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Abstract

Purpose: The aim of the study was to determine the relationship between differentiation strategy and the performance of the media houses in Kenya. The study objectives were to determine the effect of differentiation strategy and the performance of the media houses and to establish the moderating role of technology on the relationship between differentiation strategy and performance of the media houses in Kenya.

Methodology: The study adopted survey research design. The target population was the 41 media houses in Kenya. The study targeted the top management of the media houses which comprised of the Finance, Marketing, Operations and information Communication Departments. According to the human resource of the organizations, there are about 1,976 management staff in the media houses in Kenya. 204 respondents were sampled purposive, stratified and simple random sampling. Data was collected using structured questionnaires and interview guides. Data was analysed using both descriptive and inferential statistics which included regression and moderation analysis. The researcher also tested the hypothesis. The results were presented in tables.

Findings: The study established that customers generally perceive the products/services of the media firms as unique. Differentiation strategy was applied first on products followed by market and price. The media firms used digital formats to record news and programmes. Further, most of the media firms were run on digital systems while also ensuring that the presentation of programmes were different from those of their competitors. Differentiation was also by way of development of unique superior products than competitors. The study found a positive and significant effect of product differentiation strategy on the firm performance. This led to the rejection of the null hypothesis and acceptance of the alternative that product differentiation had a positive significant effect on the performance of media firms in Kenya. The incorporation of technology adoption as a moderator had a slight effect on the effect of differentiation on firm performance. The study established that moderating effect of technology of differentiation had a positive significant effect of the media firm performance.

Unique Contribution to Theory, Practice and Policy: The study recommends that the management of media firms should embrace more differentiation strategy as it has proven in the current study. The firms should focus on making unique products to be competitive and enhance the performance. The study further recommends that media firm should embrace the best technology as the current study has demonstrated that technology has a significant moderating effect on the differentiation strategy and media firm performance.

Keywords: *Differentiation Strategy, Technology, Performance, Media Houses*

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INTRODUCTION

In the 1940s and 1950s market environments where organizations operated were relatively stable and organizations planning systems were based on extrapolation of current year performance and environmental trends (Brooks, 2010). Researchers assert that many companies have increasingly adopted different competitive strategies due to the increasingly turbulent environment occasioned by cutthroat competition both locally and internationally (Wambua, Namusonge, Waema & Ngonzo, 2014). According to Porter (1979 cited in Nderitu, 2015), the generic competitive strategies used in an industry is characterized by rivalry among existing firms, threat of substitutes, buyer bargaining power, supplier power; and entry barriers or threat to entry. These require organizations to adopt the best strategies that will guarantee their sustainability and provide a competitive advantage.

In early 2000, media and content markets have changed significantly due to digitization and the growth of the Internet including the social media such as Facebook, YouTube, Twitter, and a collection of blogs. These developments have led to growth in some subsectors, but decline in others as has been witnessed by mass layoffs by some industry players. The industry can be described as battered and distressed by a financial distress, declining advertising revenues, major shifts in consumer behavior and emerging disruptive technologies (Munyoki, 2007).

According to David (2010) competitive strategy is being ‘different’, whereby, activities are performed differently as compared to rivals with a goal of developing unique mix of value. Developing an appropriate competitive strategy is vital for an organization in order to formulate a broad procedure of how it is going to compete, what should be appropriate goals, and how to achieve and sustain its competitive advantage.

To manage current and future competition and to gain superior performance, a firm needs an appropriate competitive strategy (Johnson, Scholes & Whittington, 2009). Porter (1980) outlined competitive strategy to include cost leadership, differentiation, location strategy and customer service and communication strategies. In competitive strategy a business employs the use of various methods to charm clients, endures pressure from competitor and progresses its current position. In United Kingdom, Ferdinand (2012) noted that Tesco Company is using competitive strategies to position itself to capitalize on value proposition emerging from low cost emphasis. The company further ocused its efforts on value oriented customer in the market. In Rome, Bonaccorsi di Patti and Gobbi (2010) noted that commercial banks in Italy were using competitive strategies to remain competitive as he noted that the competitive strategies were associated with higher rates of growth and greater access to credit by new firms.

CNN uses a mix of geographic and psychographic segmentation strategies to cover the stories based on the variables such as region, nation, literacy level and many others. Selective marketing targeting strategy is used by CNN targeting strategy is used by the company so as to cater to the growing needs of the companies accordingly. It uses value-based positioning strategies in order to connect with the communities and organizations through its offerings globally.

According to Richard, Devinney, Yip, and Johnson (2009), the performance of an organization can be categorized into three levels: individual, group, and organization. However, there is no universal definition of performance, but various attributes should be considered in line with managerial success. These attributes include revenue growth, customer satisfaction, market share growth, profitability, and productivity (Ortega, 2010). In an organization, performance is a complex interrelationship of seven criteria: effectiveness, efficiency, product and service quality, productivity, quality of work life, innovation, and profitability (McKee, Varadarajan, and Willian, 2016).

The Kenyan media industry describes the once very distinct, but today interactive, mass media business of newspapers, magazines, books, radio, Internet and TV industries (Karoney, 2008). Kenyans today have access to over 13 TV channels (Kenya Broadcasting Corporation (KBC), Kenya Television Network (KTN), Nation Television (NTV), East Africa Television (EATV), Family TV, Kiss TV, Q TV, K-24, God TV, KASS TV, Good News Broadcasting System (GBS), Consumer News and Business Channels (CNBC) and Citizen TV); up to 28 radio stations including vernacular stations; the print media is at seven with four alternative media that is: The independent, The Leader, The Confidential and Citizen (Media Council of Kenya, 2013).

