

**GROWTH STRATEGIES AND PERFORMANCE OF FOOD AND BEVERAGE
MANUFACTURING FIRMS IN KENYA**

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DECLARATION

Declaration by the candidate

This research project is my original work and has not been presented for award of a degree in any other University or for any other award.



Signature:

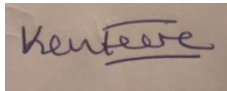
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DEDICATION

This research project is dedicated to my children Michelle and Milan for their unwavering support, love and encouragement during the period of writing this research project.

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ABBREVIATIONS AND ACRONYMS

GDP:	Gross Domestic Product
KAM:	Kenya Association of Manufacturers
KNBS:	Kenya National Bureau of Statistics.
NACOSTI:	National Commission for Science, Technology, and Innovation
SDGs:	Sustainable Development Goals
UNACTAD:	United Nations Conference on Trade and Development

OPERATIONAL DEFINATION OF TERMS

Corporate Growth Strategies: are plans developed by an organization to address present and future barriers that may prevent them from meeting their goals or objectives. These corporate growth strategies encompass a range of approaches, including market development, product development, market penetration and diversification (Abolarinwa, Asogwa, Ezenwakwelu, Court, Adedoyin, Eriksson, 2020).

Performance: refers to the increment in sales revenue over a specific period, indicating the effectiveness of business operations and market success (Osano, 2019).

ABSTRACT

The decline in the manufacturing sector's performance in Kenya presents a significant hindrance to the country's socio-economic development. Therefore, understanding the effect of corporate growth strategies and the performance of manufacturing firms becomes crucial in devising effective strategies to enhance the sector's performance and align with the government's economic development agenda. Hence, the objective of this study was to assess the effect of corporate growth strategies on the performance of food and beverage manufacturing firms in Kenya. The research was guided by the following specific objectives; examining the influence of market development, market penetration, product development, and diversification on performance. To achieve this objective, the study drew on various theoretical frameworks, including transaction cost economics, dynamic capability theory, Ansoff matrix theory and the resource-based view theory. Employing a descriptive research design, primary data was gathered from a sample of 130 respondents selected from the food and beverage manufacturing firms registered with the Kenya Association of Manufacturers, out of a total target population of 192 operations managers. The selection of respondents was carried out using a simple random sampling approach. Yamane formula guided the determination of the sample size. The data acquired from 81 percent of the sampled respondents through a self-administered questionnaire was analysed using descriptive statistics and multiple linear regression. The results revealed that there exists a statistically significant relationship between market development, market penetration and diversification strategies and performance of food and beverage manufacturing firms in Kenya. However, there was no statistically significant relationship between product development strategy and performance of food and beverage manufacturing firms in Kenya. It was thus recommended that firms should develop tailored marketing strategies and innovative product features to attract new customers and explore untapped markets. Invest strategically in technology for seamless customer engagement and explore new distribution channels for expanded market reach.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

Chapter one includes the study background, problem statement, research objectives, the scope of the research, as well as the study's limitations and underlying assumptions.

1.1 Background to the Study

Currently, organizations worldwide operate in a complex ecosystem influenced by factors such as globalization, technological advancements, changing customer demands, and evolving market dynamics (Kyove, Streltsova, Udipo, & Cirella, 2021). In this ever-changing environment, it is approximated that 20 percent of the new entrants do not manage to survive in the first year, while an additional 30 percent cease operations within the following 2 to 5 years. To thrive in such a challenging environment, organizations need to adopt and implement effective corporate growth strategies that align with their long-term objectives (Farida & Setiawan, 2022). The corporate growth strategies are plans developed by an organization to address present and future barriers that may prevent them from meeting their goals or objectives. These corporate growth strategies encompass a range of approaches, including market development, product development, market penetration and diversification. Each strategy carries its own benefits, risks, and potential impact on a firm's performance. The decision to pursue a specific growth strategy depends on various internal and external factors, including the firm's resources, capabilities, competitive position, and industry trends (Abolarinwa, Asogwa, Ezenwakwelu, Court, Adedoyin, Eriksson, 2020).

Globally corporate growth strategies play a crucial role in helping organization enhance their key competencies and achieve their business objectives. Organizations such as food and beverage manufacturing firms with effective corporate growth strategies can benefit from increased market share, revenue growth, improved competitiveness, and enhanced profitability due to better performance (Alkasim, et al., 2018). However, it is important to note that incorrect or poorly executed organization growth strategies can have adverse effects, potentially leading to additional business difficulties (Zahidi, 2023). This can occur due to a variety of reasons. For instance, if an organization pursues rapid expansion without adequately assessing market demand or conducting thorough market research, it may face challenges related to overcapacity, declining sales, and financial strain.

Similarly, if an organization diversifies its product portfolio without considering its core competencies or conducting proper due diligence, it may struggle to effectively manage and market the new products. This can result in a dilution of resources, decreased operational efficiency, and a loss of focus on core business areas (Adamu, 2020). Additionally, strategic alliances, if not properly structured and managed, can also result in conflicts of interest and limited cooperation, hindering the growth potential of the partnership. Furthermore, failure to foster a culture of innovation and adaptability within the organization can impede the organization performance. Without a focus on continuous improvement and staying ahead of market trends, firms may find it challenging to meet evolving customer needs and technological advancements, thereby losing their competitive edge due to unsustainable performance (Muriithi & Waithaka, 2020).

In the United States of America for example, despite facing challenges such as global competition, outsourcing, and technological advancements, the manufacturing sector

have adopted various growth strategies. The manufacturing sector is crucial for the nation's economy, covering industries like automobiles, aerospace, electronics, machinery, chemicals, food and beverage, and textiles. It provides employment, drives innovation, and boosts exports (United Nations Conference on Trade and Development [UNACTAD], 2023). It is opined that to continuously revitalize the sector, growth strategies like market development, product development, market penetration and diversification should be employed. Market development targets new markets, product development involves creating or enhancing products, and diversification expands into new markets or industries (Farida & Setiawan, 2022). While market penetration aims to increase market share. Government initiatives, including tax incentives and research funding, support these strategies. Furthermore, technological advancements have been instrumental in transforming the manufacturing sector. Automation, robotics, and additive manufacturing (3D printing) have improved productivity, reduced costs, and facilitated more efficient and flexible production processes (United Nations Industrial Development Organization [UNIDO], 2022).

On the other hand, China's manufacturing sector has achieved remarkable growth and global competitiveness establishing the country as a global production powerhouse. This can be attributed by the sector pursuing several corporate growth strategies. These strategies encompass market development through expansion into new domestic and international markets, enabling Chinese manufacturers to enlarge their customer base and secure a greater share of the global market (Chen, et al., 2022). Moreover, China has successfully implemented a market penetration strategy by improving its market share within existing markets, achieved through aggressive marketing, competitive pricing, and product differentiation, all of which have facilitated customer attraction and a competitive advantage.

Additionally, China's manufacturing growth has been driven by substantial investments in research and development, fostering product innovation and enabling manufacturers to offer a wide range of advanced and high-quality products that cater to evolving global consumer needs. Furthermore, diversification across industries and product lines has played a crucial role in China's manufacturing success, reducing dependency on specific sectors and expanding revenue streams, ultimately fostering sustainable growth and risk mitigation (He, et al., 2020).

In Nigeria the global financial crisis has necessitated corporate managers of manufacturing entities to seek ways to enhance survival. In response to this crisis, managers are encouraged to explore growth strategies and measures that can safeguard their businesses, ensuring resilience and continuity in the face of economic shocks (Abolarinwa, et al., 2020). Growth strategies play a crucial role in business management as they empower firms to establish a clear direction and develop strategies to achieve their goals. By implementing growth strategies, businesses can access new markets, expand their geographic footprint, and rapidly acquire cutting-edge technology, complementary skills, and core competencies. Ultimately, these efforts contribute to increased value for shareholders and investors (Ndung'u & Mutinda, 2022).

Locally, in Kenya the food and beverage manufacturing sub-sector has experienced a persistent decline in its contribution to the country's GDP, dropping from 11.16% in 2011 to 7.24% in 2021. This downward trend poses a substantial challenge to Kenya's aspirations for industrialization and presents a potential risk to its overall economic growth. In contrast, countries such as Mauritius and Egypt have demonstrated a more positive trajectory in their food and beverage manufacturing GDP contributions, indicating successful endeavours towards industrialization (Kenya Association of Manufacturers, 2023). The decline in Kenya's manufacturing sub sector performance

can be attributed to resource scarcity and market instability. To address these challenges and foster growth, market development, product development, and diversification have been proposed as the key strategies. These strategies aim to enhance the competitiveness and resilience of Kenya's food and beverage manufacturing industry (Okoth & Miroga, 2023).

Despite the government's efforts to support food and beverage manufacturing firms through infrastructure expansion and agricultural production, as well as the implementation of the Vision 2030 blueprint aimed at transforming Kenya into an industrialized economy by 2030, there are growing concerns about the consistent underperformance of these firms (Munyasya & Muathe, 2023). This raises questions about potential gaps in the strategies employed by food and beverage manufacturing firms despite the various interventions from the government. Hence, it is crucial to conduct research on the effect of corporate growth strategies on the performance of food and beverage manufacturing firms in Kenya. This research can shed light on the specific areas where improvements are needed and provide insights into how corporate growth strategies can be effectively utilized to drive the revitalization and growth of the food and beverage manufacturing sub-sector in Kenya.

1.2 Problem Statement

The manufacturing sector plays a vital role in economic growth, as it is a key component of industrialization which is essential for development. However, in Kenya the food and beverage manufacturing firms' performance has been on a decline in recent years. According to data, the contribution of the manufacturing sector to the Gross Domestic Product (GDP) has decreased from 11.16% in 2011 to 7.24% in 2021 (KAM, 2023). This decline in performance is likely due to reduced sales, decreased competitiveness, and ultimately, business failure. This poses a severe problem to these

manufacturing firms and the country's socio-economic development, as a robust manufacturing sector is essential to achieving high and sustainable economic growth, creating jobs, alleviating poverty, and reducing inequalities. The declining performance is still evident despite the government's initiatives to assist manufacturing firms in accessing larger markets in the East African Community with a population of 283.7 million people (KNBS, 2022). To address this problem, there is a need for a better understanding of the effect of corporate growth strategies on the performance of food and beverage manufacturing firms in Kenya. This will provide insights into the most effective strategies for improving the sector's performance. Additionally, it will support the government's bottom-up economic transformation agenda aimed at uplifting the economic conditions of the majority of Kenyans. It will also contribute to achieving the Sustainable Development Goals (SDGs), precisely SDG 9 that seeks to build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation (KAM, 2023).

The existing literature reveals inconsistencies in the conceptualization, context, and findings when examining the relationship between corporate growth strategies and performance. For example, Abolarinwa et al. (2020) conducted research on manufacturing firms in Nigeria, revealing a negative and significant relationship between corporate growth strategies—specifically, new market exploration and mergers and acquisitions—and performance. Similarly, Mutua and Murigi (2019) found a negative and significant relationship between corporate growth strategies and performance in their research carried out in SACCOs in Kitui County. Conversely, Kahonga and Kariuki (2020) identified a positive and significant relationship between corporate growth strategies, particularly market penetration, product development, diversification, mergers and acquisitions, and the performance of insurance companies in Kenya. Likewise, Ojwaka and Deya (2018) obtained similar results in their study of

commercial printing firms in Nairobi. These conflicting findings underscore the necessity for further research to bridge this gap and provide a clearer understanding of the effect of corporate growth strategy on performance in manufacturing sector in Kenya.

1.3 General Objective

To determine the effect of corporate growth strategies and performance of food and beverage manufacturing firms in Kenya.

1.4 Specific Objectives

- i). To determine the effect of market development strategy and performance of food and beverage manufacturing firms in Kenya.
- ii). To assess the effect of product development strategy and performance of food and beverage manufacturing firms in Kenya.
- iii). To establish the effect of market penetration strategy on performance of food and beverage manufacturing firms in Kenya.
- iv). To examine the effect of diversification strategy on performance of food and beverage manufacturing firms in Kenya.

1.5 Research Question

- i). What is the effect of the market development strategy on the performance of food and beverage manufacturing firms in Kenya?
- ii). What is the effect of product development strategies on the performance of food and beverage manufacturing firms in Kenya?
- iii). What is the effect of market penetration strategies on the performance of food and beverage manufacturing firms in Kenya?

- iv). What is the effect of diversification strategies on the performance of food and beverage manufacturing firms in Kenya?

1.6 Significance of the Study

The study on the effect of corporate growth strategies and performance of food and beverage manufacturing firms in Kenya has significant importance. It aims to determine how different corporate growth strategies impact the performance of manufacturing firms in Kenya, with a focus on market development, market penetration, and product development and diversification strategies. Firstly, the study will contribute to academic literature by providing new insights into the impact of corporate growth strategies on the performance of food and beverage manufacturing firms, particularly in the Kenyan context. The findings of the study can be used by scholars and researchers as a basis for future research.

Secondly, the study's findings will have practical implications for business leaders and managers of food and beverage manufacturing firms in Kenya. By understanding the effect of growth strategies and performance, business leaders can make informed decisions about their company's growth strategies and improve their company's performance. This can ultimately lead to increased competitiveness and profitability in the food and beverage manufacturing sector in Kenya.

