliable results [14]. Given that Kenya has 60 chartered universities, this study adopted a census approach to maximize data representation and validity. This approach accounted for potential non-responses while ensuring comprehensive coverage of both public and private chartered universities.

Data Collection

This study gathered primary data from chartered universities in Kenya using structured questionnaires. The questionnaire employed Likert-type statements with five response options to capture respondents' views on market development strategy, while university performance was assessed using a ratio scale. Structured questionnaires were chosen due to their efficiency, cost-effectiveness and ability to systematically collect data from a large population. They are widely recognized as a reliable method for generating primary data in business research [42].

The questionnaire was divided into three sections. Section A, consisting of eight items (1 to 8), collected anonymized institutional and university-related information. Section B utilized a five-point Likert scale to measure market development, comprising items (a) to (j). Section C gathered ratio data on university performance indicators, covering items (a) to (f).

To facilitate data collection, two research assistants administered the questionnaires, accompanied by a formal notification letter. Given that the study's unit of analysis was the organization, each university provided a single respondent. The primary target respondents were Vice-Chancellors or other senior executives, including Deputy Vice-Chancellors and Registrars. The Vice-Chancellors' offices provided guidance on the most appropriate senior official to complete the questionnaire, ensuring that the responses were informed by individuals with strategic decision-making roles.

Factor Analysis

Factor analysis was conducted to assess construct validity by examining how the constructs captured maximum common variance in the measured variables. This technique helped refine the study variables by retaining only the most significant items for further analysis [9].

Before performing factor analysis, a preliminary assessment was conducted to determine whether the data was suitable for dimensionality reduction. According to [8], this assessment includes the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's test of sphericity. The KMO statistic evaluates the proportion of variance among variables that might be common variance, ensuring that the dataset is appropriate for factor analysis. Bartlett's test of sphericity examines whether the correlation matrix is an identity matrix, where diagonal elements are equal to 1 and off-diagonal elements are 0. The null hypothesis of Bartlett's test must be rejected to confirm that the variables exhibit sufficient correlations for factor extraction. Table 2 presents the results of the KMO and Bartlett's test, demonstrating the adequacy of the dataset for factor analysis.

Table 2: KMO and Bartlett's Test

Variable	KMO and Bartlett's Test		
Market Development Strategy	Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.602
	Bartlett's Test of Sphericity	Approx. Chi-Square	130.553
		df	45
		Sig.	0.001

The results of the Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy for market development strategy were above 0.50, confirming that factor analysis was appropriate for refining the constructs of the study. This indicates that the dataset had sufficient common variance to justify factor extraction. Additionally, Bartlett's Test of Sphericity was statistically significant ($p < 0.05$), suggesting that the correlation matrix was not an identity matrix and that the items were sufficiently correlated to warrant factor analysis for scale reduction. These findings support the suitability of factor analysis in enhancing the validity of the measurement model. However, as noted by [17], KMO values below 0.50 indicate inadequate sampling adequacy, reinforcing the importance of meeting this threshold for reliable factor analysis.

Principal Factor Analysis for Market Development Strategy

Eigenvalues were computed to determine the appropriate number of factors for categorizing the indicators of market development strategy. This analysis helped identify the most significant factors that explain the variance in the dataset. The results of the eigenvalue computation are presented in Table 3.

Table 3: Principal Factor Analysis for Market Development Strategy

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.008	30.077	30.077	3.008	30.077	30.077
2	1.609	16.095	46.172	1.609	16.095	46.172
3	1.369	13.685	59.857	1.369	13.685	59.857
4	1.052	10.523	70.381	1.052	10.523	70.381
5	.994	9.935	80.316			
6	.611	6.107	86.423			
7	.556	5.562	91.985			
8	.363	3.633	95.618			
9	.233	2.325	97.943			
10	.206	2.057	100.000			
Extraction Method: Principal Component Analysis.						