The Kenyan media industry has undergone tremendous growth especially from the mid 1990's. Internal and external pressures have brought about the positive change (Nyamori, 2015). The broadcast sector, especially the FM stations provide the audience and advertisers a wide range of choices. The government continues to keep a close eye on these developments (Karoney, 2008). The Kenyan media has since become vibrant, dynamic and economically sound. The issue of growth presents both opportunities and threats for the media houses. Any media houses must therefore, formulate appropriate strategies to exploit the emerging opportunities and face the inherent threats in order to reap the potential benefits. Some of such firms are Kenya Television Network (KTN), Citizen, Nation TV and QTV (Njaaga, 2013).

Statement of the Problem

Media houses in Kenya, like in the rest of the world, play a key role to inform the society on developmental, health, security issues and it is a unifying factor in a democratic society. A strong media house is able to better focus on its key mandate to the society and is therefore a critical developmental tool in a young democracy like Kenya. in the mid-1990s, the government liberalized the airwaves and the digital migration was the recent activity undertaken in media sector. Colossal investment by both the private and government in media houses then followed creating the much-needed job opportunities and access to more objective information. This made Kenya to be ranked highly among African states as icon of media freedom. The positive global image for Kenya due to a vibrant media is that it attracted more foreign investments and increased foreign earnings.

However, recent statistics show that generally media houses are struggling thus threatening the very gains of a strong performing media house. Shares of East Africa's largest Media Company, Nation Media Group plunged to a six year low now trading at Sh90. The Nation Media has slumped -46.33% on a Total Return basis and currently trades on a Trailing PE Ratio of 7.62. Standard Group which self-evidently operates in a similar Media space did not trade and is -40.00% on a Total Return Basis. Today, most media houses are struggling; they are all cutting costs by retrenching and shutting down unprofitable business units (NMG full year report 2018).

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In sum, they are facing a plethora of challenges which have threatened to cut on their survival. Their traditional sources of revenue such as advertisement are fast eroding as result of emergence of competition from alternative information platforms such as the internet, online marketing firms such as 'Jumia', OLX, the social media such as Facebook among others. The globalization has seen the local media houses compete for audience with international media houses such as Al-jazera, British Broadcasting Corporation (BBC) and Cable News Network (CNN) among others. There is also the influx of international media licensed to operate in Kenya such as the GBS of China among others. This study recognizes that a struggling media house in a developing country like Kenya is a threat to much needed development, social and democratic ideals and on that basis, the study aimed to determine the effect of differentiation strategy on the performance of the media house in Kenya.

Objective of the Study

1. To establish the effect of differentiation strategy on the performance of media house firms in Kenya
2. To examine the moderating role of technology on the relation between differentiation strategies and organizational performance of media houses in Kenya.

LITERATURE REVIEW

Differentiation Strategy

Differentiation strategy entails the use of unique services and or product by a company (Dani, 2017). Differentiation on service, advertising and personnel affected performance of public universities to greater extent (Sifuna, 2014). Differentiation strategy significantly improved performance in Telecommunication companies in Kenya. Among the differentiation strategies adopted by the Telecommunication companies included the use of innovation, product, pricing and market (Kyengo et al., 2016). A study conducted in Kajiado, Kenya found that price differentiation strategy increased customer base which enhanced performance (Muraya, 2016).

Murage (2011) found that differentiation is one of the methods of obtaining competitive advantage in the petroleum industry. Also Morgan, Kaleka and Katsikeas (2004) conducted a survey on differentiation advantage in which he used higher product quality, packaging, design and style as proxies of differentiation. Jermias (2008) investigated "Relative intensity of business competition and business strategy on the relationship between financial leverage and corporate performance". He found a negative relationship between financial leverage and performance, this was more negative when product differentiation strategies were chosen rather than leadership strategy.

Similarly Chenhall and Langfield-Smith (1998) Abu-Aliqah (2012) used the same measures of differentiation. They found that quality and packing strongly correlated with profitability while design and style had correlation. Prajogo (2007) examined the fundamental strategic intervention of quality performance and the result of his findings show that differentiation strategy as opposed to cost leadership strategy predicts product quality.

Acquaah and Yasai-Ardekani (2008) sought to establish whether implementation of combination competitive strategy yield incremental performance benefits. The findings indicate that variability and profitability of implementing cost-leadership, differentiation and combination of the singular strategies. However, the incremental performance benefits of the firms implementing a combination strategy do not significantly differ from the performance of firms implementing only differentiation strategy. Furthermore, firms that implement coherent competitive strategy (combination, cost-leadership, or differentiation) tend to gain considerable incremental performance benefits.

Amoako-Gyampah and Acquaah (2008) examined the relationship between manufacturing strategy and competitive strategy and their influence on firm performance. The study's findings indicate that there is a positive relation- ship between competitive strategy and the manufacturing strategies of cost, delivery, flexibility, and quality. The results also indicate that quality is the only manufacturing strategy component that influences performance indirectly through quality.