Thirdly, the study's findings will have policy implications for the government and policymakers in Kenya. By understanding the impact of different corporate growth strategies on the performance of manufacturing firms, policymakers can develop policies and programs that support the growth and success of the food and beverage manufacturing sector in Kenya. This can lead to increased job creation, improved

economic growth, and overall national development. Finally, the study's findings will benefit the manufacturing industry in Kenya by providing insights into effective corporate growth strategies that can enhance the industry's growth and competitiveness. The manufacturing sector is a key driver of economic growth in Kenya, and the study's findings will have a positive impact on the sector's contribution to the Kenyan economy.

1.7 Scope of the Study

The focus of the study was to evaluate how corporate growth strategies affect the performance of food and beverage manufacturing firms in Kenya, with particular emphasis on market development, product development, market penetration, and diversification strategies. Although other strategies may also affect performance, the research concentrated on the aforementioned approaches. The research involved all food and beverage manufacturing firms that are registered with the Kenya Association of Manufacturers. Currently, there are 192 food and beverage manufacturing firms registered with the Kenya Association of Manufacturers (KAM, 2023). The respondents for this study were the operations managers of these firms.

1.8 Assumptions of the Study

This study made the assumption that the data provided by the respondents was truthful, and current. The respondents were assured of the confidentiality of their data, as the data provided was only used for academic purposes. Additionally, it was assumed that the measures of variables were to load adequately on the constructs that were studied.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

In this chapter, the literature review focused on examining the effect of corporate growth strategy and performance of food and beverage manufacturing firms in Kenya. The literature review was based on three aspects, which are theoretical, conceptual framework and empirical in order to provide a comprehensive understanding of each variable being studied.

2.2 Theoretical Review

In this section, the researcher considered the relevant theories to establish the theoretical framework of the study. The research was anchored on four key theories: Transaction Cost Economics (TCE) theory, Dynamic Capability theory, Ansoff-Matrix Theory and Resource-Based View (RBV) theory.

2.2.1 Transaction Cost Economics Theory

Ronald Coase in 1937 created the Transaction Cost Economics theory, which Oliver Williamson in 1975 improved upon. The idea is founded on a number of important presumptions. First of all, it presupposes that participants in the economy are rational and aim to reduce transaction costs. Second, it makes the assumption that transactions can occur within the market or within the boundaries of a firm. The theory also assumes that transaction costs arise from factors such as opportunism, information asymmetry, and bounded rationality (Williamson, 2010). According to Williamson (2010) the theory sheds light on the risks and costs related to various growth strategies. When businesses

should focus on internal development or external partnerships for growth, transaction cost economic theory underlines the trade-offs between internalization, such as vertical integration and market transactions. The theory assists businesses in choosing the best growth strategy, which can improve business performance (Alkasim, et al., 2018).

Habimana (2015) asserted that the theory, which largely focuses on transaction costs, oversimplifies complicated decision-making processes. To give a more thorough knowledge of company performance, additional elements such as innovation, dynamic capabilities, and market dynamics should be taken into account in addition to transaction costs. (Caballero and Soto-Onate, 2016) also argues that the theory can fall short in capturing the social and relational aspects of transactions, which might have an impact on growth plans and business performance. Nevertheless, the theory enhances understanding of how transaction costs influence the effectiveness of different growth strategies. By incorporating Transaction Cost Economics theory alongside other relevant theories, researchers can gain a comprehensive understanding of the effect of corporate growth strategies on firm performance.

2.2.2 Dynamic Capability Theory

The Dynamic Capability Theory, created by Teece, et al., (1997), emphasizes on organization's capacity for integrating and rearranging its resources and capabilities in response to shifting opportunities and market conditions. According to this theory, dynamic capabilities—including the ability to sense, seize, and reconfigure resources—are crucial for businesses to acquire and maintain a sustainable performance in dynamic contexts (Tondolo and Bitencourt, 2014). The theory highlights on understanding how organizations can effectively respond to environmental changes and exploit new opportunities. Dynamic capabilities enable firms to continuously innovate, adapt their strategies, and allocate resources efficiently. Importance of learning, knowledge

management, and flexibility is emphasized in building dynamic capabilities that drive superior firm performance. Valuable framework for designing and implementing product development strategies and diversification strategies is thus provided (Omar, 2021). (Collis and Anand, 2019) argues that the theory lacks clarity in defining and measuring dynamic capabilities, making it challenging to operationalize and apply in practice. On the other hand, Mansouri, et al., (2022) suggest that the theory does not sufficiently address the role of external factors and competitive dynamics in shaping a firm's capabilities and performance. Thus, there is need to consider industry structure, market conditions, and resource interactions in addition to internal capabilities (Munyasya and Muathe, 2023). However, the theory offers valuable perspectives on product development strategy and diversification strategy. By fostering dynamic capabilities, firms can enhance their ability to innovate, respond to market changes, and pursue growth opportunities in both product development and diversification contexts.

2.2.3 Ansoff Matrix Theory

Igor Ansoff (1950) developed the theory. It depicts how a business can examine and develop growth strategies to achieve its objectives. According to the principle, there are only two basic ways for a company to grow. Selling new items (product development) or targeting new markets (market development) are examples of this. These two approaches combine to provide four strategies: market development, product development, market penetration, and diversification (Ansoff, et al., 2019). In market penetration, an organization is assumed to grow by increased market share in the existing market and with similar service or product. It can be realized through the use of various advertising strategies and the implementation of pricing policies that may attract a client. (Sande & Waithaka, 2020). The product development strategy comprises operating in the existing market while introducing new or updated items. Existing products are generally updated to offer a new style and presentation, tempting more

customers (Zhao, et al., 2021). Furthermore, the market development strategy encourages firm growth by selling current products in a new market. Diversification, on the contrary hand, is a growth strategy that consists of selling novel products in existing markets as well as new ones (Weiwei, 2021).

Manufacturing firms consistently pursue one or two growth strategies in order to improve business performance (Mutua & Murigi, 2019). The Ansoff Matrix theory can help firms select the best growth strategy as they focus on performance. When formulating corporate growth strategies to enhance performance, an organization must evaluate the market scenario. This can be accomplished via all four facets of market development, product development, market penetration, and diversification strategy (Weiwei, 2021).

2.2.4 Resource Based View Theory

The resource-based view theory is credited to Barney, (1991), who proposed that an organization must use its internal resources to generate internal strengths in order to achieve sustainable performance. According to the theory, an organization can be thought of as a combination of immovable and heterogeneous tangible as well as intangible resources. The tangible resources consist of all the physical resources while the intangible resources encompass those assets with no physical presence. Additionally, the organizational resources should be rare, valuable, irreplaceable and imperfectly imitable (Adnan, et al., 2018). Munyasya and Muathe (2023) argues that the organizational resources must give a company the ability to act in ways that increase the firm's financial value by promoting high sales, low expenses, high margins, and other outcomes. When resources help a company develop or put into practice strategies that increase productivity and effectiveness, they are valuable. RBV aids managers in

understanding why strategies can be seen as a company's most valuable asset while also appreciating how such assets can be utilised to enhance business performance.

Oladimeji and Udosen (2019) contends that the theory overemphasizes internal resources while undervaluing the significance of outside variables and market dynamics. It is argued that RBV fails to effectively account for the impact of market conditions, consumer preferences, and industry structure on a firm's success. The success of a company is determined by both internal and external factors, including market possibilities, rivalry, and technology improvements. Nevertheless, by highlighting the necessity of leveraging and aligning internal resources to promote corporate success, resource-based view theory can inform market development strategies, product development strategies, market penetration strategies, and diversification strategies.

2.3 Empirical Review

This empirical review aims to systematically analyze and synthesize existing empirical studies to provide a comprehensive understanding the effect of corporate growth strategies on organizational performance.

2.3.1 Market Development Strategy and Performance

An examination on the relationship between market development and performance of manufacturing-based SMEs in Nigeria was carried out by (Alkasim, et al., 2018). The study utilized a cross-sectional research design and focused on manufacturing-based SMEs operating in the North-West region of Nigeria. Cluster sampling was employed to randomly select 453 respondents from the target population. Data collection was conducted through in-person administration of questionnaires, ensuring proportional representation. The study employed Partial Least Squares Structural Equation

Modelling (PLS-SEM) to test the hypotheses. The findings revealed a positive relationship between market development and SME performance. The study however, lacks a clear theoretical foundation and does not adequately explain the process of determining the sample size. It is crucial to provide a rationale for the sample size selection to ensure representativeness and statistical power. Moreover, the absence of precise recommendation section hinders the practical implications and application of the findings in real-world contexts.

Munyasya and Muathe, (2023) examined the impact of market development strategies on the performance of cement manufacturing firms in Kenya, drawing on the resource-based theory. Employing a descriptive research design, the study targeted 159 managers from eight cement manufacturing firms in Kenya, utilizing a census methodology due to the small population size. Primary data was collected using structured questionnaires and analysed through descriptive and simple linear regression methods. The findings demonstrated a significant positive relationship between market development strategies and performance. Consequently, the study recommended that cement company management invest in conducting behavioural analysis to understand customer needs, prioritize research and development, and enhance business-to-customer networks to improve profitability. However, it is worth noting that the researcher did not provide a rationale for the choice of the study's scope, which could limit the overall understanding and interpretation of the findings

In their study, Muchele and Kombo, (2019) examined the relationship between market development strategies and the performance of food manufacturing firms in Nairobi County, Kenya. The target population for the study consisted of 87 food manufacturing firms in Nairobi, all of which were members of the Kenya Association of Manufacturers. A sample of 71 manufacturing firms was selected from this population

using proportionate sampling. Data for the study was collected through the use of a questionnaire that utilized closed-ended Likert-type scales. The questionnaires were distributed to the respondents either in person or electronically, depending on their preferred method of participation. The respondents were asked to rate their perceptions of growth strategies and organizational performance. The data collection process took place over a six-month period, from June to December 2018. The results of the regression analysis revealed a statistically significant positive relationship between the variables under investigation. However, it is important to note that the study lacked a theoretical foundation, which may limit the interpretation of the findings. Additionally, the study did not provide specific measures for the variables of interest, which could affect the accuracy and reliability of the results. Furthermore, the researchers did not provide a justification for the chosen scope of the study, which may raise questions about the generalizability of the findings.

2.3.2 Product Development Strategy and Performance

Research was carried out by Ogbor and Edeme, (2021) on the Nigerian food and beverage industry, the relationship between new product development strategies and marketing performance was examined. The study focused on the independent variables of new product quality, new product packaging, and product branding, anchored on the Ansoff Matrix model. Using a survey research design, employees from six selected firms in Lagos State, namely Chi Limited, Crown Drinks Limited, Leventis Foods Limited, Unilever Nigeria, Nestle Nigeria Plc, and Cadbury Nigeria Plc, participated in the study. The research utilized a Likert scale questionnaire for data collection, employing both simple random sampling and stratified random sampling techniques to ensure a representative sample of 221 staff members. Data analysis involved descriptive statistics and multiple regression analysis. The findings revealed a positive impact of new product development strategies on marketing performance. Consequently, the

study recommends careful brand name selection, assessing strengths and weaknesses in new product development, and leveraging enterprise capabilities to create unique products that meet market needs. However, it is essential to acknowledge some limitations of the study. Firstly, the exclusive reliance on survey-based data collection may constrain the depth of understanding and exploration of the topic. Furthermore, the generalizability of the findings might be limited to the specific context of the Nigerian food and beverage industry.

An evaluation on the relationship between product development strategy and performance of small and medium enterprises in Benue State Nigeria was carried out by (Asenge & Asue, 2020). The study was anchored on business growth theory. The study employed a survey research design to investigate the relationship between product development and the performance of small and medium enterprises (SMEs) in the Makurdi Metropolis of Benue State, Nigeria. The target population comprised 281 SMEs, which were further classified into four sub-sectors: Retail/Wholesale (92), Services (75), Agri-business (69), and Manufacturing (45). The study specifically targeted owner-managers of these selected SMEs. To gather data, a self-administered questionnaire was used as the primary instrument. The questionnaire utilized a four-point Likert scale to measure respondents' agreement levels. Content validity was ensured by consulting experts to verify if the questionnaire adequately captured the desired constructs, while factor analysis, including Exploratory Factor Analysis (EFA) and Confirmatory Factor Analysis (CFA), was employed to evaluate the construct validity of the instrument. The questionnaire was distributed in-person by two research assistants, and data analysis involved the use of mean, standard deviation, and multiple linear regression. It was concluded that product development strategy significantly affects the performance of SMEs. However, the study did not provide any specific recommendations based on the findings. Furthermore, the justification for selecting the

scope of the study, such as focusing on SMEs in the Makurdi Metropolis and the four sub-sectors of Retail/Wholesale, Services, Agri-business, and Manufacturing, was not provided.

Omosa, et al., (2022) did a study examining product development strategy role on performance of tea factories in Kenya. This study was based on the Ansoff Matrix theory and Agency theories, and it utilized a descriptive research design. The specific regions selected for the study were Kisii and Kericho Highlands. The population of the study was 701, with a sample size of 364 determined using Yamane's (1967) formula. Simple random sampling was employed to select the respondents. Data was collected through a self-constructed questionnaire, and a pilot study was conducted to assess the reliability of the data collection instruments at Kagwe and Theta Tea Factories in the Aberdare Ranges region. The reliability test using Cronbach's Alpha coefficient yielded an overall coefficient of 0.903. Descriptive statistics, such as mean, standard deviation, percentages, and frequencies, were used for data analysis. The regression analysis showed a positive impact of product development strategy on firm performance. The study concluded that tea factories use business growth strategies to enhance performance and employ product development strategies to gain a competitive advantage and appeal to customers. Based on these findings, the researcher recommends that management invest in new ideas and allocate adequate funds to foster creativity in product development, leading to improved innovation, product appeal, and cost reduction. However, the study did not provide justification for the chosen scope, which is a limitation to consider.

