

Analysis of Product Innovation on Gaining Competitive Advantage for the Faith-Based Health Care Institutions in MERU County.

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Abstract

Globally organizations develop product innovative strategies to ensure continued and long term existence. Likewise, faith based Health care institutions (FBHIs) have developed unique product innovative strategies to ensure they attain competitive advantage over their competitors. In the midst of the free and affordable government health care program, these faith-based health care institutions have continued to dominate the health sector. The purpose of this study was to assess how product innovation helps gain competitive advantage for the faith-based health care institutions in Meru County. The research was based on the Resource based view theory. The researcher adopted a descriptive cross-sectional survey research design. This helped the study to describe the relationship between the product innovative strategies that FBHIs adopted and the competitive advantage that they seem to have enjoyed in Meru County. The Study targeted a total of 1,311 respondents comprising of hospital administrators in the 61 FBHIs in Meru County and average patients visiting each hospital during the period of collecting information. Using Yamane's formula for categorical data was used to calculate a study sample size and the study focused on a sample size of 306 respondents. Quantitative data was collected using a questionnaire guide given to hospital administrators and qualitative data was collected from the key informant guide from the patients. The analysis was conducted using the Statistical Package for Social Sciences (SPSS) software. Tables and figures were used to present the data for ease of understanding and analysis. Inferential statistics was also used to analyze data, the inferential statistics tool used were Pearson's correlations analysis and regression analysis which were used to analyze the data. Multi Linear Regression analysis carried on the dependent variable (competitive advantage) against co-factors revealed an R Square value was 0.962 hence 96.2% of the variation in competitive advantage was explained by the variation in product innovation. The study established a positive and significant relationship between product innovation and competitive advantage in the Faith-based healthcare institutions in Meru County. The study, therefore, concludes that there is a positive and significant effect of product innovation strategy on the competitive advantage of FBHI. The study recommends that FBHI in Meru County continuously engage in product innovation by conducting market research to understand consumers' needs better and possibly consider using focus groups as a targeted segment of its customers when developing new products or adding additional features to a product.

Keywords: Faith Based Health Care, Product Innovative Strategies, Resource Based View Theory, Descriptive Cross-Sectional Survey, Multi Linear Regression Analysis,

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I. Introduction

Background of the study

Globally many Organizations have worked hard to introduce innovations to gain competitive advantage amid increased market competition caused by the liberalization, advancement in information technology, and more extensively by the customer getting better information about products and services. Innovation strategies are viewed as translating an existing or new idea and skills through adopting new and more improved operational practices. These new or enhanced operational practices create new competencies for gaining an edge

over the competitors. The advancement capacity is a vital factor progressively seen in creating the upper hand (Tidd *et al.* 2010). The in-service provision sector where health care is categorized has recorded very high competition among the rival players in the market. To meet customers' demand and sustain growth, an organization needs to formulate well-aligned development methodologies to help the association enjoy a one-of-a-kind benefit that porter 1980 calls the upper hand. This calls for the organization to choose distinctive and valuable innovative strategies that align with the organizational goals and objectives to gain this competitive advantage.

According to Abbey (2017) jin, a study done in Malawi indicates that an organization needs to adopt unique strategies with a competitive edge over others. With this in mind, the intensity of competition motivates organizations to continually seek profitable, sustainable methods to differentiate and remain competitive. With increased consumer demand, changing business environment, and increased competition, most organizations, and managers need to invest in innovative practices. There source dependence theory is also quite relevant to the study. These theories examine the structural issues to stabilize efficient operations relative to the current business environment.

Meru County is one of the forty-seven counties in the constitution of Kenya, medical services were devolved to the county government under the 2010 constitution, and thus Meru County has a total of 203 health facilities, of which 119 are MOH public 61 faith-based three owned by non-governmental organizations and 20 private-sector acknowledged as per the time of research (ministry of Health Meru County, 2020). This data shows that FBO accounts for 30% of the health care facilities in Meru County, a fact that cannot be ignored. Data released by kenyanz.com 2020, a multi-Geo business and pros directory, rated faith-based health institutions in Meru County as the best performing institutions in the health sector. Against this background, the researcher intends to assess how product innovation helps gain competitive advantage for the faith-based health care institutions in Meru County.