In 2012, Aliqah conducted a survey study to examine the impact of differentiation on organizational performance in Jordanian firms. The survey included 33 industrial firms and agricultural firms listed on the Amman stock exchange by early 2010. The multiple regression assessment conducted by Aliqah shows that differentiation approach does not have any significant impact on the performance of these businesses. On the other hand, Rahman, Haque, and Ahmad conducted a study in 2010 to identify the factors affecting the selection of suppliers of mobile phone services. The data was collected from customers of three mobile operators in Malaysia's main towns. The study found that the most significant factor influencing the selection of suppliers of mobile phone services is price or call rates, followed by the quality of service, accessibility of service, and promotion.

In 2009, Spencer, Joiner and Salmon conducted a survey in Australia on the link between differentiation strategy, performance measurement technologies, and organizational performance. Their research suggests that companies that pursue a differentiation approach (product flexibility or client service concentrate) tend to use non-financial and economic performance measures. These performance measures are associated with better managerial performance. Additionally, a positive correlation exists between a firm's strategic emphasis on differentiation and its actual differentiation. In 2017, Lawrence and Bagshaw conducted a study in Rivers State, Nigeria, focusing on the role of competitive advantage in value development among seven operating mobile network providers. The research revealed that a differentiation approach affects the value creation of telecommunications network operators in the region. The study also showed a strong correlation ($r = 0.9995$) between differentiation strategy and value creation.

Mbugua and Kinyua (2020) conducted a study on the impact of service differentiation on the performance of Deposit-Taking Saccos in Kenya. The research targeted 123 DT-SACCOS using a descriptive research design. The study found that staff provided consistent service to the members, gave commission incentives to those who referred new members, offered differentiated mobile platform financial services, provided a unique service experience to the members, were prompt in handling customer complaints, and members were pleased with the services. The study also discovered that service differentiation had a positive and significant association with the performance of deposit-taking Saccos. Therefore, SACCO management needs to establish standard procedures and guidelines to reinforce the effective implementation of customer feedback to improve services. Without appreciation of service differentiation strategies, Deposit Taking Saccos cannot optimize the link between the firm and the customers, and as a result, they cannot

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determine the needs of the customers. The study failed to show the criteria used to select the 123 Saccos, leaving the rest out without justification. This presents a methodological gap that this current study aims to fill by looking at all 174 DT-SACCOS using a census survey.

Mbugua and Kinyua conducted a study in 2019 to determine how personnel differentiation affects the performance of deposit-taking microfinance institutions in Nairobi City County, Kenya. The researchers used a descriptive research technique to gather information from 123 MFIs that were selected through a stratified random sampling technique. The study revealed that there is a positive relationship between personnel differentiation and organizational performance, which means that personnel differentiation has a significant impact on organizational performance. However, the study did not optimize financial performance since it did not focus on it, which represents a conceptual gap.

Technology

In a study by the Media Council of Kenya, funded by Ford Foundation and UNESCO, the study established that there has been a tremendous change in technology especially migration to the digital broadcast platform which have had numerous consequences on media production, dissemination, reception and consumption. According to the report , the emerging technologies have cemented their place in business structures in many media houses, and enhanced the speed of the production of journalism and other media products.

In essence, traditional media have had to adapt to changing trends by embracing digital technologies as they struggle to remain profitable and relevant. There has been declining audiences for traditional media such as newspapers, radio and television which has necessitated that companies operating such platforms to embrace change, and adopt technologies for their own good. They have also adopted digital technologies, particularly mobile phones and wireless Internet as instruments through which they can quickly collect, package, and disseminate information. Granted, the demands of the marketplace, including immediacy and instantaneity, means that sometimes media houses hardly take time to refine information so as to offer audiences better packaged journalism. Nevertheless, it is clear that people now have some ability to resist the commercial culture underpinning the operations of profit-seeking media.

A study by Spanjol *et al* (2011) states that technology-oriented firms can only achieve superior performance if they apply technical ability to produce new products in the market with the sole aim of coping with competition, flexibility of products in order to cope with the changing needs of customers and maintenance. There is also need for originality in developing original products or services and processes, unique and difficult to imitate. Technology is a powerful tool firms can use as according to Anal, Dionysis and Carmen (2011), customers choose technologically superior products/services. They further noted that customers tend to stick to a firms that have the capability to react to their choices in a successful way.

From the media houses perspective media organizations have no option but to adopt use of technology and change radically due to their desire to re-strategize and restructure their businesses. The company's traditional businesses are shrinking faster than the new business can make up for, as customers shift away from reading newspapers and magazines the old way of getting news and turn more to getting information from digital devices It is now a common knowledge that technologies like the digital and mobile has revolutionized the information acquisition in Kenya and on this basis, the study argues that it has a conditional enhancing effect on performance of media houses in Kenya if utilized in such a way that strengthens the influence of competitive strategies on their performance.

The modified Technology Acceptance Model (TAM) developed by Davis et al., (1989) will be used to measure Technology acceptance in media industry in Kenya. The model is an information systems theory that models how users come to accept and use a technology. The TAM consists of two main factors, "Perceived Usefulness" (PU) and "Perceived Ease of Use" (PEU) that influence a person's intention to make use of a technology (Davis, 1986; Liu et al., 2010).

In the context of media sector, Perceived Ease of use refers to a level of easiness that media house personnel feel in using media technology to identify, collect and relay information. It is measured by how the personnel feel at ease with the technology in terms of how easy they feel to learn the new technology, how easy they believe to acquiring the necessary skills and how easy they feel that they are capable to integrate new technology into existing one.