Munyasya and Muathe, (2023) examined the impact of product development strategies on the performance of cement manufacturing firms in Kenya, drawing on the dynamic capability theory. Employing a descriptive research design, the study targeted 159

managers from eight cement manufacturing firms in Kenya, utilizing a census methodology due to the small population size. Primary data was collected using structured questionnaires and analysed through descriptive and simple linear regression methods. The findings demonstrated a significant positive relationship between product development strategies and performance. Consequently, the study recommended that cement company management invest in employee training, conduct behavioural analysis to understand customer needs, prioritize research and development for innovative products, employ diverse product development strategies supported by market research, and enhance business-to-customer networks to improve profitability. However, the researcher did not provide a rationale for the choice of the study's scope.

Muchele and Kombo, (2019) did a study examining the relationship between product development strategies and performance of food manufacturing firms in Nairobi County, Kenya. The target population for this study encompassed all food manufacturing firms in Nairobi, Kenya, totalling 87 firms that were members of the Kenya Association of Manufacturers. From this population, a sample of 71 manufacturing firms was selected using proportionate sampling. The data for this study was collected through a questionnaire using closed-ended Likert-type scales, which were distributed to the respondents in person or electronically based on their preferences. The respondents were asked to rate their perceptions of growth strategies and organizational performance, and the data collection took place over a period of six months from June to December 2018.

The regression results indicated a statistically significant positive relationship between the study variables. However, it is worth noting that the study lacked a theoretical foundation and did not provide any recommendations based on the identified variables.

2.3.3 Market Penetration Strategy and Performance

Research by Adamu, (2020) examined market penetration effect on performance of medium scale enterprises in Makurdi Metropolis, Benue State, Nigeria. The study examined market segmentation, product packaging, sales promotion, and product pricing as measures of market penetration. Primary data was collected through structured questionnaires from a sample of 225 SMEs out of a total of 512, determined using the Yamane formula and selected through simple random sampling. The regression analysis results revealed that market penetration did not have a significant relationship with the performance of the SMEs. The study recommended increasing the study population to enhance the generalizability of the results and expanding the research to include other sectors of the economy. However, it is important to note that the study did not provide a theoretical foundation.

A review on market penetration strategies and performance of Agrochemical firms in Nakuru County was conducted by (Muriithi and Waithaka, 2020). The study was grounded on the Ansoff Matrix model. It employed a descriptive survey design and targeted 20 agrochemical firms operating in Nakuru County. Three senior managers, including general managers, finance managers, sales managers, and technical managers, were selected from each company, resulting in a total of 60 respondents. The primary data was collected using questionnaires, and the analysis involved descriptive statistics and a simple linear regression model. The study found a significant positive relationship between market penetration and performance. Consequently, it was recommended that the government develop supportive policies to facilitate the adoption of market penetration strategies by agrochemical firms, thereby enhancing their performance and contributing to the growth of the agriculture sector. It is worth noting that the study specific measures for the variables, justification for the chosen scope, and a comprehensive global and regional view of the study background.

A study conducted by Asenge and Asue, (2020) examined the correlation between market penetration strategy and the performance of small and medium enterprises (SMEs) in Benue State, Nigeria. The study was anchored on business growth theory. The study employed a survey research design to investigate the relationship between product development and the performance of small and medium enterprises (SMEs) in the Makurdi Metropolis of Benue State, Nigeria. The target population comprised 281 SMEs, which were further classified into four sub-sectors: Retail/Wholesale (92), Services (75), Agri-business (69), and Manufacturing (45). The study specifically targeted owner-managers of these selected SMEs. To gather data, a self-administered questionnaire was used as the primary instrument. The questionnaire utilized a four-point Likert scale to measure respondents' agreement levels. Content validity was ensured by consulting experts to verify if the questionnaire adequately captured the desired constructs, while factor analysis, including Exploratory Factor Analysis (EFA) and Confirmatory Factor Analysis (CFA), was employed to evaluate the construct validity of the instrument. The questionnaire was distributed in-person by two research assistants, and data analysis involved the use of mean, standard deviation, and multiple linear regression. It was concluded that market penetration strategy significantly affects the performance of SMEs. Nevertheless, no specific recommendations were provided based on the findings. Furthermore, the justification for selecting the scope of the study was not mentioned.

Munyasya and Muathe, (2023) conducted a study to explore the impact of market penetration strategies on the performance of cement manufacturing firms in Kenya. The study employed a descriptive research design and targeted 159 managers from eight cement manufacturing firms in Kenya, utilizing a census methodology due to the small population size. Primary data was collected through structured questionnaires and analyzed using descriptive and simple linear regression methods. The findings indicated

a significant positive relationship between market penetration strategies and performance.

However, the study did not provide a rationale for the selection of its scope. Additionally, the study did not provide any specific recommendations based on the identified relationship between the studies variables. This omission limits the practical implications of the research and its potential for guiding decision-making and strategy development in the industry.

In a study conducted by Muchele and Kombo, (2019) the relationship between market penetration strategies and the performance of food manufacturing firms in Nairobi County, Kenya was examined. The target population consisted of 87 food manufacturing firms in Nairobi, all of which were members of the Kenya Association of Manufacturers. A sample of 71 manufacturing firms was selected from this population using proportionate sampling. Data for the study was collected through a questionnaire that utilized closed-ended Likert-type scales. The questionnaires were distributed to the respondents in person or electronically, depending on their preferred mode of participation. The respondents were asked to rate their perceptions of growth strategies and organizational performance. The data collection process spanned a period of six months, from June to December 2018. The regression analysis revealed a statistically significant positive relationship between the variables under investigation. However, it is important to note that the study lacked a theoretical foundation and did not provide any specific recommendations based on the identified variables.

2.3.4 Diversification Strategy and Performance

Oladimeji and Udosen, (2019) conducted research on diversification strategy effect on organization performance. They measured diversification using related, unrelated, and hybrid diversification, while performance was assessed using indicators such as ROA,

ROI, and ROE. The study drew upon the Modern Portfolio Theory and the Resource-based view as its theoretical frameworks. An ex-post facto research design was employed for the study. The respondent population consisted of thirty-one organizations listed on the Nigerian Stock Exchange (NSE) over a 20-year period (1997-2017). The sample size comprised six organizations that were purposively selected based on their longevity and level of diversification. Data was collected from the financial reports of the selected organizations. The study concluded that diversification serves as a strategic tool for achieving strategic relevance and enhancing performance. However, the study did not provide a justification for the chosen research period.

In their study, Munyasya and Muathe, (2023) investigated the impact of diversification strategies on the performance of cement manufacturing firms in Kenya, utilizing the dynamic capability theory as a theoretical framework. Employing a descriptive research design, the study focused on 159 managers from eight cement manufacturing firms in Kenya, adopting a census methodology due to the small population size. Primary data was collected through structured questionnaires and analysed using descriptive and simple linear regression methods. The results revealed a significant positive relationship between diversification strategies and performance. However, the study did not provide a rationale for the selection of its scope and did not offer any specific recommendations based on the study variables.

A study conducted by Muchele and Kombo, (2019) investigated the relationship between diversification strategies and the performance of food manufacturing firms in Nairobi County, Kenya. The target population comprised 87 food manufacturing firms in Nairobi, all of which were members of the Kenya Association of Manufacturers. Proportionate sampling was used to select a sample of 71 manufacturing firms from this population. Data for the study was collected using a questionnaire that employed

closed-ended Likert-type scales. The questionnaires were distributed to the respondents either in person or electronically, depending on their preferred mode of participation. The respondents were requested to rate their perceptions of growth strategies and organizational performance. The data collection process spanned six months, from June to December 2018. The results of the regression analysis revealed a statistically significant positive relationship between the variables under investigation. However, it is noteworthy that the study lacked a theoretical foundation and did not provide specific recommendations based on the identified variables.

2.3.5 Performance of Food and Beverage Firms in Kenya

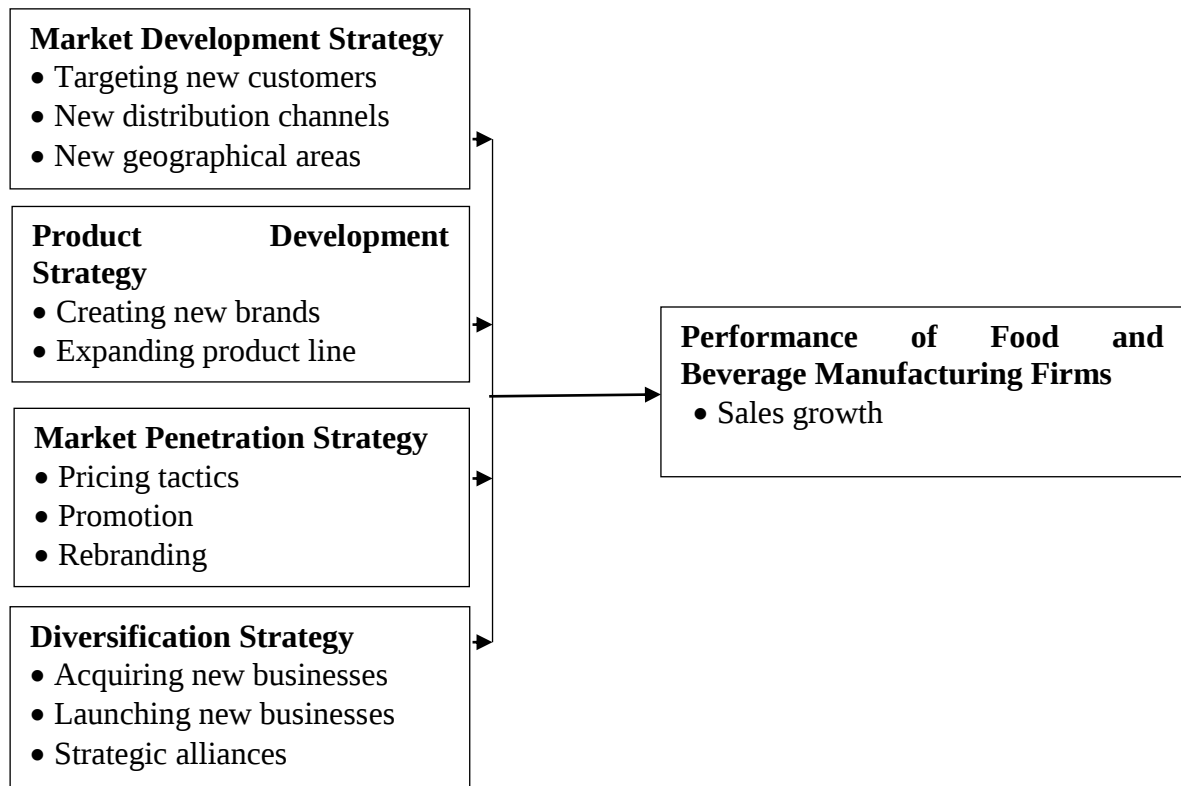
The food and beverage industry in Kenya has a substantial economic contribution to the economy. According to KAM (2023), the sector contributes 7.24% to the country's GDP and employs a significant portion of the workforce. This contribution underscores the sector's importance in driving economic growth and development. It operates in a dynamic market characterized by intense competition, changing consumer preferences, and regulatory challenges. Research by Muchele and Kombo (2019) emphasizes the competitive nature of the market, with firms constantly innovating to stay relevant and maintain market share. Additionally, regulatory frameworks, such as food safety standards and taxation policies, impact firms' operations and performance (Omosa, et al., 2022).

Several studies have examined the performance of food and beverage firms in Kenya. Muthomi et al. (2017) found that firm size, market share, and product diversification significantly influence performance metrics such as profitability and liquidity. Moreover, factors such as access to finance and investment in technology have been identified as determinants of firm performance (Muchele and Kombo, 2019). The export performance of Kenyan food and beverage firms has also received attention in

the literature. Osano (2019) highlights the challenges faced by firms in accessing international markets, including non-tariff barriers and compliance with quality standards. However, successful firms have been able to leverage opportunities in regional and global markets to enhance their competitiveness and expand their export base (Kibet et al., 2018). Increasingly, sustainability practices have become a focal point for food and beverage firms in Kenya. Studies by (Osano, 2019; Chege and Mwangi, 2019) examine the adoption of sustainable practices such as environmental conservation, ethical sourcing, and community engagement. These practices not only contribute to long-term profitability but also enhance firms' reputation and brand image.

2.4 Conceptual Framework

This section illustrates a diagrammatic depiction of the connection between the independent variables and the dependent variable. The conceptual framework delineates how the variables interact within the study, showcasing the relationship between market development strategy, product development strategy, market penetration strategy, diversification strategy, and the performance of food and beverage manufacturing firms.



Independent variables
Figure 2.1: Conceptual Framework

Dependent variable

2.5 Research Gaps

Despite the valuable insights provided by the reviewed studies on the relationship between corporate growth strategies and firm performance across various industries and regions, there exists a notable research gap that warrants further investigation. The majority of the studies lack a robust theoretical foundation, particularly in the context of market development, product development, market penetration, and diversification strategies. A clear theoretical framework is essential for guiding research design, hypothesis formulation, and result interpretation (Sekaran & Bougie, 2016).