Statement of the problem

The medical sector in Kenya recently has faced many challenges ranging from medical service providers to capacity holding brought in by the growing number of patients due to HIV aids, Cancer cases, and Covid-19, among other diseases. This has called for a stable and well-prepared medical system. To achieve this government of Kenya has got support from different organizations both locally and internationally to improve the health care system. This sector has many players, and faith-based institutions are the players. To be a market leader, an organization needs to use innovative strategies to differentiate its product and services from its rivals. FBHI has faced a lot of competition from government and privately owned health care institutions against the unlevelled ground. FBHI has no source of external funding to learn their institutions contrary to the government-sponsored and the private ones, run mainly by the sole owners. With the rise of diseases trend in Africa, there is a need for a change of equivalent magnitude in the medical field to match the changing disease patterns. This calls for investment in new products/services or existing ones.

Faith-based health care institutions in Kenya has been acknowledged as a fast-growing sector supporting government effort in health care provision and at the same time facing stiff competition from both government and private health care institutions. Competitiveness arises from environmental pressure, including competitors, uncertainties, and other related approaches. Locally, many studies have been done relating to innovative responses on competitive advantage, but faith-based healthcare institutions are scarce. Omar/2013 on strategy development in faith-based healthcare Institutions in the coast region of Kenya, this study sought to expose the inclination of strategy development among FBHIs to the already established schools of thought. Further, it tried to bring out the determinants of strategy traceable such that policymakers, the government, and new entrants can be guided accordingly. It was shown that religious affiliation is not a solid drive to strategic partnership and resourcing. The study revealed that FBHIs exhibited a strong presence of the cultural, positioning, and political schools significantly stronger dominance than all six combined. The study did not look at different strategies such as product and technological Innovation.

This has inspired the researcher to carefully analyze the innovative strategies employed by the FBHIs in Meru County to gain a competitive advantage. This has been triggered by a recent shift from millennium development goals to sustainable development goals in 2016. This has made FBHIs rethink their innovative strategies to eradicate the disease burden using cost-effective methods.

Purpose of the study

This study aimed to assess how product innovation helps gain competitive advantage for the faith-based health care institutions in Meru County. This was supported by the research by wanyoike (2016) research on the relationship between innovation strategies and competitive advantage in the logistics firms in Mombasa County, citing product innovation and differentiation as some of the factors that posed an extraordinary significance in gaining competitive advantage. Hence it is against this that the study was of great use.

Significance of the Study

This study would assist faith-based health care providers in getting an inside look at innovations and empower faith-based organizations with information about how well they can implement these techniques to raise their position in the marketplace.

The study was helpful to potential investors in the health sector because it showed how different logistic firms had used innovation tactics to gain a competitive edge over their rivals.

This research helped policymakers understand from a holistic viewpoint the faith-based health care institutions in Meru County.

The thesis would add value to theory by providing a foundation for academics to conduct more studies on strategic management issues. As a result, it will be helpful as a guide for both students and tutors.

Scope of the Study

Healthcare institutions are widely distributed over the Kenyan upper eastern region. However, this study was limited to faith-based health care institutions operating in Meru County and the strategies they adopted to gain a competitive advantage. Several innovative strategies would help an institution to gain a competitive advantage; the study was restricted to product/service innovation, market segmentation, future-proofing, and differentiation as strategies for competitive advantage.

II. Theoretical Review

Resource Based View Theory

Penrose created the resource-based perspective model in 1959 (Huang, 2012), which asserted that businesses may utilize resources to enhance their competitive position and, therefore, their performance (Penrose, 1959). Wernerfeldt (1984) provided a more thorough description of the idea in the year 1984. The idea was that a company may acquire an edge over its competitors if it has exceptional resources that have three characteristics: they are one-of-a-kind, they are substitutable, and they are inimitably valuable. Such resources are referred to be "special," and they have the potential to drive a company to higher success.