Organizational Performance

According to Oke (2012), performance is outlined because the record of outcomes created on a nominative job function or activity at a nominative period. It is measured in output or outcome, internal processes and procedures, profit, worker perspective, structure structures, and responsiveness to the setting then on (Williams 2012). It's the particular output or results measured against the supposed outputs, goals or objectives. Richard et al (2009) opines that performance primarily encompasses three specific areas of firm outcomes namely: financial performance measured in terms of profits, return on assets, return on investment among others; product market performance measured in terms of sales and market share among others; and shareowner return measured in terms of total shareowner return, value additional then on.

The other measure of firm's performance is by use of normal or prescribed indicators of effectiveness, potency and environmental responsibility that are measured in terms of the firm's productivity, compliance with the regulative necessities and waste reduction. Performance additionally goes on the far side the outcome/output to incorporate to however a specific request is handled or the act performing: of doing one thing with success, victimization data as distinguished from simply possessing it. It is the outcome of all the organizations operations and methods. It is additionally the extent to that a private of the organization meet the expectations. Organizations square measure quick adopting to management of performance by use of the balanced record book methodology within which performance is half-tracked and measured in terms of monetary performance like shareowner come back, client service, social responsibility and worker place.

Kiragu (2005) highlights performance in terms of four perspectives which are the financial, customer, internal processes and innovativeness. The financial perspective identifies the key financial drivers of enhancing performance which are profit margin, asset turnover, leverage, cash flow, and working capital He further states that customer focus describes performance in terms of brand image, customer satisfaction, customer retention and customer profitability. Internal

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processes involve the efficiency of all the systems in the organization while innovativeness is concerned with the ease with which a firm is able to adapt to changing conditions.

According to Harzing (2010), a firm's performance is not only indicated by the sales figures, rather, changes in sales may simply reflect changes in the market size or changes in economic conditions. Performance of a firm relative to competitors is measured by the proportion of the market that the firm is able to capture (market share). Sales may be determined on a value basis or on a unit basis and while the firm's sales figures are readily available, total market sales is more difficult to determine. Many firms seek to increase their sales relative to competitors. He further stated that a firm may seek to increase its market share to exploit the economies of scale. Operating in higher volumes can be instrumental in developing a cost advantage. Sales growth in a stagnant industry is a reason to increase market share.

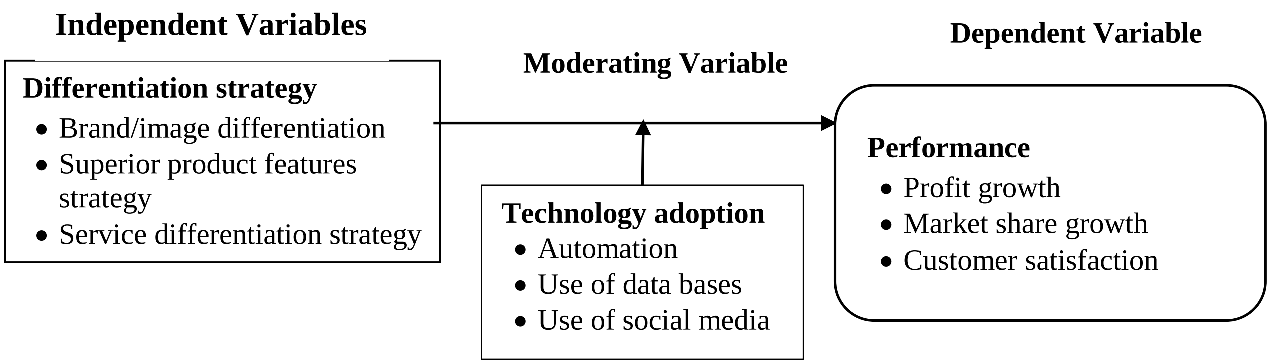

Figure 1: Conceptual Framework

METHODOLOGY

Design

The research design adopted by the study was the survey research design. The aim of a survey is to explore and describe a phenomenon. They help the researcher to understand more about opinions, and attitudes of the respondents. According to Mugenda and Mugenda (2008) surveys enable researchers to obtain data about practices, situations or views at one point in time through questionnaires and interviews. Survey research is concerned with the questions as what, how and why of a phenomenon which is the concern for the study.

Target Population

The target population of the study was all the media houses in Kenya. There were 41 media houses in Kenya according to Communication Authority of Kenya (2018). The study targeted the top management in the Finance, Marketing, Operations and information Communication Departments of the media houses as according to the researcher, it is the management who have the knowledge of the various strategies and their impact on the performance of the firms. The study targeted the 1,976 management staff in the media houses in Kenya.

Sampling Technique

All the media house in Kenya were studied due to the fact that the number is small. The study then sampled 208 respondents using both stratified random sampling and simple random sampling

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method. Purposive sampling was used to select top management in the marketing, operations, finance and the information and communication departments.

Data Collection

Data was collected using structured questionnaires and interview guides. The researcher self-administered the questionnaires to the respondents. Where it was not possible to complete and return the questionnaire on the same day, the researcher employed drop and pick method. The researcher thereafter conducted face to face interviews.

Data Analysis

The data was analysed using descriptive statistics in using mean, the standard deviation, the mode, the median, the frequencies and percentage. The analysis was done with the aid of SPSS. Inferential statistics mainly the linear regression was used to test the hypothesis that differentiation strategy had no significant effect in the performance of the media house. The results were presented in figures and tables.