Additionally, the studies often overlook the importance of justifying their chosen scope, such as the specific sectors or regions under examination, which raises questions about the generalizability and applicability of their findings. Furthermore, there is a consistent absence of specific and practical recommendations based on the identified relationships between corporate growth strategies and firm performance, limiting the practical implications and actionable insights that could benefit practitioners, policymakers, and scholars in the field. Addressing these gaps in research would contribute to a more comprehensive understanding of the dynamics between corporate growth strategies and organizational performance, enhancing the relevance and applicability of the findings in real-world contexts (Gómez & Mouselli, 2018). Therefore, the study will seek to determine the effect of corporate growth strategies and performance of food and beverage manufacturing firms in Kenya.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presented a comprehensive overview of the research design and methodology employed in the study. It discussed the chosen research design, the target population under investigation, the sampling design, determination of the sample size, the data collection tools and techniques, and the procedures for data analysis.

3.2 Research Design

Research design is the systematic, thorough plan that directs the process of conducting research to get valid and reliable results. A good research design has a purpose that is uniformly consistent with the research questions or hypothesis and the suggested research method (Vogt & Johnson, 2011). The study utilized a descriptive survey research design, which involves collecting data from a representative sample using instruments like questionnaires, observations, and interviews, to investigate relationships between variables, test hypotheses, and develop theories. It is conducted with the aim of understanding and representing the characteristics of specific variables within a given context (Sarsfield & Garson, 2017). The research design was appropriate as it assisted in gaining more knowledge on the traits of population in a certain circumstance. In addition, it presented a plan for more investigation and research and this assisted in simple decision making.

3.3 Target Population

A target population, refers to the complete group of individuals or objects that hold the researcher's interest for investigation. It encompasses the entirety of individuals or

objects that share observable characteristics in common (Sekaran & Bougie, 2016). The study targeted all the food and beverage manufacturing firms that were registered with the Kenya Association of Manufacturers. Currently, there were 192 food and beverage manufacturing firms registered with the (Kenya Association of Manufacturers [KAM], 2023). The reason for focusing on food and beverage manufacturing firms is that they had the highest number of firms among the 14 sectors in the classification of manufacturing firms. The participants in the study consisted of the operations managers from these 192 food and beverage manufacturing firms registered with the Kenya Association of Manufacturers.

3.4 Sample and Sampling Techniques

Sampling is the method employed by researchers to choose individuals, objects, or locations that can provide valuable insights for a study. This involves the systematic selection of specific individuals or items from the larger target population, with the intention of capturing traits that accurately represent the entire population (Orodho, 2003). The study utilized a simple random sampling technique to choose the sample respondents for the study from the target population. This selection process involved using a random number table until the desired sample size was attained. This approach guaranteed that the selection of the sample is entirely random, providing every population member an equal opportunity to be chosen as a sample and thus preventing bias (Sekaran & Bougie, 2016).

The calculation of the sample size was based on the Yamane (1967) formula, utilizing a confidence level of 95 percent and a margin of error of 0.05.

$$n = \frac{N}{1 + N(e)^2}$$

Where;

n is the sample size,
N is the population size,
e is the level of precision.

The Yamane (1967) formula was used because the population is known. This approach facilitated data collection and analysis, which enabled generalization of the findings to the entire population.

$$n = \frac{192}{1 + 192 (0.05)^2} = 130$$

Therefore, the sample size for this study was 130 operational managers from the identified manufacturing firms. The operational managers were purposefully selected, given that they were responsible for the implementation of corporate growth strategies and have a good understanding of the research topic under investigation.

3.5 Research Instruments

Data collection is the process of gathering information guided by the study variables, which can be either qualitative or quantitative. The objective of data collection is to examine the outcomes of the study (Adams & Lawrence, 2018). After identifying the study respondents, the researcher proceeds to gather data from them. This involves selecting suitable data collection instruments and procedures. In this study, the researcher collected primary data. The primary data was acquired through the use of a self-administered questionnaire. The questionnaire was specifically designed to collect data on the corporate growth strategies and performance of food and beverage manufacturing firms in Kenya. Each parameter in the structured questionnaire was tailored to address the specific objectives of the study. The questions presented to the respondents was structured using a five-point Likert scale.

3.6 Pilot Study

A pilot test was conducted to ascertain the validity and reliability of the questionnaire in acquiring pertinent data for this research. Valid data are representative of what they aim to portray, allowing for meaningful conclusions to be drawn. Conversely, reliable data are collected by a researcher at different instances, yet consistently yield the same responses using identical methods. A pilot test aids researchers in formulating a questionnaire that yields essential outcomes (Catane, 2002). It is also crucial as it reveals weaknesses that might exist within the questionnaire. For instance, uncertain guidelines, vague queries, and a universal design which can be identified through the pilot test (Pine, 2009). The pilot test was conducted within the 11 fresh produce manufacturing firms registered by the Kenya Association of Manufacturers. These firms were not included in the final study (Sekaran & Bougie, 2016).

3.6.1 Validity Test

Validity refers to the extent to which the results derived from data analysis accurately represent the situation being studied (Sekaran & Bougie, 2011). It involves determining whether the questionnaire content effectively evaluates the intended concepts. It addresses the accuracy with which the collected data reflects the study's variables. The study utilized content validity, which involves employing expert raters familiar with a particular phenomenon to review and provide input on enhancing the content of data collection instruments (Saunders, et al., 2009). The research supervisors and strategy experts reviewed the study questionnaire, and their feedback were integrated into the questionnaire before proceeding with the main data collection.

3.6.2 Reliability Test

Reliability is a measure of the extent to which a research tool consistently yields stable results or data across repeated trials. To enhance reliability, the study employed the Cronbach's alpha approach (Saunders, et al., 2009). The internal consistency of the questionnaire was assessed using Cronbach's alpha. A Cronbach's alpha value of 0.8 or higher is indicative of very good reliability, while values between 0.7 and 0.8 are considered good. Values falling between 0.6 and 0.7 indicate fair and satisfactory reliability (Zikmund et al., 2013). Reliability was examined by calculating the correlation between the responses to each question within the questionnaire.

3.7 Data Analysis and Presentation

The collected data, utilizing a five-point Likert scale, was subjected to data analysis. Initially, the completed questionnaires were carefully reviewed for accuracy and then coded for further analysis. Descriptive statistics, including frequencies and percentages, were computed. The results of analysis were presented using bar graphs and frequency tables. Furthermore, multiple linear regression analysis was employed to examine the relationship between the independent variables and the dependent variable. The regression equation for the study is as follows:

$$P = \beta_0 + \beta_1 * MDS + \beta_2 PDS + \beta_3 * MPS + \beta_4 * DS + \epsilon_t$$

Where;

ME – market development strategy, PDS – product development strategy, MPS – market penetration strategy, DS– diversification strategy

β_0 - constant, β_1 – Coefficient of market development strategy, β_2 – Coefficient of product development strategy, β_3 – Coefficient of market penetration strategy, β_4 – Coefficient of diversification strategy and ϵ_t – Regression error term

3.8 Diagnostic Tests

3.8.1 Autocorrelation

The Durbin-Watson test is commonly used to detect the presence of autocorrelation within the residuals of a regression analysis. The test statistic for Durbin-Watson ranges between 0 and 4. A value around 2 signifies the absence of autocorrelation. A result higher than 2 indicates positive serial correlation, while a value less than 2 indicates negative serial correlation. If the Durbin-Watson statistic falls below 1.5 or exceeds 2.5, it may signal a substantial autocorrelation issue. However, if the value lies between 1.5 and 2.5, it typically suggests that autocorrelation is less of a concern (Griffith, 2013).

3.8.2 Normality Test

The Shapiro-Wilk test is a method used to assess the normality of residuals associated with variables in a study. In this test, the null hypothesis assumes that the residuals conform to a normal distribution. Typically, the normality hypothesis is rejected if the significance level is equal to or less than 5 percent (0.05). A p-value obtained from the Shapiro-Wilk test that is below 0.05 indicates significant deviation of the residuals from a normal distribution, leading to the rejection of the assumption of normality. Such results suggest that the residuals may not adhere to a normal distribution pattern.

3.8.3 Multicollinearity

The study conducted tests to examine the presence of multicollinearity, a condition where predictor variables exhibit strong correlations with each other. Multicollinearity can impact the reliability of regression analysis, potentially necessitating the removal of one or more predictor variables to mitigate its effects. Various methods were employed to analyse multicollinearity, including assessments based on tolerance and variance inflation factor (VIF). These diagnostic measures help evaluate the extent of interrelationships among predictors.

3.8.4 Heteroscedasticity

The Breusch-Pagan test was conducted to examine heteroscedasticity, which refers to a situation where the variability of residuals differs across various levels of measured values, indicating unequal residual variance. The Breusch-Pagan test was conducted to assess the presence of heteroscedasticity by examining the null hypothesis that assumes homoscedasticity or constant variance of residuals. The statistical test fails to reject the null hypothesis when the p-value is greater than the conventional significance level of 0.05.

3.9 Ethical Issues

The researcher adhered to a high level of ethical standards throughout the study. The responses obtained from the participants were kept confidential and only used for academic purposes. The researcher sought permission from the relevant authorities, including NACOSTI and the university, to obtain research authorization. Prior to completing the questionnaire, the researcher explained the purpose of the study to the participants and request their participation. Only those who provide consent were included in the data collection process. An introduction letter accompanying the questionnaires invited the participants to cooperate, and a letter from the university confirmed that the study is solely for academic purposes and ethical principles were to be upheld.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 Introduction

The research sought to evaluate how corporate growth strategies affect the performance of food and beverage manufacturing firms in Kenya. Specifically, it examined how market development, market penetration, product development, and diversification strategies influence performance. This section presents the results derived from evaluating reliability, response rate, descriptive statistics, and the outcomes drawn from four research questions corresponding to the research objectives.

4.2 Reliability Test

Reliability refers to the degree of consistency or dependability in the assessment or measurement of a specific concept or phenomenon. It indicates the extent to which a measurement or assessment tool yields consistent and stable results over multiple instances or under varying conditions (Zikmund, et al., 2013). The researcher constructed a set of queries employing a 5-point Likert scale and distributed them among the participants in the study. To ensure the reliability and consistency of these questions concerning the study variables, the researcher employed Cronbach's alpha coefficient. The results of this assessment are outlined in Table 4.1.

Table 4.1 Reliability Test Results

Study Variables	Item	Cronbach Alpha	Verdict
Market development strategy	7	0.760	Reliable
Market penetration strategy	7	0.708	Reliable
Product development strategy	6	0.747	Reliable
Diversification strategy	7	0.742	Reliable
Performance	3	0.756	Reliable

Based on the information provided in Table 4.1, the variables examined in the study demonstrated Cronbach's alpha coefficient values exceeding 0.7 during the reliability evaluation. The range of Cronbach's alpha coefficients spanned from 0.701 to 0.801. In research practice, a reliability value surpassing 0.7 is generally accepted as satisfactory (Ursachi, et al., 2015). Consequently, the questionnaire used in the study demonstrated suitable internal consistency, suggesting that the respondents' answers were reliable and consistent. The results obtained from the 5-point Likert scale questions pertaining to both the independent and dependent variables were subsequently employed for further analysis in the study.

4.3 Response Rate

The questionnaire in the study was structured to gather insights on how corporate growth strategies influence the performance of food and beverage manufacturing firms in Kenya. The researcher distributed this questionnaire to 130 individuals in the sample group. Remarkably, 105 individuals responded to the questionnaire, yielding an 81 percent response rate. It's important to note that response rates above 60 percent are typically deemed satisfactory, while rates between 70 percent to 85 percent are considered highly favourable. Response rates surpassing 85 percent are regarded as excellent (Masden & Wright, 2010). In this study, the 81 percent response rate signifies that the gathered responses from the participants are substantial and can be effectively employed for subsequent data analysis.

4.4 Descriptive Statistics

As part of the initial data analysis, the researcher conducted descriptive statistics to comprehensively understand the dataset. Questions aligned with the response and predictor variable measures were formulated, asking respondents to indicate their level

of agreement using a rating scale ranging from 1 to 5. The scale's interpretation was structured as follows: a rating of 5 indicated "strongly agree," 4 meant "agree," 3 represented "neutral" or "not sure," 2 denoted "disagree," and 1 stood for "strongly disagree." The outcomes are organized based on the study variables.

4.4.1 Descriptive Statistics for Market Development Strategy

The initial objective of the study was to evaluate the effect of market development strategy on performance. Respondents were requested to respond to questions regarding specific measures of market development strategy, including targeting new customers, new distribution channels, and new geographical areas.

The highest-rated feedback highlighted the importance of targeting new customers for growth and the value of exploring untapped markets, earning an average score of 4.45 with a narrow standard deviation of 0.500. This low deviation indicates a strong consensus among respondents. Notably, 44.8 percent strongly agreed, while 55.2 percent agreed that targeting new customers and delving into unexplored markets are crucial. This high level of agreement underscores a widespread consensus among respondents regarding the significance of these strategies.