The resource-based perception of the firm (RBV) highlights the advantages that companies have developed to contend with others and emphasizes the firm's internal climate as a source of competitive advantage. Any organization's finances, capacities, competencies, capabilities, and capabilities are all related to developing and executing strategies. Resources will make up the difference between whether or no resources are necessary for performance, especially the talent of employees possess and organizational and no matter what you might have in-hard skills that will keep human resources in place (Alavi and Leidner, 2011).

According to the Resource-Based Theory, an organisation resources play a key role in policy and performance; therefore, the most effective use of resources is internal (Barney & Clark, 2007). An organization's personnel, capabilities, competencies, abilities, information, and assets are all essential to the techniques that it employs to improve productivity and effectiveness. although tangible and intangible capabilities, such as staff expertise, are the main tools, and those that enable employees to do not only have one-time benefits, but rather to establish a stream of benefits over their careers, put the resources to use over time (Alavi&Leidner, 2011). The possession of strategic resources, which are unique and valuable and cannot be imitated or easily substituted, provides a competitive advantage (Barney, 1991). According to the Resource Based View, a firm's capital and skills have benefit and organizational value (Wernerfelt, 1984; Barney, 1991; Grant, 1996). The hospital would need capital to set up mechanisms and equipment for cycle time reduction and technical upgrade, as well as market segmentation and differentiation, according to this theory, which is founded on the assumption that a firm's internal resources affect efficiency and therefore their competitive advantage. Competencies in terms of specialists in specific medical fields would aid faith-based hospitals in segmenting the market by age, gender, and the level of patient care required.

III. Empirical Literature

Product Innovation and gaining competitive advantage

Product innovation may be defined as the process of introducing new products/services or making appropriate changes to current products/services in order to improve their performance Sharma, (2016). Product innovation is the process through which an organization develops a new product or modifies an existing product to better suit the intended present or future usage, while also increasing the adaptability of the product to the user and increasing market demand. Product innovation requires either the introduction of a completely new product or the substantial improvement of an existing product in terms of features, intended use, software, user-friendliness, or components and materials. Diagnostic techniques such as resonance, laser, and magnetic resonance imaging have progressed in the medical sector, and they are now considered more sophisticated than they were in the beginning (MRI). Product innovation may also be defined as a change in design that results in a substantial change in the intended purpose or features of the product; this is referred to as a significant change in

design Hassan & Ghias,(2017). Product innovation may be broken down into three categories. First and foremost, from the viewpoint of the consumer, the product is unfamiliar to them. Second, the product is brand new from the standpoint of the company, according to the product. Third, product modification refers to the addition of new features or variations to the company's current goods (Sharma, 2016). Product innovation is used by businesses to increase efficiency in their operations Ying Liao, (2015). Companies with higher product innovation skills, according to Jimenez and Valle (2011), may get a better reaction from the environment and more readily develop the competencies required to gain a competitive advantage. Consequently, product innovation may react to an unpredictable environment and open up new avenues for the development of efficacy and efficiency. Products with the potential to enhance competitive advantage, profitability, and performance are sought after by companies.

In today's highly competitive market, businesses must create new goods in response to the demands of their customers to survive Hassan & Ghias, (2017). Product innovation is intended to bring in new consumers by addressing their needs. Product introductions or modifications to current goods are carried out by businesses in response to consumer demands. Product life cycles are becoming shorter, which pushes companies to incorporate innovation into their goods. Product innovation is required in order for businesses to compete in the market in today's competitive climate.