FINDINGS

Demographic Data

The study first sought to determine the respondents' demographic information which include, the year of establishment, the number of employees, how long they have in the organization and the services offered by the stations. The findings are presented in the subsequent sections.

Number of Years Worked

The researcher first sought to determine how long the respondents have been in their respective organizations. The results as presented in Table1 show that 75(72.8%) have been in their respective organizations for between 5 and 10 years. The researcher ca thus say that the respondents have been in the organizations long enough.

Table 1: Number of Years Worked in the Firm

	Frequency	Percent
Less than 5 years	3	2.9
5-10 years	75	72.8
11-15 years	17	16.5
Over 15 years	8	7.8
Total	**103**	**100.0**

Distribution by Services Offered

The distribution of the respondents shows that most of the respondents have worked in the media firms for between 5 years and 10 years. The results also show that 17 (16.5%) respondents have worked for between 11 years and 15 years. The study findings therefore mean that a majority of the respondents have worked in the firms for over five years with nearly one third working for between 5 and 10 years as shown in in Table 2.

Table 2: Services Offered

	Frequency	Percent
Radio	8	7.8
Television	45	43.7
Both radio and television	46	44.7
Digital	35	34.0
Others	4	3,9

Customer Perception of Service and Programmes Offered

Most of the media houses (46, 44.7%) according to results in Table 3 offer both television and radio while 45(43.7%) specialize in television. Slightly more than one third (35, 34%) offered digital. The most common services as provided by the media houses were both the radio and television, television alone and digital respectively.

Table 3: Customer Perception of Service and Programmes Offered

	Frequency	Percent
No extent	2	1.9
Small extent	15	14.6
Moderate extent	39	37.9
Great extent	27	26.2
Very great extent	20	19.4
Total	**103**	**100.0**

Differentiation Strategy by Media Houses in Kenya

The study sought to determine the effect of differentiation strategy on the performance of media houses in Kenya. The respondents were asked to state the extent of agreement with the statements on scale of strongly disagree, disagree, neutral, agree and strongly disagree. The results are presented in Table 4.

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Table 4: Differentiation Strategy

Product	Strongly disagree (%)	Disagree (%)	Neutral (%)	Agree (%)	Strongly agree (%)	Mean	Std. Dev
Technology supports the presentation of our news and other programmes.	1.9	9.7	29.1	35.0	24.3	3.7	1.008
Use of digital formats to record your news and Programmes.	1.9	13.6	19.4	46.6	18.4	3.66	0.996
All main radio stations have outside/live broadcast units; we you deploy your live broadcast units differently.	2.9	11.7	36.9	35.9	12.6	3.44	0.957
Our station run on analogue system	26.2	25.2	27.2	13.7	7.8	2.51	1.236
Our station run on digital system	1.9	11.7	27.2	43.7	15.5	3.59	0.954
Our presentation of programmes is different from the presentation style of our competitors.	2.9	11.7	24.3	37.9	23.3	3.67	1.052
In terms of content, our news and current affairs are different from our competitors	1.9	8.7	28.2	50.5	10.7	3.59	0.868
In terms of regional content, our news and current affairs are different from our competitors	1.9	12.6	29.1	42.7	13.6	3.53	0.948
In terms of presenters and reporters, our news and current affairs are different from our competitors	4.9	8.7	37.9	32.0	16.5	3.47	1.027
In terms of style, our news and current affairs are different from our competitors	1.9	11.7	19.4	52.4	14.6	3.66	0.935
Our advertising rates are better than those of our competitors	1.9	11.7	24.3	50.5	11.7	3.58	0.913
Our programming is different compared to our competitors	1.9	14.6	28.2	28.2	27.2	3.64	1.092
Our organization has developed many unique and superior products than our competitors	1.9	13.6	30.1	42.7	11.7	3.49	0.938
My organization employs pricing strategy to gain competitive edge in the market	0	4.9	23.3	57.3	14.6	3.82	0.738

The results in Table 4 show that 35% of the respondents agreed that technology support the presentation of their news and other programmes while 24.3% strongly agreed with the statement. The results however show that 29.1% neither agreed nor denied the statement. The results of the study show that 46.6% of respondents agreed with the statement that they use digital formats to record their news and programmes and further 18.4% of respondents strongly agreed with the statement.

The study established that 35.9% of respondents agreed with statement that all main radio stations have outside/live broadcast units where they deploy your live broadcast units differently. The findings also show that 12.6% of respondents strongly agreed with the statement. However, 38(36.9%) respondents neither agreed nor disagreed with the statement.

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The findings show that 26.2% of the respondents strongly disagreed with the statement that the stations were run on analogue systems while 25.2% of respondents disagreed with statement. The findings further show that 27.2% neither agreed nor disagreed with the statement. According to the results, 43.7% of respondents agreed that their stations were run on digital systems and 15.5% strongly agreed with the statement.

The results show that 37.9% of respondents agreed that the presentation of programmes was different from the presentation style of the competitor, 23.3% strongly agreed with the statement. Most of the respondents 52(50.5%) agreed with statement that in terms of content, their news and current affairs are different from their competitors. 10.7% of respondents strongly agree with the statement. However, 28.2% neither agreed nor disagreed with the statement.

Results show that 42.7% of respondents agreed that in terms of regional content, their news on current affairs were different from competitors while 13.6% of respondents strongly agreed with the statement. The results however show that 29.1% of respondents neither agreed nor disagreed with the statement. The results thus mean that the media houses differentiated the news on current affairs from those of the competitors.