The analysis identified four components with factor loadings of at least 1.0, indicating their significance in explaining the variance in market development strategy. Each component contributed at least 10% to the total variance, with a cumulative explanation of 70.381%, surpassing the acceptable threshold of 50%. Specifically, the first component accounted for 30.077% of the variance, while the second explained 16.095%. The third component contributed 13.685% and the fourth accounted for 10.523%. To further assess the distribution and strength of individual items within each component, a component matrix analysis was conducted. The results of this analysis are presented in Table 4.

Table 4: Component Matrix Analysis for Market Development Strategy

Items	Component			
	1	2	3	4
a) Social media platforms were used to promote university academic programs and services.		0.600	0.554	-0.345
b) The university website appeared high on the list of search engines results such as Google.		0.833		
c) The university used pay per click advertising or its products and services.	0.630			
d) The university undertook search engine advertising for its products and services.	0.803			0.362
e) The university offered joint programs with other institutions.	0.547	0.309	-0.380	

f) The university offered its courses to international students.	0.346	0.483	-0.427	0.534
g) New university campus colleges were set up in different counties in Kenya	0.807	-0.339		
h) The university set up satellite campuses in other countries.	0.812			
i) The university offered self-sponsored academic programs.	-0.417			0.467
j) The university adopted new modes of delivering existing academic programs such as online programs			0.711	0.448
Extraction Method: Principal Component Analysis.				
a. 4 components extracted.				

The study found out that all the ten items measuring market development strategy sufficiently loaded on the four components and thus were retained. Seven (7) items had an absolute correlation coefficient of at least 0.3 on the first component while five items sufficiently loaded on the second component. The third component had four items loading while five items loaded on the fourth component with absolute correlation coefficient of at least 0.3. Since some items loaded sufficiently on more than one component, the study analyzed the pattern matrix for market development strategy and the results shown in Table 13.

Table 5: Pattern Matrix Analysis for Market Development Strategy

Items	Component			
	1	2	3	4
a) Social media platforms were used to promote university academic programs and services.			.890	
b) The university website appeared high on the list of search engines results such as Google.			.678	
c) The university used pay per click advertising or its products and services.	.695			
d) The university undertook search engine advertising for its products and services.	.648			
e) The university offered joint programs with other institutions.				-.523
f) The university offered its courses to international students.		.938		
g) New university campus colleges were set up in different counties in Kenya	.936			
h) The university set up satellite campuses in other countries.	.854			
i) The university offered self-sponsored academic programs.				.574
j) The university adopted new modes of delivering existing academic programs such as online programs				.853
Extraction Method: Principal Component Analysis. Rotation Method: Promax with Kaiser Normalization.				
a. Rotation converged in 5 iterations.				

The findings suggest that Items (a) and (b) share a common pattern, as do Items (c), (d), (e), (g) and (h). Additionally, items (e), (i) and (j) exhibit similar characteristics, indicating that they could be grouped into a single category. Meanwhile, item (f) stands independently and could form its own distinct category. These results support the conclusion that market development strategy can be classified into four distinct categories, reinforcing the factor structure identified through the analysis.

Reliability

A reliability test was conducted to assess the stability and internal consistency of the data collection instrument. Common methods for evaluating reliability include test-retest, split-half, and the Cronbach's alpha coefficient [3]. This study employed Cronbach's alpha (α), which is the most widely used method for measuring internal consistency. The Cronbach's alpha coefficient was calculated to assess the degree to which questionnaire items correlated with one another. The values of Cronbach's alpha range from 0 to 1, where a value of 0 signifies no internal consistency, while a value of 1 indicates perfect reliability [26]. A threshold of 0.70 is generally considered the minimum acceptable level for reliability [11]. The reliability of the questionnaire used in this study was assessed using Cronbach's alpha and the results are presented in Table 6.

Table 6: Reliability

Variable	Number of Items	Cronbach's Alpha
Market Development Strategy	10	0.901

The findings demonstrated that the questionnaire items were reliable, as indicated by a Cronbach's alpha value of greater than 0.7. This suggests that the instrument exhibited a satisfactory level of internal consistency, ensuring that it would produce stable and consistent results when applied repeatedly. Consequently, the questionnaire was deemed suitable for data collection in this study.