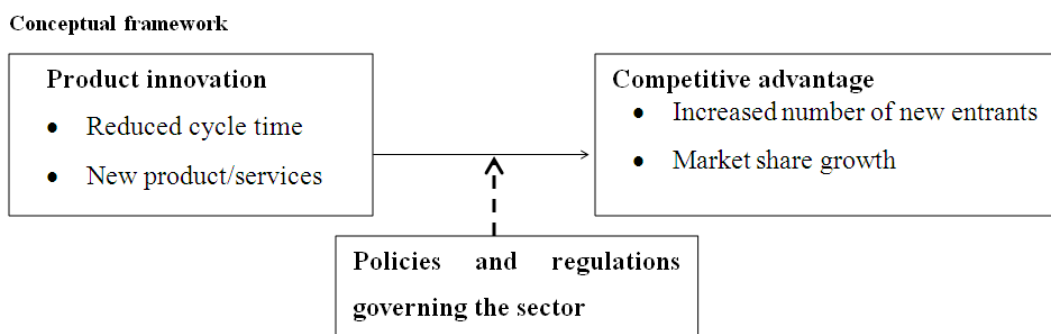


Figure 1: Conceptual Framework

IV. Research Methodology

This refers to the systematic analysis of the procedures applied to the field of study that encompasses the concepts Kothari (, 2004). This study involved data collection, analysis, interpretation, and presentation of the study findings.

Research Design

The study adopted a descriptive research design. This design described the relationship between the research variable and outlined their frequency of occurrence and measures of central tendency. Inferences among variable were made without direct intervention from product innovation.

Location of the Study

The study focused on faith-based institutions in Meru County. Five counties border the research specific location: the north Isiolo County, the east Tharaka/Nithi County, the southwest Nyeri County, and the west Laikipia County. The study's geographical area is bordered by the north Isiolo County, the east Tharaka/Nithi County, and the west Laikipia County. As shown in the map, the study population was generated from the faith-based institutions confined to this geographical region.

Target Population

Dessler (2013) described a study population as a definite set of people, group of things, elements, or events that fit certain specifications the researcher is studying. The main objective of the study population was to ensure accuracy in conclusions that are derived without biasness. A study population mainly comprised the participants affected by the research topic. The study targeted a population of 1311 participants from faith-based health care institutions in Meru County. Categorized as shown in table 1 below.

Table 1: Target population

| Population category | Target population Hospital administrators and patients |
|----------------------------|---|
| Level 4 | 758 |

| | |
|--------------|-------------|
| Level 3 | 257 |
| Level 2 | 296 |
| Total | 1311 |

Source: Researcher (2020)

Sampling Procedures and Techniques

According to Cooper and Schindler (2014), A sample is a subset of the total population of interest that is expected to include the characteristics of the people under investigation. An appropriate sample of FBHIs, which served as the primary sampling units for this research, was selected using a simple random sampling technique. The result would be that every unit in the identified population would have an equal and sovereign chance of being selected as a sample associate.

It was necessary to utilize a non-probability sampling design to identify the county's level 4, level 3, and level 2 FBHIs. In contrast, respondents were selected using a probability sampling design using a stratified random sample technique. The procedure entailed splitting the population into homogeneous subgroups (strata) and then collecting a simple random sample from each sub-group inside each stratum. Because there were various types of employees in healthcare institutions, the approach chosen was based on this. Hospital administrators and visiting patients were included in the stratum for this research, divided into three tiers, as shown below.

The study used Yamane's (1989) formula for categorical data, as cited by Odhiambo et al. (2010), to determine the sample size.

$$n = \frac{N}{1 + N\delta^2}$$

Where:

N is the target population

n is the desired sample size

δ is the critical value of the confidence level (0.05)

A sample of 306 respondents was drawn using the formula, and a target population (N) of 1311 respondents. The researcher then selected respondents for the questionnaire using a stratified random sampling procedure and a probability design.