Similarly, the assessment of diversifying distribution channels to enhance customer outreach yielded an average score of 4.13, with a slightly lower standard deviation of 0.666. This reduced deviation implies minimal diversity in the responses. To elaborate, 29.5 percent of participants strongly agreed, 54.3 percent agreed, and 16.2 percent remained neutral. This strong alignment among respondents emphasizes a prevalent consensus regarding the positive impact of diversifying distribution channels on expanding customer reach.

Conversely, the evaluation of new distribution channels attracting more customers resulted in a mean score of 4.03, but it had a lower standard deviation of 0.627. This reduced standard deviation suggests minimal variations in the responses. Specifically, 21.0 percent of respondents strongly agreed, 61.0 percent agreed, and 18.1 percent were neutral. This substantial level of consensus underscores that a majority of respondents held a similar perspective regarding the ability of new distribution channels to draw in more customers.

Moreover, evaluating that it's advantageous to open new sales channels yielded a mean score of 3.97, with a lower standard deviation of 0.672, indicating limited variability in the responses. To elaborate, 21.0 percent of respondents strongly agreed, 55.2 percent agreed, and 23.8 percent expressed neutrality. This significant level of consensus emphasizes that most respondents shared a similar perspective that it's beneficial to open new sales channels.

Furthermore, the evaluation emphasizing expanding the customer base as a priority resulted in a mean score of 3.71, accompanied by a slightly elevated standard deviation of 0.863, indicating a slightly higher variability in responses. Noteworthy is that 14.3 percent of respondents strongly agreed, 55.2 percent agreed, 18.1 percent remained neutral, while 12.4 percent disagreed. This array of responses suggests that while a significant portion agreed or strongly agreed on the priority of expanding the customer base, a notable segment either held a neutral stance or expressed disagreement with this perspective.

Conversely, the question on geographical diversification leads to growth garnered a mean score of 3.58, and the standard deviation was notably higher at 0.959. This higher standard deviation indicates more pronounced variations of responses among

respondents. Specifically, 16.2 percent of respondents strongly agreed with the statement, while 42.9 percent agreed. In contrast, 23.8 percent expressed a neutral stance, and another 17.1 percent disagreed with the notion. The presence of such varying levels of agreement, neutrality, and disagreement contributes to the broader spectrum of opinions concerning this specific aspect of the study, as indicated by the higher standard deviation. The results of this assessment are outlined in Table 4.2.

Table 4.2 Descriptive Analysis Results for Market Development Strategy

Question	SA	A	N	D	SD	Mean	Standard
	%	%	%	%	%	Statistic	Deviation
Targeting new customers is essential for growth.	44.8	55.2	0.0	0.0	0.0	4.45	0.500
Expanding the customer base is a priority.	14.3	55.2	18.1	12.4	0.0	3.71	0.863
Opening new sales channels is advantageous.	21.0	55.2	23.8	0.0	0.0	3.97	0.672
Diversifying distribution enhances reach.	29.5	54.3	16.2	0.0	0.0	4.13	0.666
New distribution channels attract customers.	21.0	61.0	18.1	0.0	0.0	4.03	0.627
Geographic diversification leads to growth.	16.2	42.9	23.8	17.1	0.0	3.58	0.959
Tapping into unexplored markets is valuable.	44.8	55.2	0.0	0.0	0.0	4.45	0.500

4.4.2 Descriptive Statistics for Product Development Strategy Descriptive Statistics

The second objective of the study was to evaluate the effect of product development strategy on performance. Respondents were requested to respond to questions regarding specific measures of product development strategy, including creating new brands, expanding product line and developing new features.

The highest-rated feedback was on whether adding new product features enhances its appeal, earning a mean score of 4.45 with a narrow standard deviation of 0.500. This low deviation indicates a strong consensus among respondents. Notably, 44.8 percent strongly agreed, while 55.2 percent agreed that adding new product features enhances its appeal. This substantial level of agreement emphasizes a prevalent consensus among the participants regarding this statement. Likewise, the assessment of whether introducing unique features differentiates the firm in the market yielded a mean score of 4.32, with a slightly lower standard deviation of 0.470. This reduced deviation implies minimal diversity in the responses. Specifically, 32.4 percent of participants strongly agreed, and 67.6 percent agreed. This high level of alignment among respondents underscores a widespread consensus regarding the significance of introducing unique features to differentiate the firm in the market.

Additionally, the evaluation that having multiple brands increases market share resulted into a means score of 4.18 with a lower standard deviation of 0.387. This reduced deviation implies minimal diversity in the responses. Particularly, 18.1 percent of participants strongly agreed, while 81.9 percent agreed. This strong alignment among respondents underscores a prevailing consensus regarding the impact of having multiple brands on enhancing market share. Moreover, the question on sales is driven by continuous features development garnered a mean score of 3.93 and a slightly higher standard deviation of 0.737. This slightly increased deviation implies a slightly higher

diversity in the responses. Specifically, 23.8 percent of participants strongly agreed, 45.7 percent agreed while 30.5 percent remained neutral. The presence of these differing levels of agreement and neutrality contributes to a wider range of opinions concerning this specific aspect of the study, as reflected by the slightly higher standard deviation.

Furthermore, the evaluation on brand image is strengthened by expanding the product line resulted in a mean score of 3.62, accompanied by a slightly elevated standard deviation of 0.764, indicating a slightly higher variability in responses. Noteworthy is that 4.8 percent of respondents strongly agreed, 64.8 percent agreed, 18.1 percent remained neutral, while 12.4 percent disagreed. This array of responses suggests that while a significant portion agreed or strongly agreed that brand image is strengthened by expanding the product line, a notable segment either held a neutral stance or expressed disagreement with this perspective.

Conversely, the question on a broader product line enhances customer loyalty and developing new brand identities attracts customers garnered a mean score of 3.58 and 3.37 respectively. The standard deviations for these were notably higher at 0.907 and 1.04, indicating more pronounced variations in responses among the respondents. This higher standard deviation indicates more pronounced variations of responses among respondents. Specifically, 14.3 percent of respondents strongly agreed with the statement, while 36.2 percent agreed. In contrast, 21.9 percent expressed a neutral stance, and another 27.6 percent disagreed with the notion that broader product line enhances customer loyalty. On the other hand, 14.3 percent of respondents strongly agreed with the statement, while 43.8 percent agreed. In contrast, 27.6 percent expressed a neutral stance, and another 14.3 percent disagreed with the notion that developing new brand identities attracts customers. The presence of such varying levels

of agreement, neutrality, and disagreement contributes to the broader spectrum of opinions concerning this specific aspect of the study, as indicated by the higher standard deviations. The results of this assessment are outlined in Table 4.3.

Table 4.3 Descriptive Analysis Results for Product Development Strategy

Question	SA	A	N	D	SD	Mean	Standard
	%	%	%	%	%	Statistic	Deviation
Developing new brand identities attracts customers.	14.3	36.2	21.9	27.6	0.0	3.37	1.04
Having multiple brands increases market share.	18.1	81.9	0.0	0.0	0.0	4.18	0.387
A broader product line enhances customer loyalty.	14.3	43.8	27.6	14.3	0.0	3.58	0.907
Expanding the product line strengthens brand image.	4.8	64.8	18.1	12.4	0.0	3.62	0.764
Adding new features enhances product appeal.	44.8	55.2	0.0	0.0	0.0	4.45	0.500
Continuous feature development drives sales.	23.8	45.7	30.5	0.0	0.0	3.93	0.737
Introducing unique features differentiates us in the market.	32.4	67.6	0.0	0.0	0.0	4.32	0.470

4.4.3 Descriptive Statistics for Market Penetration Strategy

The third objective of the study was to evaluate the effect of market penetration strategy on performance. Respondents were requested to respond to questions regarding specific measures of market penetration strategy, including pricing tactics, promotion and rebranding.

The highly rated response was on rebranding can differentiate the firm from competitors with a mean of 4.45 with a narrow standard deviation of 0.500. This minimal deviation indicates a substantial consensus among respondents. Remarkably, 44.8 percent strongly supported this viewpoint, while an additional 55.2 percent concurred that rebranding holds the potential to distinguish the firm from its competitors. This overwhelming agreement among respondents signifies a widespread acknowledgment of the significant impact that rebranding can have in establishing a unique market identity for the company. Likewise, the assessment of whether offering discounts attracts price-sensitive customers yielded a mean score of 4.22, with a standard deviation of 0.707. The standard deviation implies diversity in the responses. Particularly, 38.1 percent of participants strongly supported this notion, while 44.7 percent expressed agreement. Additionally, 16.2 percent maintained a neutral stance on the matter. This substantial level of agreement among respondents underscores a prevalent acknowledgment of the effectiveness of offering discounts in appealing to price-sensitive customers.

On the other hand, the assessment of whether dynamic pricing within the firm aids in addressing demand yielded an average score of 4.07, accompanied by a standard deviation of 0.763. The standard deviation suggests pronounced variations in the responses. Specifically, 32.4 percent of respondents strongly endorsed this idea, while 41.9 percent expressed agreement. Furthermore, 25.7 percent maintained a neutral stance regarding the impact of dynamic pricing on meeting demand. Moreover, evaluating whether creative advertising increases customer engagement yielded a mean score of 3.99, with a standard deviation of 0.766, indicating variability in the responses. Specifically, 28.6 percent of respondents strongly agreed, 41.9 percent agreed, and 29.5 percent expressed neutrality. This significant level of consensus emphasizes that most

respondents shared a similar perspective creative advertising in boosting customer engagement.

Additionally, the evaluation of whether promotional campaigns drive customer's interests resulted in a mean score of 3.97, accompanied by a standard deviation of 0.753, indicating a variability in responses. Noteworthy is that 26.7 percent of respondents strongly agreed, 43.8 percent agreed, and 29.5 percent remained neutral. This diverse range of responses suggests that while a significant portion agreed or strongly agreed on the priority of expanding the customer base, a notable segment held a neutral stance with this perspective. Furthermore, the question on whether rebranding attracts more customers garnered a mean score of 3.72, and the standard deviation was 0.838. This standard deviation indicates more pronounced variations of responses among respondents. Specifically, 24.8 percent of respondents strongly agreed with the statement, 22.9 percent agreed while 52.4 percent expressed a neutral stance with the notion. The results of this assessment are outlined in Table 4.4.

Table 4.4 Descriptive Analysis Results for Market Penetration Strategy

Question	SA %	A %	N %	D %	SD %	Mean Statistic	Standard Deviation
Offering discounts attracts price-sensitive customers.	38.1	45.7	16.2	0.0	0.0	4.22	0.707
Dynamic pricing helps us respond to demand.	32.4	41.9	25.7	0.0	0.0	4.07	0.763
Promotional campaigns drive customer interest.	26.7	43.8	29.5	0.0	0.0	3.97	0.753
Creative advertising increases customer engagement.	28.6	41.9	29.5	0.0	0.0	3.99	0.766
Rebranding attracts more customers	24.8	22.9	52.4	0.0	0.0	3.72	0.838
Rebranding can differentiate us	44.8	55.2	0.0	0.0	0.0	4.45	0.500

from competitors.

4.4.4 Descriptive Statistics for Diversification Strategy

The fourth objective of the study was to evaluate the effect of diversification strategy on performance. Respondents were requested to respond to questions regarding specific measures of diversification strategy, including acquiring new businesses, launching new businesses and strategic alliances.

The highest-rated feedback highlighted that collaborations allows the company to leverage partner's expertise, earning an average score of 4.21 with a standard deviation of 0.631. This slightly higher standard deviation suggests notable diversity in responses among respondents. Specifically, 32.4 percent of respondents strongly supported the statement, 56.2 percent agreed, and 11.4 percent remained neutral towards it. The presence of these differing levels of agreement and neutrality contributes to a wider range of opinions concerning this specific aspect of the study, as reflected by the slightly higher standard deviation. Likewise, the assessment of establishing new businesses enables new revenue streams yielded a mean score of 4.02, with a standard deviation of 0.796. This higher standard deviation implies pronounced diversity in the responses. Specifically, 32.4 percent of respondents strongly agreed with the statement, 37.1 percent agreed and 30.5 percent remained neutral towards it.

Moreover, the evaluation of the firm launching new ventures keeps it competitive resulted in a mean score of 3.75, but it had a lower standard deviation of 0.907. This standard deviation suggests pronounced variations in the responses. Specifically, 22.5 percent of respondents strongly agreed with the statement, while 38.1 percent agreed. Conversely, 30.5 percent maintained a neutral standpoint, and a mere 8.6 percent disagreed with the statement. Furthermore, the assessment of that acquiring established businesses can enhance the firm market reach and entry resulted in a mean score of

3.48, with a higher standard deviation of 1.03. This standard deviation suggests pronounced variations in the responses. Specifically, 31.4 percent of respondents strongly agreed with the statement, while 20.0 percent agreed. Conversely, 43.8 percent maintained a neutral standpoint, and a mere 4.8 percent disagreed with the statement. The results of this assessment are outlined in Table 4.5.

Table 4.5 Descriptive Analysis Results for Diversification Strategy

Question	SA	A	N	D	SD	Mean	Standard
	%	%	%	%	%	Statistic	Deviation
Acquiring established businesses can enhance our market reach and entry	31.4	20.0	43.8	4.8	0.0	3.48	1.03
Establishing new businesses enables new revenue streams	32.4	37.1	30.5	0.0	0.0	4.02	0.796
Launching new ventures keeps us competitive.	22.9	38.1	30.5	8.6	0.0	3.75	0.907
Collaborations allow us to leverage partner expertise.	32.4	56.2	11.4	0.0	0.0	4.21	0.631
Partnering with industry leaders improves credibility.	30.5	40.0	29.5	0.0	0.0	4.01	0.778

4.4.4 Descriptive Statistics for Firm Performance

The study focused on food and beverage manufacturing firms in Kenya, with their performance being the dependent variable under investigation. Sales growth was used as the key metric to assess performance. Participants were asked to provide feedback by responding to questions related to this specific measure of performance.