Data Analysis

To ensure accuracy and completeness, the collected primary data was carefully edited, coded and checked for errors and omissions [7]. Cross-sectional data from 47 chartered universities in Kenya was analyzed to test the study hypotheses. Descriptive statistics, including frequencies, means and standard deviations, were computed to provide an overview of the universities and key research variables. Pearson's product-moment correlation was employed to examine the relationship between market development strategy and university performance. Furthermore, hypothesis testing was conducted using simple regression analysis to determine the effect of market development strategy on university performance.

To test the hypothesis that market development strategy has no significant effect on university performance, a simple regression analysis was conducted. The simple regression equation was modelled as:

$$Y = \beta_0 + \beta_3 x_3 + \mathcal{E}$$

The study initially sampled 60 chartered universities, with six selected for the pilot study and the remaining 54 designated for the main study. The response rate obtained from the study is presented in Table 7.

Table 7: Response Rate

Chartered Universities	Pilot Study	Response	Response Rate%	Main Study	Response	Response Rate%
Public Universities	3	3	100	32	29	90.6
Private Universities	3	3	100	22	18	81.8
Overall	6	6	100	54	47	87.0

As shown in Table 7, the study collected complete data from 47 out of the 54 sampled chartered universities in Kenya, resulting in an overall response rate of 87.0%. According to [2], a response rate of at least 60% is considered sufficient in social sciences to ensure the generalizability of findings to the target population. Therefore, the high response rate achieved in this study implies that the findings can be reliably generalized to all chartered universities in Kenya.

Table 8: Background Information of the Chartered Universities in Kenya

Background Information		Frequency	Percentage
University Type	Public	29	61.7%
	Private	18	38.3%
	Total	47	100.0%
Nature of Private Ownership	Local	14	77.8%
	Foreign	4	22.2%
	Total	18	100.0%
Levels of Qualification Offerings	Certificate, Diploma, Undergraduate, Masters, PhD	24	51.1%
	Diploma, Undergraduate, Masters, PhD	23	48.9%
	Total	47	100.0%
University Strategic Plan Coverage	1-3 Years	7	14.9%
	3-5 Years	40	85.1%
	Total	47	100.0%

The study examined the distribution and characteristics of chartered universities in Kenya. As shown in Table 8, public chartered universities accounted for 61.7% of the total, while private chartered universities comprised 38.3%. This indicates that public universities are more prevalent than private ones in Kenya. Among the private universities, 77.8% were locally owned, whereas 22.2% had foreign ownership, highlighting the dominance of domestic institutions in private higher education.

Additionally, the study found that more than half (51.1%) of the universities offered academic programs across all qualification levels, including certificate, diploma, undergraduate and postgraduate degrees. However, 48.9% of the universities did not provide certificate-level qualifications, suggesting a focus on higher academic programs rather than entry-level certifications.

Descriptive Statistics

The study examined market development strategies employed by the university, focusing on online and digital marketing efforts, partnerships, international student recruitment and expansion into new locations. The goal was to determine how effectively the university was expanding its reach and attracting new student segments.

Market development strategy was measured using a five-point Likert scale, where responses were coded as follows: 1 - Strongly Disagree, 2 - Disagree, 3 - Neither Agree nor Disagree, 4 - Agree and 5 - Strongly Agree. University performance, the dependent variable, was evaluated based on key indicators, including student enrollment, program completion rates, faculty recruitment, scholarship allocations, research publications and institutional collaborations.

According to [9], a mean score greater than 3.0 on a Likert scale suggests a general agreement with the corresponding statement, while a mean score below 3.0 indicates a tendency to disagree. Additionally, the standard deviation provides insights into the level of consensus among respondents. A standard deviation of less than 1.0 signifies strong agreement, while values between 1.0 and 1.5 indicate moderate consensus. Conversely, a standard deviation exceeding 1.5 suggests a lack of agreement among respondents across the rating scale.