Sample Population

The study used Yamane's formula for categorical data to determine the sample size.

$$n = \frac{N}{1 + N\delta^2}$$

Where:

N is the target population

n is the desired sample size

δ is the critical value of the confidence level (0.05)

$$n = \frac{1311}{1 + 1311 (0.05)^2} = 306$$

Table 2: Sample Size

| Population category | The target population of administrators and patients | Sample size |
|---------------------|--|-------------|
| Level 4 | 758 | 177 |
| Level 3 | 257 | 60 |
| Level 2 | 296 | 69 |
| Total | 1311 | 306 |

Source: Researcher (2021)

V. Construction Of Research Instrumentation

According to Oso and Onen (2009), research instruments are the equipment utilized to collect information about a subject. A semi-structured questionnaire, consisting of both open-ended and closed-ended questions, was used by the investigator to gather primary data. A five-point Likert scale was used to evaluate the responses. Product innovation was covered. With this kind of study, questionnaires are the most effective tool for data collection Mugenda & Mugenda (2013). The investigation tools items were created to halt the flow of information per the study's goals.

Pilot Testing

Pilot testing is critical in the study process since it serves as a trial run for the methods and equipment that the researcher plans to employ, according to Mugenda & Mugenda (1999). The researcher was able to avoid making expensive errors because of piloting. Piloting was necessary to eliminate any ambiguity, detect incorrectly worded items, instances of inadequate room to type answers, and question clustering. A pilot study was conducted on selected faith-based health care institutions in the Imenti South sub-county in Meru County, which was not included in the study population to test the reliability and validity of the questionnaire. As a result, a pilot project was performed to identify mistakes in data collection equipment and make appropriate adjustments to ensure that accurate and consistent data was obtained.

Proposed Data Analysis Techniques and Procedures

Before doing the analysis, the analyst must be sure that all erroneous data has been dealt with. The data must be valid, so as well as up-to-date and accurate. After that, the researcher will allocate codes to the answers to make data processing simpler. Until being processed, the coded data would be stored on a disk. After that, the computer-coded data will be exported to SPSS for review. Charts, graphs, frequency, and percentage distribution tables will be used to display the data. The relationship between the research variables will be determined using multiple regression analysis models.

$$Y = \mu_0 + \mu_1 X_1 + \mu_2 X_2 + \mu_3 X_3 + \mu_4 X_4 + \varepsilon$$

Where: Y= Competitive advantage

μ_0 = constant or the intercept of the regression line

μ_i = Coefficients of regression for the independent variables X_i (for $i = 1, 2, 3$)

X_1 = Product innovation

X_2 = Market segmentation

X_3 = Technological innovations

X_4 = service differentiation

ε = the error term.

VI. Research Findings

Response Rate

The researcher distributed 306 questionnaires to the individuals identified as the study respondents. However, only 214 respondents returned their questionnaires. The study, therefore, attained a response rate of 69.9%. The response rate was taken to be very good, a decision guided by Mugenda and Mugenda (2013), who asserts that a response rate of 50% is considered adequate, 60% good, and above 70% as very good."

Effects of Product Innovation on gaining Competitive Advantage

The effects of product innovation on Competitive Advantage were investigated using eight statements. The eight statements were presented to respondents to specify to what extent they agreed or disagreed with the statements on the effect of product innovation on gaining competitive advantage in faith-based healthcare institutions in Meru County. The responses were classified from 1 to 5 on a Likert scale. A score of 5 indicated that respondents strongly agreed with the statement, and a score of 1 indicated that the respondents strongly disagreed with the statements.

Descriptive statistics

The descriptive statistics were presented in table 3, indicating the mean and the standard deviation of the respondent's level of agreement with the statement on effects of product innovation on competitive advantage.