The highest-rated feedback highlighted that sales performance aligns with the firm growth objectives, earning an average score of 4.08 with a standard deviation of 0.716. This slightly higher standard deviation suggests notable diversity in responses among respondents. Specifically, 29.5 percent of respondents strongly supported the statement, 48.6 percent agreed, and 21.9 percent remained neutral towards it. The presence of these differing levels of agreement and neutrality contributes to a wider range of opinions concerning this specific aspect of the study, as reflected by the slightly higher standard deviation.

Similarly, the assessment of the company's sales growth being consistent yielded a mean score of 4.02, with a slightly lower standard deviation of 0.951. This higher standard deviation implies pronounced diversity in the responses. Specifically, 35.2 percent of respondents strongly agreed with the statement, while 41.9 percent agreed. In contrast, 12.4 percent expressed a neutral stance, and another 10.6 percent disagreed with the assertion regarding the consistency of the company's sales growth.

Moreover, the evaluation of the firm's sales figures exceeding industry averages resulted in a mean score of 4.01, but it had a lower standard deviation of 0.826. This reduced standard deviation suggests minimal variations in the responses. Specifically, 30.5 percent of respondents strongly agreed with the statement, while 43.8 percent agreed. Conversely, 21.9 percent maintained a neutral standpoint, and a mere 3.8 percent disagreed with the idea of the company's sales figures surpassing industry averages. The results of this assessment are outlined in Table 4.6.

Table 4.6 Descriptive Analysis for Firm Performance

Question	SA	A	N	D	SD	Mean	Standard
	%	%	%	%	%	Statistic	Deviation
Our company has experienced consistent sales growth.	35.2	41.9	12.4	10.5	0.0	4.02	0.951
Sales performance aligns with our growth objectives.	29.5	48.6	21.9	0.0	0.0	4.08	0.716
Our sales figures exceed industry averages.	30.5	43.8	21.9	3.8	0.0	4.01	0.826

4.6 Inferential Analysis

Inferential statistics is a field within statistics that utilizes data from a sample to draw conclusions or make inferences about a larger population. It encompasses a range of statistical methods and techniques aimed at analysing data to make predictions, test hypotheses, and generalize findings from a sample to a broader population (Saunders, et al., 2009). The study employed multiple linear regression to explore and establish the relationship between independent variables—market development, product development, market penetration, and diversification strategies—and a dependent variable, which in this case was firm performance. To validate the robustness and reliability of this methodology, the study initially conducted diagnostic tests. These diagnostic tests are essential steps in regression analysis that assess various assumptions and evaluate the model's goodness of fit. They aim to verify if the regression model meets the necessary criteria for accurate interpretation and reliable inference based on the data used in the study.

4.7 Diagnostic Tests

Multiple linear regression operates on numerous fundamental assumptions, including the absence of autocorrelation, residual normality, and the absence of multicollinearity.

4.7.1 Autocorrelation

The Durbin-Watson test is commonly used to detect the presence of autocorrelation within the residuals of a regression analysis. The test statistic for Durbin-Watson ranges between 0 and 4. A value around 2 signifies the absence of autocorrelation. A result higher than 2 indicates positive serial correlation, while a value less than 2 indicates negative serial correlation. If the Durbin-Watson statistic falls below 1.5 or exceeds 2.5, it may signal a substantial autocorrelation issue. However, if the value lies between 1.5 and 2.5, it typically suggests that autocorrelation is less of a concern (Griffith, 2013). In the context of this particular study, the Durbin-Watson value was computed to be 1.83. This outcome suggests that our regression analysis aligns well with the assumption of the regression model, indicating the absence of significant autocorrelation. The detailed results of this diagnostic test are presented in Table 4.7

Table 4.7 Durbin–Watson Test for Autocorrelation

Autocorrelation	DW Statistic	P
0.108	1.83	0.347

4.7.2 Normality Test

The Shapiro-Wilk test is a method used to assess the normality of residuals associated with variables in a study. In this test, the null hypothesis assumes that the residuals conform to a normal distribution. Typically, the normality hypothesis is rejected if the significance level is equal to or less than 5 percent (0.05). A p-value obtained from the Shapiro-Wilk test that is below 0.05 indicates significant deviation of the residuals from

a normal distribution, leading to the rejection of the assumption of normality. Such results suggest that the residuals may not adhere to a normal distribution pattern. In the context of this study, the Shapiro-Wilk test for normality produced a p-value of 0.800, as detailed in Table 4.8. This p-value being above the commonly used threshold of 0.05 suggests that there isn't strong evidence to reject the null hypothesis of normality. Consequently, it indicates that the residuals are not significantly departing from a normal distribution.

Table 4.8 Normality Test (Shapiro-Wilk)

W Statistic	P
0.992	0.800

In Table 4.8, the outcomes of the Shapiro-Wilk normality test are displayed, assessing the adherence of unstandardized residuals to a normal distribution. The Shapiro-Wilk statistic produced a significance value of 0.800, which surpasses the 5 percent significance level commonly used for hypothesis testing. This result implies that the unstandardized residuals exhibit no significant departure from a normal distribution, suggesting a pattern consistent with adherence to a normal distribution.

The Q-Q plot, a visual tool used to assess data distribution against an idealized normal distribution, was employed to further evaluate the normality of the dataset. In a normal quantile-quantile (Q-Q) plot, if data points closely follow the diagonal line, it suggests approximate adherence to a normal distribution (Jobson, 2012). In Figure 4.1, all values closely aligning with the diagonal line confirm that the dataset exhibits a pattern consistent with a normal distribution. This visual observation corroborates the findings from the Shapiro-Wilk test, which also indicated that the data did not significantly deviate from a normal distribution. The combined evidence from both the Q-Q plot and

the statistical test provides robust support for the assumption of normality within the dataset.

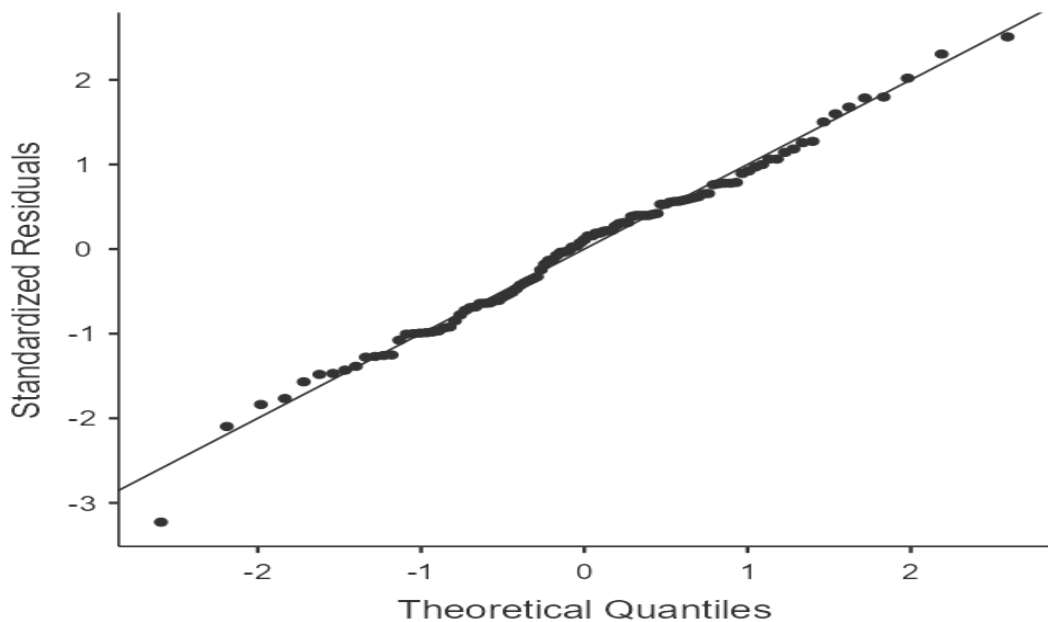


Figure 4.1 Q-Q Plot for Firm Performance

4.7.3 Multicollinearity

The study conducted tests to examine the presence of multicollinearity, a condition where predictor variables exhibit strong correlations with each other. Multicollinearity can impact the reliability of regression analysis, potentially necessitating the removal of one or more predictor variables to mitigate its effects. Various methods were employed to analyse multicollinearity, including assessments based on tolerance and variance inflation factor (VIF). These diagnostic measures help evaluate the extent of interrelationships among predictors. The outcomes of these tests assessing multicollinearity are detailed in Table 4.9 of the study. This table likely presents information such as tolerance values and VIF scores for each predictor variable. These

metrics provide insights into the degree of correlation among predictors, assisting in identifying any problematic multicollinearity that might affect the regression analysis.

Table 4.9 Collinearity Statistics

	VIF	Tolerance
Market development strategy	1.30	0.770
Product development strategy	1.30	0.771
Market penetration strategy	2.18	0.459
Diversity strategy	1.47	0.680

In Table 4.9, the collinearity statistics, including tolerance values exceeding 0.1 and variance inflation factor (VIF) values below 5, are presented. As indicated by (Fox, 2019), these thresholds typically signify acceptable levels that indicate the absence of multicollinearity in the dataset.

4.7.5 Heteroscedasticity

The Breusch-Pagan test was conducted to examine heteroscedasticity, which refers to a situation where the variability of residuals differs across various levels of measured values, indicating unequal residual variance.

Table 4.10 Heteroscedasticity Test

Statistic	Statistic	P-Values
Breusch-Pagan	6.38	0.173

In Table 4.10, the Breusch-Pagan test was conducted to assess the presence of heteroscedasticity by examining the null hypothesis that assumes homoscedasticity or constant variance of residuals. The reported p-value obtained from the Breusch-Pagan test is 0.173, which exceeds the 5 percent significance level. With a p-value of 0.173, which is greater than the conventional significance level of 0.05, the statistical test fails to reject the null hypothesis. Therefore, based on this analysis, there is insufficient evidence to suggest the presence of heteroscedasticity in the regression model. Consequently, the assumption of homoscedasticity, where the variance of residuals remains constant across different levels of the independent variables, is considered met and valid for the regression analysis (Fox, 2019).

4.8 Regression Analysis

The research employed multiple linear regression analysis as its statistical method to investigate the cause-and-effect relationship between corporate growth strategies and performance of food and beverage manufacturing firms in Kenya. This method was chosen for its capacity to offer a comprehensive assessment of how various independent variables impact the dependent variable (Zikmund, et al., 2013). The study rigorously examined several independent variables and utilized the regression model to analyse the relationship between market development, product development, market penetration, diversification strategies, and the performance of food and beverage manufacturing firms in Kenya. This analytical approach was pivotal in gaining a deeper insight into the interrelation among these crucial variables and their collective influence on the performance of food and beverage manufacturing firms in Kenya.

The analysis incorporated a test to evaluate the extent to which the independent variables explain variations in the dependent variable. The findings of this test are outlined in Table 4.11, displaying essential statistical measures. The coefficient of

correlation (r) is reported as 0.7245. This value signifies the strength and direction of the linear relationship between the independent and dependent variables. A value closer to 1 indicates a stronger positive linear relationship between the variables. The correlation coefficient (r) gauges the strength and direction of the relationship between independent and dependent variables, with a scale from -1 to +1. A higher absolute value represents a stronger relationship, while the sign (+/-) signifies the direction of the correlation. Typically, a range of +0.3 to +0.7 denotes a moderate positive correlation (Olive, 2017). In the context of this study, the calculated correlation coefficient of 0.7245 suggests a moderate positive relationship between corporate growth strategies and performance of food and beverage manufacturing firms in Kenya. This implies that as corporate growth strategies improve, there is a moderate positive impact on the performance of food and beverage manufacturing firms in Kenya.

Additionally, the coefficient of determination (R square) is computed as 0.5248. This metric represents the proportion of variability in the dependent variable that can be explained by the independent variables in the regression model. Approximately 52.48 percent of the variance in the dependent variable is accounted for by the independent variables studied. It's crucial to note that approximately 47.52 percent of the variations in the dependent variable are influenced by factors not encompassed or addressed in this study. These unaccounted factors play a role in shaping the variability in the dependent variable, indicating that there are additional elements beyond those considered in this analysis that impact the performance of food and beverage manufacturing firms in Kenya.

Moreover, the adjusted R square, calculated as 0.5058, is an adjusted version of the R square that considers the number of predictors in the model. It provides an estimation of the model's goodness of fit while penalizing for the inclusion of additional predictors.

The adjusted R-squared value, recommended for elucidating the relationship between independent and dependent variables, serves as a valuable metric (Olive, 2017). Therefore, the adjusted R-squared value of 50.58 percent effectively characterizes the connection between corporate growth strategies and the performance of food and beverage manufacturing firms in Kenya. It signifies that 50.58 percent of the observed variations in performance can be elucidated by the variables analyzed in this study, acknowledging the influence of these specific factors on performance while recognizing the impact of unaccounted elements on the variability in the dependent variable.