The findings show that 37.9% of respondents were indifferent on the statement that in terms of presenters and reporters their news and current affairs were different from their competitors. The results further show that 32% of respondents agreed with the statement and 17(16.5%) respondents strongly agreed. Most of the respondents (52.4%) agreed with statement that in terms of style, their news and current affairs are different from competitors. 14.6% of respondents strongly agreed with the statement.

The results further show that 50.5% of respondents agreed with statement that their advertising rates were better than those of their competitors. The findings show that 42.7% of respondents agreed with statement that their organization had developed many unique and superior products that their competitors However, 30.1% of respondents neither agreed nor disagreed with statement. The findings show 57.3% of respondents agreed with statement that their organization employed pricing strategy to gain competitive edge in the market.

The Effect of Technology on the Performance of Media Houses in Kenya

In this section the researcher sought to determine the effect of technology on the performance of media houses in Kenya. The respondents were thus asked to state the extent to which they agreed with the statements regarding the use of technology. This was on a scale of strongly disagree, disagree, neutral, agree and strongly disagree. The results are presented in Table 5.

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Table 5: Technology

Technology	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std. Dev
The firm uses the latest technology to enhance the production of its programmes to increase customer satisfaction	3.9%	10.7%	37.8%	35.0%	12.6%	3.36	1.056
The media firm has a management of technology system and all procedures are defined clearly	4.8%	8.7%	30.1%	41.7%	14.5%	3.54	1.109
The firm invests in the latest technology which has increased its competitive advantage in terms of programmes	5.8%	11.6%	30.1%	36.9%	15.5%	3.44	1.091
The firm has integrated most of its departments which resulted to merger of some departments for leaner structure than before	6.8%	12.6%	23.3%	39.8%	17.5%	3.49	1.128
There is strong tendency to align technology system procedures with other organizational perspective	6.8%	9.7%	28.2%	37.9%	15.5%	3.61	.971
The adoption of integrated systems such as the financial information system have enhanced the efficiency and accountability of the company resources	6.8%	7.8%	20.4%	57.3%	7.8%	3.51	.989
Media technology in this media house has been very critical in our competitiveness	4.8%	9.7%	26.2%	37.9	21.4	3.57	1.134
The adoption of new media technology makes this media house accomplish task efficiently	9.7%	8.7%	20.4%	38.8%	22.3%	3.61	1.131
The media technology is useful in the rapid retrieval of information from the field and passing it on	7.8%	7.8%	30.1%	35.9%	18.4%	3.53	1.153
The media technology has been useful in ensuring quality services to clients and customers.	5.8%	10.7%	21.4%	32.0%	30.1%	3.68	1.214
Information technology serves as a powerful strategic and tactical tool for organizational competitiveness	6.8%	9.7%	26.2%	37.9%	19.4%	3.32	1.112
Information technology serves as a means of facilitating communication and the exchange of information	7.8%	11.6%	28.2%	36.9%	15.5%	3.63	1.129
Information technology has been a tool in facilitating knowledge sharing between various departments and functions in the organization	5.8%	12.6%	30.1%	39.8%	11.6%	3.49	1.104
Technology has acted as an enhancer of collaboration and a networking tool amongst employees, customers and partners	8.7%	10.7%	27.2%	38.8%	14.6	3.39	.974

The results in Table 5, show that respondents generally agreed with the statements (mean > 3.1). The results of the study show that most of the respondents (36, 35%) agreed with the statement that the firm uses the latest technology to enhance the production of its programme so as to increase the customer satisfaction. The results show that 13(12.6%) respondents strongly agreed with the statement. The results show that generally, the respondents agreed with statement that the firms use the latest technology in order to enhance the production for its programmes so as to increase its customer satisfaction (mean=3.36, SD=1.056).

The results of the study further show that most of the respondents (38, 36.9%) agreed with the statement that the firm invests in latest technology which has increased its competitive advantage in terms of programmes. Results also show that 16(15.5%) strongly agreed with the statement. The results show that in general, the respondents agreed with the statement that the media firms have invested in the latest technologies which have increased their competitive advantage in terms of the programmes as majority of the respondents generally agreed with the statement (mean 3.44, SD=1.091).

The results show that majority of the respondents 41, (13.8%) agreed with statement that the firms have integrated most of their departments which have resulted to merger of some departments for leaner structure than before. The findings show that 18(17.5%) respondents strongly agreed with the statement. The respondents generally agreed with the statement that firms have integrated most of their departments (mean 3.49, SD=1.128).

Majority of the respondents 59, (57.3%) agreed with the statement that the adoption of the integrated systems such as the financial information system have enhanced the efficiency and accountability of the company resources. The results show that respondents generally agreed with the statement that the adoption of the integrated system such as the financial information system have enhanced efficiency and accountability of the company resources (mean 3.51, SD=0.989).

The results show that 39(37.9%) respondents agreed with statement that the media technology in the media house has been very critical in the firms competitiveness. 22(21.4%) strongly agreed with the statement. The average of the responses show that respondents generally agreed with the statement (mean, 3.57, SD=1.134). The study findings mean that according to the respondents, the media technology has been very critical in ensuring the firms' competitiveness.