The study revealed that majority of the chartered universities in Kenya were in agreement (agree=51.1% and strongly agree=23.4%) that social media platforms were used to promote university academic programs and services. A mean of 3.85 and standard deviation of 0.955 obtained on this metric further implies that on average social media platforms were used to promote university academic programs and services. More than 80% (agree=59.6%; strongly agree=21.3%) of the chartered universities in Kenya had university website appearing high on the list of search engines results such as Google. This is further evidenced by a mean of 3.81 which indicates that on average most of the universities' website appear high on the list of search engines results.

However, it was noted that this was not a similar phenomenon across all the sampled universities as indicated by a standard deviation of more than 1.0 (Std. Dev= 1.076). On this, almost 15% of the universities were in disagreement with this statement. This is in agreement with the findings from various studies who noted that most universities advertised their services academic programs through online platforms such as social media and their website. A study by [34] examined the effectiveness of social media in advertising university programs and recruiting new students. The research concluded that social media platforms, particularly Facebook, significantly enhanced student accessibility to university information, facilitating the dissemination of details about courses and enrollment procedures. Additionally, a study by [10] investigated the impact of digitalization in academic marketing through a comparative analysis. The study highlighted the importance of online presence and digital promotion in enhancing the visibility and branding of educational institutions. By constructing an operational dashboard, the research demonstrated how digital marketing strategies could support decision-making processes and improve communication with prospective students. These studies underscore the growing reliance of universities on digital platforms to market their academic programs and engage with potential students effectively.

The study further revealed that 36.2% of the sampled universities agreed, while 21.3% strongly agreed that their institution utilized pay-per-click advertising for its products and services. However, 27.6% of respondents disagreed (comprising 10.6% who strongly disagreed and 17.0% who disagreed) with this statement. Additionally, 14.9% of respondents were neutral on the matter. The analysis yielded a mean score of 3.40 with a standard deviation of 1.296, indicating a lack of consensus and a degree of uncertainty among universities regarding the use of pay-per-click advertising.

The study found a divergence of opinions regarding whether universities engaged in search engine advertising for their products and services. This variation is reflected in a moderately large standard deviation of 1.247, which exceeds 1.0, indicating a lack of consensus. Although the mean score of 3.85 suggests a general tendency to agree, responses varied.

Similarly, regarding whether universities offered joint programs with other institutions, the findings indicate that 69.0% of the universities agreed, while 12.8% disagreed. Additionally, 29.1% of respondents were uncertain about the existence of such collaborations. A mean score of 3.68 suggests a general agreement that universities engage in joint programs, with slight variations among institutions, as reflected in a standard deviation of 1.065. The significance of such partnerships is well-documented. Reference [23] proposed and tested a conceptual model emphasizing that higher education institutions should strengthen connections between resources, territory and stakeholders to gain a competitive advantage. These findings support the current study findings, reinforcing the crucial role of collaborations in enhancing university performance and competitiveness.

Building on the significance of partnerships in enhancing university performance, the study also examined the enrollment of international students. The findings revealed that nearly three-quarters (74.5%) of the universities offered courses to international students. A mean score of 3.81 further indicates that, on average, most universities accommodate international students in their programs. However, the extent to which this was

implemented varied across institutions, as reflected by a standard deviation of 1.296, suggesting a lack of uniformity in attracting and enrolling international students.

On whether the university had new university campus colleges in different counties in Kenya, the findings indicated that a majority of universities (34.0% agreeing and 31.9% strongly agreeing) had expanded by setting up new campuses in various regions. This was further reinforced by a mean score of 3.62, suggesting a general tendency toward agreement on this practice. However, the significant standard deviation of 1.407 highlights a wide variation in responses, implying that while some universities had actively expanded through new campuses, others had not pursued this strategy, leading to a lack of consensus on its adoption.

The study further examined the prevalence of self-sponsored academic programs. The findings revealed that 38.3% of universities agreed, while 40.4% strongly agreed that they offered self-sponsored programs. This was reinforced by a mean score of 4.06, indicating a strong tendency toward agreement on this practice. Unlike the establishment of new campus colleges, the responses on self-sponsored academic programs showed slightly more consensus among universities. This suggests that most institutions had a shared strategic focus on diversifying their revenue streams and increasing access to education through self-sponsored programs.