Table 3: Product Innovation and Competitive Advantage

| Descriptive Statistics | | | | |
|---|-----------|-----------|----------------|-----------|
| Opinion Statements on Product Innovation | N | Mean | Std. Deviation | |
| | Statistic | Statistic | Std. Error | Statistic |
| Product innovation can improve competitive advantage in the faith-based health care institution | 214 | 3.73 | .099 | .450 |
| Faith-based healthcare institutions maintain a competitive advantage through product enhancements and product development | 214 | 3.84 | .110 | .606 |
| faith-based healthcare institutions introduce new products or modify the existing products according to the needs of the customers | 214 | 4.73 | .0780 | .863 |
| There is a link between services and Faith-based healthcare institution structure, resources, and strategy | 214 | 4.02 | 0.072 | 0.488 |
| Innovation by faith-based health care institutions has resulted in the development of new services that has led to organizational success | 214 | 4.703 | 0.056 | .512 |

| | | | | |
|---|------------|------|------|------|
| Competitive institutions no longer keep offering similar products or only competing based on traditional reasons such as price and quality | 214 | 4.17 | .098 | .579 |
| Performance of Faith-based healthcare institutions adopting product innovations consistently with business strategy in highly competitive environments is likely to be positive | 214 | 4.07 | .094 | .369 |
| Product innovation may enable faith-based healthcare institutions to lower costs and give the firm a competitive advantage | 214 | 3.99 | .093 | .361 |
| Valid N (listwise) | 214 | | | |

Source: Researcher (2021)

The results of the study indicated that the majority of the respondents strongly agreed that faith-based healthcare institutions introduce new products or modify the existing products according to the needs of the customers with a mean of 4.73 and a standard deviation of 0.86 and that there is a link between services and Faith-Based healthcare institutions, resources and strategy where a mean of 4.016 and standard deviation of 0.488 was reported. The findings further showed that competitive institutions no longer keep offering similar products or competing based on traditional reasons such as price and quality with a mean of 4.17 and a standard deviation of 0.579. Product innovation by Faith-based Healthcare institutions has resulted in the development of new services that has led to organizational success with a mean of 4.703 and standard deviation of 0.512. Product innovation can improve competitive advantage in faith-based health care institutions was shown by a mean of 3.73 and a standard deviation of 0.450. The employees agreed that Product innovation might enable faith-based healthcare institutions to lower costs and give the firm a competitive advantage with a mean of 3.99 and a standard deviation of 0.36. The study's findings showed that employees agreed that faith-based healthcare institutions maintain a competitive advantage through product enhancements and product development. This was shown a mean of 3.84 and a standard deviation of 0.606. The performance of faith-based healthcare institutions adopting product innovations consistently with business strategy in highly competitive environments is likely to be positive. A mean of 4.07 and a standard deviation of 0.369 was reported. This study's findings concur with Chen, Wang, Nevo, Benitez, & Kou (2015), which concluded that it is critical for organizations to continually carry out product innovation, which increases their competitiveness and increases their value in the marketplace.

Correlation between Product Innovation and gaining Competitive Advantage."

Correlation between Product Innovation and Faith-based Health Care institutions Competitive Advantage The study's first objective was to assess how product innovation helps gain competitive advantage for the faith-based health care institutions in Meru County. The study findings showed strong positive significance between the two variables ($r = 0.894$, $p = 0.000$) as indicated by the results in table 4.

Table 4: Correlation between Product Innovation and FBHI Competitive Advantage

| | | Product Innovation | Competitive Advantage |
|-----------------------|---------------------|--------------------|-----------------------|
| Product Innovation | Pearson Correlation | 1 | .894** |
| | Sig. (2-tailed) | | .000 |
| | N | 380 | 380 |
| Competitive Advantage | Pearson Correlation | .894** | 1 |
| | Sig. (2-tailed) | .000 | |
| | N | 380 | 380 |

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Researcher (2021)

Regression between Product Innovation and Competitive Advantage

The model summary table 5 below results show that R square = 0.799, which implies that product innovation predicts 79.9% of the competitive advantage of FBHI in Meru County.