The findings show that 40(38.8%) respondents agreed with statement that the adoption of new media technology makes the media house accomplish tasks efficiently, while 23(22.3%) strongly agreed with the statement. The mean of the responses show that the respondents generally agreed with the statement (mean 3.61, SD=1.131). Based on the study findings, the adoption of new media technology has assisted the media houses to accomplish tasks efficiently.

Organizational Performance

In this section the researcher sought to establish the performance of the media houses in Kenya. This was measured in terms of revenue and ranking position in terms of viewership, listeners and or readers whether this represented a decline of improvement from the previous ranking. The findings are presented in Table 6.

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Table 6: Organizational Performance

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std. Dev
The media house profitability has improved significantly over the last five years	4.8%	10.5%	17.5%	57.9%	8.8%	3.28	.888
The media house witnessed a significant increase in its market share over the last five years	5.8%	6.8%	24.3%	43.7%	19.4%	3.25	.916
The media house has been experiencing increase in customers in terms of listeners/viewer/readers	6.3%	13.6%	26.2%	48.5%	4.8%	2.78	.553
The firm has recorded sales growth over the last five years	5.8%	10.7%	13.6%	54.4%	15.5%	2.25	.880
The firm has is experiencing increased new and loyal customer subscription to our products	7.8%	11.6%	23.3%	40.8%	16.5%	3.21	.951
Customer satisfaction index has been on the increase every year for the last five years	6.3%	8.7%	32%	36.9%	15.5%	3.49	.922
The media house has been doing everything to make sure that its customers are satisfied	7.8%	9.7%	29.1%	40.8%	12.6%	3.51	.879

The study findings in Table 6 show that majority of the respondents (57.9%) agreed with the statement that the media house profitability has improved significantly over the last five years. The results further show that most the respondents generally agreed with the statement (mean=3.28, SD=0.888). The results therefore mean that the media houses profitability have improved significantly over the last five years. According to the results of the study, most of the respondents (43.7%) agreed that The media house witnessed a significant increase in its market share over the last five years. Results too show that 19.4% of respondents strongly agreed with the statement. The average of the responses show that the respondents generally agreed with the statement the media houses have witnessed a significant increase in their market share over the years (mean=3.25, SD=0.916). The results therefore mean that for most of the media houses, there has been growth in the revenue in the last five years.

In terms of growth in the number of customers in terms of viewers, listeners, and or readers, most of the respondents (48.5%) agreed with statement that the media houses have been experiencing growth in customers. The results further show that 26.2% of respondents neither agreed nor disagreed with the statement while 10.7% completely disagreed with the statement. The average of the results show that respondents were generally generally indifferent with regard to the statement (mean 2.87, SD=0.553). The study results then is interpreted that most of the media houses have been experiencing growth in terms of viewership, listeners, or readers.

H_o: Differentiation strategy has no significant effect on performance of media house firms in Kenya

Model Summary

The study findings in Table 7 show that the coefficient of determination (R-squared) of 0.491 show that 49.1% of media firm performance can be explained by differentiation strategy. The adjusted R-squared of 48.6% depicts that differentiation strategy in exclusion of the constant variable explains the change in media firm performance by 48.6%, the remaining percentage can be explained by other factors excluded from the model.

Table 7: Differentiation Strategy and Media Firm Performance Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.701[a]	.491	.486	.414

a. Predictors: (Constant), Product differentiation

ANOVA

The study displays the Analysis of Variance (ANOVA) in Table 8 for the regression coefficient. The results show that differentiation strategy is statistically significant in explaining the performance of the media firms in Kenya. An F statistics of 97.424 indicate that the model is significant, which was supported by a probability value of (0.000). The reported probability of 0.000 is less than the conventional 0.05, hence significant.

Table 8: Differentiation Strategy and Media Firm Performance ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.675	1	16.675	97.424	.000[b]
	Residual	17.287	101	.171		
	Total	**33.961**	**102**			

a. Dependent Variable: Performance
b. Predictors: (Constant), Product differentiation

Regression Weights

The study hypothesized that differentiation strategy has no significant effect on the performance of media firms in Kenya. From the study of the findings however, product differentiation strategy has a positive effect on performance ($\beta = 0.52$, p-value < 0.05). The results therefore can be interpreted as a unit change in product differentiation strategy will result into increase in the media firm performance by 0.52. Since the p-value was less than 0.05 as shown in Table 9, the null hypothesis was rejected and the alternative hypothesis accepted. The study can thus conclude that differentiation strategy had a significant effect on the performance of the media firms in Kenya.

Table 9: Regression Weights

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.149	.190		6.045	.000
	Product differentiation	.520	.053	.701	9.870	.000

a. Dependent Variable: Performance

The study findings have revealed that the product differentiation strategy had a positive and significant effect on the performance of the media firms in Kenya ($\beta = 0.52$, p-value < 0.05). These findings were corroborated by the Pearson product moment correlation coefficient which found a relatively stronger and significant relationship between the product differentiation strategy and the media firm performance (r = 0.748, p-value < 0.05).

H_{o2}: Technology adoption no significant moderating effect on the relation between differentiation strategy and performance of media firms in Kenya

Moderating Effect of Technology Adoption on Differentiation and Firm Performance Model Summary

The R-squared of 0.491 mean that 49.1% of the media firm performance can be explained by differentiation strategy. The adjusted R of 0.486 mean that 48.6% of the change in firm performance is explained by differentiation strategy in exclusion of the constant variable. The average deviation from the line of best fit is 0.4.14.