Table 4.11 Regression Statistics

R	0.7245
R Square	0.5248
Adjusted R Square	0.5058
Observations	105

On the other hand, the analysis of variance (ANOVA) test was utilized to assess the overall significance of the regression model. Table 4.12 presents the results of this test, indicating a computed F-value of 27.61 alongside a significance value of 0.00.

Table 4.12 Analysis of Variance

	df	SS	MS	F	Significance F
Regression	4	164.72	41.18	27.61	0.00
Residual	100	149.13	1.49		
Total	104	313.85			

The significance value of 0.00, as indicated in Table 4.12, is below the conventional significance level of 0.05. This indicates that the regression model is statistically

significant in predicting the effect of corporate growth strategies on performance. A significance value below 0.05 implies that the relationship observed between the variables in the model is unlikely to be due to chance. Additionally, the computed F-value of 27.61 exceeds the critical F-value of 2.00 at a 5% significance level. This further supports the statistical significance of the overall model. Hence, based on the information provided, both the significance value (p-value) and the F-value confirm that the regression model is statistically significant in assessing the influence of corporate growth strategies on performance.

In Table 4.13, the coefficients (β) and respective p-values provide crucial insights into the relationship between independent variables—market development, product development, market penetration, and diversification strategies—and the dependent variable (performance) in food and beverage firms in Kenya. The constant holds a coefficient of -2.39 with a p-value of 0.19. Notably, the market development and market penetration strategies show coefficients of 0.14 and 0.19, respectively, both with p-values of 0.01, indicating their statistically significant impact on performance. Meanwhile, the product development strategy, with a coefficient of -0.01 and a p-value of 0.81, suggests a lack of statistical significance concerning its impact on performance. The diversification strategy stands out with a coefficient of 0.24 and a highly significant p-value of 0.00, signifying a substantial and statistically significant influence on performance. If the p-value is below the 5% significance level, it is considered statistically significant; if it exceeds this level, it is not considered statistically significant (Saunders, et al., 2009).

Table 4.13 Regression Coefficients

	Coefficients	Standard Error	t Stat	P-value
Intercept	-2.39	1.83	-1.31	0.19

Market development strategy	0.14	0.05	2.84	0.01
Product development strategy	-0.01	0.06	-0.24	0.81
Market penetration strategy	0.19	0.07	2.80	0.01
Diversification strategy	0.24	0.05	4.95	0.00

The coefficient for the constant, -2.39, signifies that in the scenario where all independent variables are at zero, the anticipated value of the dependent variable would be -2.39. Regarding the individual independent variables, the coefficients offer insights into their impact on the dependent variable while holding other variables constant. A one-unit increase in market development strategy relates to a 0.14-unit increase in the dependent variable. Conversely, a one-unit increase in product development strategy is associated with a 0.01-unit decrease in the dependent variable. For market penetration strategy, a one-unit increase corresponds to a 0.19-unit increase in the dependent variable. In contrast, a one-unit increase in diversification strategy results in a 0.24-unit increase in the dependent variable. Combining these coefficients generates a prediction equation:

$$\text{Performance} = -2.39 + 0.14 * \text{market development strategy} + 0.14 * \text{product development strategy} - 0.01 * \text{market penetration strategy} + 0.24 * \text{diversification strategy} + \varepsilon$$

4.9 Hypothesis Testing

The research utilized multiple linear regression analysis to investigate the relationship between individual independent variables and the dependent variable, considering the significance of P-values. When the P-value is less than 5%, the null hypothesis is disregarded; if it surpasses this threshold, the null hypothesis is retained.

The initial null hypothesis aimed to assess whether the market development strategy holds no statistically significant relationship with performance. The findings revealed in Table 4.13 demonstrate that the market development strategy exhibits a coefficient (β) of 0.14 and a corresponding p-value of 0.01. These results indicate that a one-unit increase in the market development strategy aligns with a 0.14-unit increase in performance. Moreover, given that the p-value associated with the market development strategy is below the 5 percent threshold (0.05), it is deemed statistically significant. Consequently, these statistical outcomes support the assertion of a positive and statistically significant relationship between the market development strategy and performance in the research conducted by (Alkasim, et al., 2018; Munyasya and Muathe 2023).

In the context of the second null hypothesis, the aim was to examine whether the product development strategy holds no statistically significant relationship with performance. The outcomes outlined in Table 4.13 reveal that the product development strategy exhibits a coefficient (β) of -0.01 alongside a corresponding p-value of 0.81. These results imply that a one-unit increase in the product development strategy correlates with a marginal 0.01-unit decrease in performance. Importantly, the crucial consideration is that the p-value associated with the product development strategy surpasses the 5 percent threshold (0.05). Hence, based on this statistical analysis, the product development strategy is deemed statistically non-significant in explaining the relationship with performance. The results differ with study conducted by Omosa, et al., (2022) and found a statistically significant relationship between the variables.

Third null hypothesis sought to examine whether the market penetration strategy holds no statistically significant relationship with performance. The outcomes presented in Table 4.13 display that the market penetration strategy showcases a coefficient (β) of 0.19 coupled with a corresponding p-value of 0.01. These findings suggest that a one-

unit increase in the market penetration strategy corresponds to a notable 0.19-unit increase in performance. Furthermore, crucially considering that the associated p-value is below the 5 percent threshold (0.05), the market penetration strategy is considered statistically significant. This finding supports the research conducted by Muriithi and Waithaka (2020) which revealed a statistically significant positive relationship between the market penetration strategy and performance. However, it's important to acknowledge a contrast in findings from the study conducted by Adamu (2020), which reported no significant relationship between these variables.

Lastly the fourth null hypothesis aimed to explore whether the diversification strategy lacks a statistically significant relationship with performance. As depicted in Table 4.13, the diversification strategy demonstrates a coefficient (β) of 0.24 alongside a corresponding p-value of 0.00. These outcomes indicate that a one-unit increase in the diversification strategy aligns with a substantial 0.24-unit increase in performance. Additionally, the crucial observation is that the associated p-value is well below the 5 percent threshold (0.05), signifying that the diversification strategy holds significant statistical relevance. The results support the research conducted by Muchele and Kombo (2019) and revealed that there exists a positive and statistically significant relationship between the variables.

CHAPTER FIVE

DISCUSSIONS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This section will discuss, draw conclusions from, and offer recommendations based on the variables examined in the study.

5.2 Discussion

5.2.1 Market Development Strategy and Performance

The study aimed to assess the effect of market development strategies on performance, with respondents providing feedback on measures such as targeting new customers, exploring new distribution channels, and entering new geographical areas. Targeting new customers and exploring untapped markets were highly regarded, receiving an average score of 4.45 with a narrow standard deviation of 0.500, indicating strong consensus among respondents, where 44.8 percent strongly agreed and 55.2 percent agreed. Diversifying distribution channels for customer outreach achieved a score of 4.13, with a slightly lower standard deviation of 0.666, showcasing considerable alignment among 29.5 percent strongly agreeing, 54.3 percent agreeing, and 16.2 percent being neutral.

Similarly, the positive effect of new distribution channels on attracting customers received a mean score of 4.03 with a standard deviation of 0.627, showing consensus among 21.0 percent strongly agreeing, 61.0 percent agreeing, and 18.1 percent being neutral. Opening new sales channels was deemed advantageous, scoring 3.97 with a

standard deviation of 0.672, where 21.0 percent strongly agreed, 55.2 percent agreed, and 23.8 percent were neutral. However, expanding the customer base as a priority received a mean score of 3.71 with a slightly higher standard deviation of 0.863, suggesting varying opinions despite 69.5 percent agreeing or strongly agreeing, as 12.4 percent disagreed. Lastly, the notion of geographical diversification for growth received a mean score of 3.58 with a notably higher standard deviation of 0.959, reflecting diverse opinions among respondents, where 16.2 percent strongly agreed, 42.9 percent agreed, 23.8 percent were neutral, and 17.1 percent disagreed. The study further found a significant relationship between market development strategy and performance, as indicated by a coefficient of 0.14 (β) with a p-value of 0.01.

5.2.2 Product Development Strategy and Performance

The study's second objective aimed to assess the effect of product development strategy on performance, with respondents providing feedback on various measures, including creating new brands, expanding product lines, and developing new features. Adding new product features received the highest rating, scoring a mean of 4.45 with a narrow standard deviation of 0.500, indicating strong consensus among participants, where 44.8 percent strongly agreed and 55.2 percent agreed. Similarly, introducing unique features to differentiate the firm scored 4.32 with a slightly lower standard deviation of 0.470, showing alignment among 32.4 percent strongly agreeing and 67.6 percent agreeing.

Having multiple brands to increase market share achieved a mean of 4.18 with a lower standard deviation of 0.387, where 18.1 percent strongly agreed and 81.9 percent agreed. However, opinions diverged more on whether sales are driven by continuous features development, scoring 3.93 with a slightly higher standard deviation of 0.737, where 23.8 percent strongly agreed, 45.7 percent agreed, and 30.5 percent were neutral. Assessing the impact of expanding the product line on brand image resulted in a mean

score of 3.62 with a slightly elevated standard deviation of 0.764, showcasing varied opinions among respondents, as 4.8 percent strongly agreed, 64.8 percent agreed, and 18.1 percent were neutral. The broader product line enhancing customer loyalty scored 3.58 with a standard deviation of 0.907, and developing new brand identities attracting customers scored 3.37 with a standard deviation of 1.04, indicating more significant variations in opinions among respondents for both statements, with varying levels of agreement, neutrality, and disagreement. The study further found a statistically insignificant relationship between product development strategy and performance, as indicated by a coefficient of -0.01 (β) with a p-value of 0.81.

5.2.3 Market Penetration Strategy and Performance

The study's third objective was to evaluate the effect of market penetration strategies on performance, with respondents providing feedback on specific measures such as pricing tactics, promotion, and rebranding. Rebranding as a means to differentiate the firm from competitors received the highest rating, scoring a mean of 4.45 with a narrow standard deviation of 0.500, indicating strong consensus among participants, where 44.8 percent strongly supported and 55.2 percent agreed. Offering discounts to attract price-sensitive customers scored 4.22 with a standard deviation of 0.707, showcasing substantial agreement among 38.1 percent strongly supporting, 44.7 percent agreeing, and 16.2 percent remaining neutral. Assessing the impact of dynamic pricing on addressing demand yielded a mean score of 4.07 with a standard deviation of 0.763, where 32.4 percent strongly endorsed, 41.9 percent agreed, and 25.7 percent remained neutral.

Evaluating the effect of creative advertising on customer engagement resulted in a mean score of 3.99 with a standard deviation of 0.766, showing alignment among 28.6 percent strongly agreeing, 41.9 percent agreeing, and 29.5 percent expressing neutrality. Meanwhile, assessing whether promotional campaigns drive customer interest scored

3.97 with a standard deviation of 0.753, where 26.7 percent strongly agreed, 43.8 percent agreed, and 29.5 percent remained neutral. However, opinions varied on whether rebranding attracts more customers, scoring 3.72 with a higher standard deviation of 0.838, where 24.8 percent strongly agreed, 22.9 percent agreed, and 52.4 percent were neutral toward the notion. The study further found a statistically significant relationship between market penetration strategy and performance, as indicated by a coefficient of 0.19 (β) with a p-value of 0.01.

5.2.4 Diversification Strategy and Performance

The study's fourth objective aimed to assess the impact of diversification strategies on performance, with respondents providing feedback on specific measures such as acquiring new businesses, launching new businesses, and strategic alliances. Collaborations enabling the leverage of partners' expertise received a high average score of 4.21 with a standard deviation of 0.631, indicating notable diversity in responses, where 32.4 percent strongly supported, 56.2 percent agreed, and 11.4 percent remained neutral. Establishing new businesses for new revenue streams scored 4.02 with a higher standard deviation of 0.796, where 32.4 percent strongly agreed, 37.1 percent agreed, and 30.5 percent were neutral. Evaluating whether launching new ventures keeps the firm competitive resulted in a mean score of 3.75, but with a lower standard deviation of 0.907, showing pronounced variations in responses, where 22.5 percent strongly agreed, 38.1 percent agreed, 30.5 percent remained neutral, and only 8.6 percent disagreed.

Assessing the potential enhancement of the firm's market reach and entry through acquiring established businesses scored 3.48 with a higher standard deviation of 1.03, suggesting pronounced variations in responses, where 31.4 percent strongly agreed, 20.0 percent agreed, 43.8 percent remained neutral, and only 4.8 percent disagreed. The

study further found a statistically significant relationship between diversification strategy and performance, as indicated by a coefficient of 0.24 (β) with a p-value of 0.00.

5.3 Conclusion

5.3.1 Market Development Strategy and Performance

The statistical analysis strongly affirms the existence of a significant association between market development strategy and performance. With a remarkably low p-value of 0.01 and a positive coefficient of 0.14, the findings robustly demonstrate a statistically significant and positive relationship between implementing a market development strategy and achieving improved performance outcomes.

5.3.2 Product Development Strategy and Performance

The statistical analysis indicates a lack of significant association between product development strategy and performance. This is evidenced by the notably high p-value of 0.81 and a negative coefficient of -0.01. These findings strongly suggest an absence of substantial evidence supporting a relationship between the implementation of a product development strategy and the enhancement of performance outcomes.