As a market development strategy, most of the universities adopted new modes of delivering existing academic programs such as online programs. This is evidenced by a mean of 4.17 and majority of universities that have adopted the adopted new modes of delivering existing academic programs with 39.1% agreeing and 51.1% strongly agreeing. A moderate uniformity was ascertained across the universities on the adoption of different new modes of delivering academic programs due to a standard deviation of 1.129.

Across the market development strategies, it was revealed that most of the strategies adopted by the sampled chartered universities in Kenya included using social media platforms to promote university academic programs and services, undertaking search engine advertising for its products and services, offering self-sponsored academic programs and adopting new modes of delivering existing academic programs. Using pay per click advertising or its products and services was rarely done by the chartered universities in Kenya. A resulting composite mean of 3.79 indicates a moderate tendency to using market penetration strategies and a composite standard deviation of 1.129 indicates moderate variation in which the chartered universities in Kenya employed market development strategies.

The findings suggest that the universities have a strong online presence and digital marketing strategy, particularly through social media and search engine visibility. However, physical expansion into new locations and internationalization efforts could be further enhanced. Additionally, the university's adoption of online learning and self-sponsored programs is a key strength, indicating its responsiveness to modern education trends.

Correlational Analysis

The study hypothesized that market development strategy has no significant effect on the performance of chartered universities in Kenya. To test this hypothesis, a simple regression analysis was conducted, with market development strategy as the independent variable and university performance as the dependent variable. The results, including the Model Summary, ANOVA and Regression Coefficients, are presented in Table 9.

Table 9: Simple Linear Regression Results for the Effect of Market Development and University Performance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.357[a]	0.127	0.108	677.50292

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3017855.020	1	3017855.020	6.575	.014[b]
	Residual	20655459.328	45	459010.207		
	Total	23673314.349	46			

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-1146.073	670.018		-1.711	0.094
Market Development Strategy	448.753	175.013	0.357	2.564	0.014

a. Predictors: (Constant), Market Development Strategy

b. Dependent Variable: Performance of Chartered Universities

The R-value (0.357) indicates a moderate positive correlation between market development strategy and university performance. The R-Square value (0.127) suggests that market development strategy explains 12.7% of the variance in university performance, meaning other factors contribute to the remaining 87.3% of the variation. The ANOVA results indicate that the regression model is statistically significant (F = 6.575, p = 0.014). Since the significance value (p = 0.014**)** is less than 0.05, the null hypothesis was rejected, confirming that market development strategy has a significant effect on university performance. The unstandardized coefficient (B=448.753, p=0.014) indicates that for every one-unit increase in market development strategy, university performance increases by 448.753 units, holding other factors constant. The significance value (p = 0.014) further confirms that this effect is statistically significant.

Based on the regression results, the null hypothesis market development strategy has no significant effect on university performance was rejected. This therefore implies that enhancing market development strategies can positively influence the performance of chartered universities in Kenya. Model 1 was therefore formulated to guide this relationship.

$Y = -1146.073 + 448.753x_2 + 677.50292$ …..… Model 1

Where:

Y = University performance.

x_2 = Market development strategy.

The positive coefficient (448.753) suggests that market development strategy positively influences university performance. This means that universities implementing stronger market development strategies such as expanding to new geographical regions, targeting non-traditional students, or launching distance learning programs are likely to experience improved performance in terms of student enrollment, completion rates, faculty recruitment and other metrics.

The negative intercept (-1146.073) implies that without any market development efforts, university performance would be significantly low, possibly negative, which may not be practical but suggests a poor baseline scenario.

DISCUSSION

The objective of this study was to determine the effect of market development strategy on the performance of chartered universities in Kenya. To address this objective, the study tested the hypothesis which proposed that market development strategy has no significant effect on the performance of chartered universities in Kenya.

A simple linear regression analysis was conducted and the results indicated a weak but significant relationship between market development strategy and university performance ($\beta = 0.357$, $t = 2.564$, $p = 0.014$). Since the significance value was less than 0.05, the null hypothesis was rejected, suggesting that market development strategy has a statistically significant effect on university performance, though its impact is relatively moderate.