The second R-square of 0.555 imply that 55.5% of the change in firm performance is explained by moderated differentiation strategy. The incorporation of the technology adoption had resulted in a 6.4% increase in the explanatory power. The study further shows that the p-value was less than 0.05 meaning that the moderating effect of technology was significant.

Table 10: Moderating Effect of Technology Adoption on Differentiation and Firm Performance Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.701[a]	.491	.486	.414	.491	97.424	1	101	.000
2	.745[b]	.555	.546	.389	.064	14.427	1	100	.000

a. Predictors: (Constant), Product differentiation

b. Predictors: (Constant), Product differentiation, Technology

Moderating Effect of Technology adoption on Differentiation Strategy and Firm Performance ANOVA

In Table 11 (F=97.424, p-value<0.05) in model one mean a significant relationship between firm performance and differentiation strategy. Similarly, the second model (F=62.401, p-value<0.05) imply that there is a significant relationship between firm performance and moderated differentiation strategy (differentiation*technology). It can thus be concluded that both the models are valid.

Table 11: Moderating Effect of Technology Adoption on Differentiation Strategy and Firm Performance ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.675	1	16.675	97.424	.000[b]
	Residual	17.287	101	.171		
	Total	**33.961**	**102**			
2	Regression	18.854	2	9.427	62.401	.000[c]
	Residual	15.107	100	.151		
	Total	**33.961**	**102**			

a. Dependent Variable: Performance
b. Predictors: (Constant), Product differentiation
c. Predictors: (Constant), Product differentiation, Technology

Moderating Effect of Technology on Differentiation Strategy and Firm Performance Regression Coefficients

According to the findings of the study, there was a positive significant relationship between differentiation strategy and firm performance (β = 0.52, p-value = 0.000) as shown in Table 12. This is interpreted as a unit change in differentiation results into a 0.52 change in firm performance. Since the p-value was less than 0.05, the test is statistically significant. The second model also depicts a positive significant effect (β = 0.52, p-value = 0.000)

The results show that the p-value is less than 0.05 meaning significance. The study therefore rejects the null hypothesis and accept alternative hypothesis that technology adoption has a moderating effect on differentiation strategy and firm performance.

Table 12: Moderating Effect of Technology on Differentiation Strategy and Firm Performance Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.149	.190		6.045	.000
	Product differentiation	.520	.053	.701	9.870	.000
2	(Constant)	1.094	.179		6.106	.000
	Product differentiation	.308	.075	.415	4.130	.000
	Technology	.236	.062	.382	3.798	.000

a. Dependent Variable: Performance

Discussion

These findings are consistent with the previous studies. For instance, Abu-Aliqah (2012) found that quality and packing strongly correlated with profitability. Acquaah and Yasai-Ardekani (2008) investigating whether implementation of combination competitive strategy yield incremental performance benefits, found differentiation to have a positive and significant effect on the performance of the firm. The study findings also agreed with Amoako-Gyampah and Acquaah (2008) who examining the relationship between manufacturing strategy and competitive strategy and their influence on the firm performance and found a positive relationship between the competitive strategy and the manufacturing strategies of cost, delivery, flexibility, and quality. The findings also concur with Murage (2011) who in his study of the competitive strategies used in the petroleum industry found that service stations used differentiation as away of obtaining competitive advantage over other service stations. Similarly, the results agree with Kimotho (2012) looking at the competitive strategies on the financial performance of CFC Stanbic Bank Limited found that the companies that are effective at rapidly innovating new products gained a competitive edge over their rivals. The findings also agree with Atikiya (2015) who seeking to find the effects of competitive strategies on the performance of manufacturing firms in Kenya , found that differentiation strategy had a positive effect on the financial performance of manufacturing firms.

However, though the findings of a significant positive relationship between differentiation strategy and performance of media firms and though concur with many other researches, it contradicts the assertions by Asdemir, Fernando and Tripathy (2013) and Atikiya (2015) who noted that differentiation strategy was most preferred strategy by the firms in Kenya compared to cost leadership and focus strategy as in the case of the current study, differentiation was the least preferred as shown by R-squared of 0.46 compared to focus (R-square of 0.539) and cost leadership (R-squared of 0.525) respectively. The study findings diffuse the notion that many firms view differentiation strategy as more important to the strategies of cost leadership and focus in the achievement of competitive strategy (Kotha & Vadlamani, 1995). Based on the findings, the study rejects the null hypothesis that differentiation strategy has no significant effect on the performance of media firms and accept the alternative hypothesis that differentiation strategy has a significant effect on the performance of media firms in Kenya.

CONCLUSION AND RECOMMENDATIONS

Conclusion

The study concludes that product differentiation strategy is statistically significant factor in determining the media firm performance in Kenya. The study established that differentiation strategy was more statistically significant superior performance in comparison to the cost leadership strategy. Thus firms seeking to better their performance should pursue differentiation strategy. Product differentiation was achieved by creation of unique and superior products such as current affairs and news and digitalization among others.

Recommendations

The study recommends that the management of media firms should embrace more differentiation strategy as it has proven in the current study and other empirical evidences that differentiation strategy has significant effect on performance media firms. The firms should focus on making unique products to be competitive and enhance the performance. The study further recommends that media firm should embrace the best technology that will enhance the effectiveness and efficiency of the differentiation strategies they employ as the current study has demonstrated that technology has a significant moderating effect on the differentiation strategy and media firm performance.

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