Table 5: Regression between Product Innovation and Competitive Advantage Model Summary

Model Summary

| Model | R | R Square | Adjusted Square | R | Std. The error of the Estimate | Change Statistics | | | | | | |
|-------|-------------------|----------|-----------------|---|--------------------------------|-------------------|--------|----------|-----|-----|-------------|---|
| | | | | | | R Change | Square | F Change | df1 | df2 | Sig. Change | F |
| 1 | .894 ^a | .799 | .799 | | 0.309 | .799 | | 1.883 | 1 | 212 | .000 | |

a. Predictors: (Constant), product innovation

Source: Researcher (2021)

ANOVA of Product Innovation and gaining Competitive Advantage

ANOVA Table 4.6 below indicates that the linear regression model is a good fit at (F=1503.123, p=0.000).

Table 6: ANOVA of Product Innovation and Competitive Advantage

| ANOVA | | | | | | |
|-------|------------|----------------|-----|-------------|----------|-------------------|
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 144.104 | 1 | 144.104 | 1503.123 | .000 ^b |
| | Residual | 36.239 | 378 | .096 | | |
| | Total | 180.343 | 379 | | | |

a. Dependent Variable: Competitive Advantage

b. Predictors: (Constant), product innovation

Source: Researcher (2021)

Coefficients of Product Innovation and gaining Competitive Advantage

The coefficients table 4.7 below indicates that increasing product innovation by a single unit competitive advantage increases by 0.872 units significantly.

Therefore, the model which is $Y=B_0+ B_1X_1$

$$Y= 0.409+0.872X_1$$

Where:

Y= Competitive Advantage

X1= Product Innovation.

Table 7: Coefficients of Product Innovation and Competitive Advantage Coefficients

| Coefficients | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | 95.0% Confidence Interval for B | |
|--------------|--------------------|-----------------------------|------------|---------------------------|--------|------|---------------------------------|-------------|
| Model | | B | Std. Error | Beta | | | Lower Bound | Upper Bound |
| 1 | (Constant) | .409 | .033 | | 4.498 | .000 | 1.752 | 2.669 |
| | product innovation | .872 | .068 | .894 | 36.726 | .000 | .120 | .390 |

a. Dependent Variable: gaining Competitive Advantage

Source: Researcher (2021)

VII. Summary of the findings

The study's first objective sought to assess how product innovation helps gain a competitive advantage for the Faith-based health care institutions in Meru County. The respondents strongly agreed that Faith-based healthcare institutions introduce new products or modify the existing products according to the needs of the customers (M = 4.73, SD = 0.863). From Pearson's Correlation analysis to determine the relationship between product innovation and competitive advantage, the findings revealed a strong positive relationship (r=0.894, p=0.050). Thus, an increase in product innovation leads to an increase in competitive advantage. The study further analyzed the relationship between the dependent variable (competitive advantage) against product innovation. The findings showed that the R² value was 0.799; hence 79.9% of the variation in competitive advantage was explained by the variation in product innovation. The findings from the ANOVA analysis result of the regression between the dependent variable (competitive advantage) against product innovation at a 95% confidence level, the F critical was 1503.123, and the P-value was (0.000), therefore a significantly good fit. The regression equation established that taking product innovation into account and other factors held constant competitive advantage increases by 0.872 and both variables were significant.

VIII. Conclusions

The study established a positive and significant relationship between product innovation and competitive advantage in the Faith-based healthcare institutions in Meru County. The study, therefore, concludes that there is a positive and significant effect of product innovation strategy on the competitive advantage of FBHI. The study further concludes that the introduction of new products or modification of the existing product or services had the biggest influence on the competitive advantage of the FBHI in Meru

County. This, therefore, call for Faith-based Healthcare institutions to invest in product innovations that are more relevant to consumers to gain a competitive advantage.

5.4 Recommendations

The study recommends that FBHI in Meru County continuously engage in product innovation by conducting market research to understand consumers' needs better and possibly consider using focus groups as a targeted segment of its customers when developing new products or adding additional features to a product. The study recommends that to increase and maintain the number of customers, FBHI in Meru County needs to adopt new marketing segmentation techniques through the use of technologies available to reach a wider consumer base. The market needs to be segmented based on the consumer's needs for FBHI in Meru County to gain further competitive advantage in the market to maintain its lead in the Healthcare sector.

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