The findings of this study support previous research that has explored the role of market development strategies in higher education institutions. Reference [30] found that market development strategies, including expansion into new geographic regions and targeting diverse student demographics, positively impact university performance, albeit to a moderate extent. Their study emphasized that while market development enhances institutional reach and financial sustainability, its success is often influenced by external factors such as policy frameworks and economic conditions.

Similarly, [20] highlighted that universities adopting market development strategies such as international student recruitment and new regional campuses, experienced growth in enrollment and financial stability. However, they noted that market development alone does not guarantee success and must be complemented by other strategic initiatives, such as curriculum innovation and faculty development, to maximize its impact.

The study's findings also support the work of [33] who reported that universities engaging in strategic expansion into new student markets observed measurable improvements in financial sustainability and enrollment numbers. They emphasized that institutions with well-structured market development plans, including strategic partnerships and digital marketing campaigns, tend to perform better than those with ad-hoc expansion efforts.

Additionally, the results reinforce conclusions drawn by [32], who found that aggressive market expansion strategies, such as corporate partnerships and global student recruitment enhanced university financial performance and reputation. This finding aligns with the resource-based view (RBV) theory, which suggests that institutions with superior market positioning and unique competitive resources tend to outperform their competitors [18].

The study concludes that market development strategy plays a statistically significant but moderate role in enhancing the performance of chartered universities in Kenya. While the findings are consistent with previous research, the study established a weak correlation between market development and university performance, suggesting that market development alone may not be a strong driver of institutional success. This finding raises questions about its effectiveness as a standalone strategy, emphasizing the need to explore complementary approaches, such as differentiation and cost leadership [28].

CONCLUSION

A weak but significant positive relationship was found between market development strategy and university performance of chartered universities in Kenya. It was also found out that the variance in the performance of chartered universities in Kenya is explained by market development strategy. The regression model between market development strategy and performance of chartered universities in Kenya was significant at 5% significance level. The study revealed that market development strategy is a significant predictor of performance of chartered universities in Kenya. This study further notes that an increase in market development strategy increases the performance of chartered universities in Kenya and vice versa provided other factors are held constant. The study rejected the hypothesis stating that market development strategy has no significant effect on performance of chartered universities in Kenya at 5% significance level. This therefore implies that market development strategy has significant effect on performance of chartered universities in Kenya.

The findings align with the Strategic Fit Theory, which emphasizes the importance of aligning organizational strategies with external market conditions. The significant but weak relationship between market development strategy and university performance suggests that while expanding into new geographical regions or targeting new student demographics contributes to institutional success, other contextual factors such as competition, regulatory frameworks and economic conditions may limit its full impact. This implies that universities need to carefully assess external demand, competitive positioning and operational capacity to ensure sustainable expansion.

From a Resource-Based View perspective, the study's findings highlight that while market development strategy contributes to university performance, its effectiveness depends on the institution's internal resources and capabilities. For universities to successfully expand into new markets, they must possess the financial resources, qualified personnel and infrastructure to support growth. The weak relationship suggests that some universities may lack these critical resources, limiting their ability to capitalize on market development opportunities effectively.

Overall, these results indicate that while market development is a widely used strategy, its effectiveness in the higher education sector depends on strategic alignment with external demand as explained by Strategic Fit Theory and the institution's ability to leverage its unique resources as outlined in the Resource-Based View Theory.

RECOMMENDATION

Although market development strategy has a modest positive effect on university performance, their impact when applied in isolation remains limited. To improve their effectiveness, future research should adopt a longitudinal perspective to capture how market development efforts influence performance over time. Universities should also broaden their strategic focus by combining market development with complementary strategies such as strengthening institutional reputation and forming strategic partnerships to support entry into new markets. In addition, analyzing specific segments such as academic disciplines, geographic regions, or student populations can provide more detailed and actionable insights. Finally, exploring potential mediating factors such as the level of stakeholder engagement, the strength of institutional branding, or the influence of the policy environment can help explain how and why market development strategies contribute to performance outcomes.

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