5.3.3 Market Penetration Strategy and Performance

The statistical analysis provides strong evidence supporting a significant association between market penetration strategy and performance. This is underscored by the notably low p-value of 0.01 and a positive coefficient of 0.19. These findings firmly establish a statistically significant and positive relationship between the implementation of a market penetration strategy and the attainment of enhanced performance outcomes.

5.3.4 Diversification Strategy and Performance

The statistical analysis offers compelling evidence endorsing a substantial relationship between diversification strategy and performance. This is emphasized by the remarkably low p-value of 0.00 and a positive coefficient of 0.24. These results robustly confirm a statistically significant and positive correlation between implementing a diversification strategy and achieving improved performance outcomes.

5.4 Recommendations

In a dynamic business landscape, understanding and leveraging diverse strategies are imperative for sustained performance and success. The following recommendations outline a comprehensive approach derived from the study's insights into market development, product innovation, market penetration, and diversification strategies.

First, develop tailored marketing campaigns, customer engagement strategies, and product or service innovations specifically designed to attract and retain these new customer segments and explore further opportunities in untapped markets. Moreover, strategically invest in technology and resources that facilitate seamless customer engagement across diverse channels. Additionally, explore innovative approaches to tap into new distribution channels and capitalize on emerging sales platforms for increased market reach and customer acquisition.

Secondly, give precedence to developing innovative product features that resonate with customers, aiming to enhance market differentiation and customer satisfaction, even if their immediate impact on performance remains unclear. Simultaneously, align these new additions with the brand's fundamental values and image to reinforce positive customer loyalty and perception. Maintain a vigilant approach to evolving customer

preferences and industry trends, ensuring continuous refinement and updates to product features in response to changing consumer demands.

In addition, prioritize strategic rebranding efforts aligned with the company's values and tailored to resonate with the target audience, aiming to enhance market visibility and foster a positive brand perception that distinguishes the firm from competitors. Concurrently, persist in utilizing discount offerings and dynamic pricing strategies to cater to price-sensitive customers and adapt to evolving market demands. Consistently review and adapt pricing approaches to sustain competitiveness while meeting customer requirements. Additionally, invest in innovative advertising methods to fortify customer connections and loyalty. Tailor promotional campaigns to resonate effectively with the audience, continuously refining strategies based on feedback and emerging market trends to ensure sustained effectiveness and relevance.

Similarly, emphasize fostering strategic alliances and partnerships that align with the company's objectives, seeking mutual growth opportunities while nurturing robust relationships with partners to capitalize on shared knowledge and resources. This strategic approach can potentially drive innovation, offering access to diversified expertise and markets for expanded market presence. Simultaneously, strategically explore and invest in new business ventures that harmonize with the current portfolio and align with long-term growth goals. Prioritize careful evaluation of these opportunities to ensure potential synergies and profitability within the company's operational framework. Additionally, conduct thorough due diligence and strategic assessments before acquiring businesses, prioritizing alignment with the company's core competencies and long-term strategies to ensure the acquired entities complement existing operations and contribute significantly to overall growth.

5.5 Area for Further Studies

The primary objective of this research was to examine the effect of corporate growth strategies on the performance of food and beverage manufacturing firms in Kenya. Other scholars focus on different aspects of corporate growth strategies in various industries or sub-sectors, such as leather and footwear, fresh produce, metal and allied, chemical and allied, among others. Furthermore, the study concentrated on four variables, which collectively accounted for 50.58% of the variations in the performance of food and beverage manufacturing firms in Kenya. Future researchers should explore additional factors contributing to the remaining 49.42% and consider moderating variables in their studies.

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APPENDICES

Appendix I: Letter of Introduction

Priscah Waruguru,
The Co-operative University of Kenya,
P.O. Box 24814,
Karen-Kenya.

Dear respondent,

RE: Request for Permission to Carry Out Research Study.

I am a student at The Co-operative University of Kenya in the School of Business and Economics and I am carrying out research on the effect of corporate growth strategies on performance of manufacturing firms in Kenya. I would wish to base my study in your organization. I kindly request you to assist me in this study by filling in the questionnaire attached.

Kindly note that, the information will be treated with high degree of confidentiality and will purely be used for the purpose of academics. Thank you in advance and God bless you.

Yours sincerely,

Priscah Waruguru

Appendix II: Questionnaire

This Questionnaire is meant for collecting data among the food and beverage manufacturing firms in Kenya. Any information provided by the respondents in this questionnaire will be used for purposes of research only and will not be divulged or availed to unauthorized persons. Please take a few minutes to complete this questionnaire correctly and as accurate as possible. Tick the correct answer in the boxes provided against the questions where provided. You need not write your name on the questionnaire.

Market Development Strategy

Please indicate the level of agreement or disagreement with each of the following statement.

Scale: Strongly Disagree = 1: Disagree= 2: Neutral = 3: Agree = 4: Strongly Agree = 5

Question	5	4	3	2	1
Targeting new customers is essential for growth.					
Expanding the customer base is a priority.					
Opening new sales channels is advantageous.					
Diversifying distribution enhances reach.					
New distribution channels attract customers.					
Geographic diversification leads to growth.					
Tapping into unexplored markets is valuable.					

Product Development Strategy

Please indicate the level of agreement or disagreement with each of the following statement.

Scale: Strongly Disagree = 1: Disagree= 2: Neutral = 3: Agree = 4: Strongly Agree = 5

Question	5	4	3	2	1
Developing new brand identities attracts customers.					
Having multiple brands increases market share.					
A broader product line enhances customer loyalty.					
Expanding the product line strengthens brand image.					
Adding new features enhances product appeal.					
Continuous feature development drives sales.					
Introducing unique features differentiates us in the market.					

Market Penetration Strategy

Please indicate the level of agreement or disagreement with each of the following statement.

Scale: Strongly Disagree = 1: Disagree= 2: Neutral = 3: Agree = 4: Strongly Agree = 5

Question	5	4	3	2	1
Offering discounts attracts price-sensitive customers.					
Dynamic pricing helps us respond to demand.					
Promotional campaigns drive customer interest.					
Creative advertising increases customer engagement.					
Rebranding attracts more customers					
Rebranding can differentiate us from competitors.					

Diversification Strategy

Please indicate the level of agreement or disagreement with each of the following statement.

Scale: Strongly Disagree = 1: Disagree= 2: Neutral = 3: Agree = 4: Strongly Agree = 5

Question	5	4	3	2	1
Acquiring new businesses can expand our market reach.					
Establishing new businesses enables new revenue streams					
Launching new ventures enhances innovation.					
Collaborations allow us to leverage partner expertise.					
Partnering with industry leaders improves credibility.					

Performance of Manufacturing Firms

Please indicate the level of agreement or disagreement with each of the following statement.

Scale: Strongly Disagree = 1: Disagree= 2: Neutral = 3: Agree = 4: Strongly Agree = 5

Question	5	4	3	2	1
Our company has experienced consistent sales growth.					
Sales performance aligns with our growth objectives.					
Our sales figures exceed industry averages.					

Appendix III: University Introduction Letter



THE CO-OPERATIVE UNIVERSITY OF KENYA

P. O. Box 24814-00502 Karen, Kenya

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BOARD OF POSTGRADUATE STUDIES

27th October, 2023

The Director,
National Commission for Science, Technology & Innovation,
Utalii House,
Nairobi.

Dear Sir,
PRISCAH WARUGURU, REG NO.: MBAC01/6511/2021

This is to introduce the above named Master of Business Administration student in the School of Business and Economics of the Co-operative University of Kenya.

She has successfully completed her course work and is proceeding to the field to collect data from food and beverage manufacturing firms in Kenya. The title of her research project is ***“Corporate Growth Strategies and Performance of Food and Beverage Manufacturing Firms in Kenya”***.

Kindly accord her the necessary assistance.

Yours Sincerely,

D. K. Muthoni,
Director, Board of Postgraduate Studies.

Cc: Dean, SBE.

Appendix IV: NACOSTI Permit

 REPUBLIC OF KENYA Ref No: 341274	 NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION Date of Issue: 09/November/2023
RESEARCH LICENSE	
	
This is to Certify that M.L. PRISCAH WARUGURU of The Cooperative University of Kenya, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Kiambu, Muranga, Nairobi on the topic: CORPORATE GROWTH STRATEGIES AND PERFORMANCE OF FOOD AND BEVERAGE MANUFACTURING FIRMS IN KENYA for the period ending : 09/November/2024.	
License No: NACOSTI/P/23/31246	
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See overleaf for conditions	

Appendix V: Food and Beverage Firms in Kenya

1	Acee Limited
2	Afrimac Nut Company
3	Agri Pro-Pak Limited
4	Agricultural & Veterinary Supplies Limited (Agrivet)
5	Agriner Agriculture Development
6	Agro-Chemical and Food Company Limited
7	Al- Noor Feisal & Co Limited
8	Alliance One Tobacco Kenya Limited
9	Al-mahra Industries Limited
10	Almasi Beverages Limited
11	Alpha Fine Foods Limited
12	Alpine Coolers Limited
13	APT Commodities Limited
14	Aquamist Limited
15	Arax Mills Limited
16	Azaavi Collections
17	Bake mark Limited
18	Bakers Corner Limited
19	Bakex Millers Limited
20	Bdelo Limited
21	Belfast Millers Limited
22	BIDCO Africa Limited
23	Bio Food Products Limited
24	Bloc Enterprises Limited
25	Blueplastics and Water Co. Limited

26	Brava Food Industries Limited
27	British American Tobacco Kenya Plc
28	Broadway Bakery Limited
29	Brookside Dairy Limited
30	C. Dormans Limited
31	C.Czarnikow Sugar (EA) Limited
32	Candy Kenya Limited
33	Capel Food Ingredients
34	Capwell Industries Limited
35	Caterina Bakery Limited
36	Centrofood Industries Limited
37	Coastal Bottlers Limited
38	Coca-Cola Central East and West Africa Limited
39	CoffTea Agencies
40	Confini Limited
41	Cornbelt Flour Mill
42	Crofts LIMITED
43	Crown Beverages LIMITED
44	DANONE NUTRICIA AFRICA & OVERSEAS
45	Delmonte Kenya Limited
46	Devchand Keshavji Kenya Limited
47	Deylin Ultimate springs limited
48	Diageo Kenya Limited
49	Diamond Industries Limited
50	Dion Wine and Spirits East Africa Limited
51	Doinyo Lessos Creameries Limited

52	DPL Festive Limited
53	EABL International Limited
54	East African Breweries PLC
55	East African Sea Food Limited
56	Edible Oil Products Limited
57	Eldoret Grains Limited
58	Equator Bottlers Limited
59	Europack Industries Limited
60	Excel Chemical Limited
61	Farmers Choice Limited
62	Foods by Likii
63	Frigoken Limited
64	FRM EA Packers Limited
65	Giloil Company Limited
66	Glacier Products Limited
67	Global Tea & Commodities (K) Limited
68	Gold Crown Foods (EPZ) Limited
69	Golden Africa Kenya Limited
70	Gonas Best Limited
71	Green Forest Foods Limited
72	Halisi Maize Mills Limited
73	Happy Cow Limited
74	Healthy U Two Thousand Limited
75	High Seas Export Kenya Limited
76	Highlands Drinks Limited
77	Honey Care Africa

78	Isinya Feeds Limited (Formerly Sigma Supplies Limited)
79	Italian Gelati & Food Products Limited
80	James Finlay Kenya Limited
81	Jetlak Foods Limited
82	Jjasm Mini-Distillery
83	Jungle Group Holdings Limited
84	Kabianga Dairy Limited
85	Kamili Packers Limited
86	Kapa Oil Refineries Limited
87	Karirana Estate Limited
88	Kenafic Industries Limited
89	Kenblest Limited
90	Kenchic Limited
91	Kenya Breweries Limited
92	Kenya Nut Company Limited
93	Kenya Sweets Limited
94	Kenya Tea Development Agency
95	Kenya Tea Packers Limited
96	Kenya Wines Agencies Limited
97	Keroche Breweries Limited
98	Kevian Kenya Limited
99	Kibos Dairy & Farm Produce
100	Kibos Sugar and Allied Industries
101	Kigelia Fresh Produce Limited
102	Kilimanjaro Biscuits Limited
103	Kina Loaf Bakery Limited

104	Kinangop Dairy Limited
105	Kirinyaga Flour Mills
106	Kitui Flour Mills
107	Koba Waters Limited/ Broomhill Springs Water
108	Krish Commodities Limited
109	Kwale International Sugar Company Limited
110	L.A.B International Kenya limited
111	Mafuko Industries Limited
112	Malachite Limited
113	Mama Millers Limited
114	Mamboleo Distillers Limited (Formerly Kenlab Supplies Limited
115	Manji Food Industries Limited
116	Mars Wrigley Confectionery Kenya Limited
117	MELVIN MARSH INTERNATIONAL LIMITED
118	Menengai Oil Refineries Limited
119	Midrow Kenya Limited
120	Milly Fruit Processors Limited
121	Milly Glass Works Limited
122	Mini Bakeries (Nbi) Limited
123	Mjengo Limited
124	Mombasa Maize Millers Limited
125	Morani Limited
126	Mulsons Impex Limited
127	Mwachaka Group Limited
128	Nairobi Bottlers Limited
129	Nairobi Bottlers Limited

130	Nairobi Flour Mills Limited
131	Nairobi Java House Limited
132	Nestle Kenya Limited
133	Njoro Canning Factory(Kenya) Limited
134	Norda Industries Limited
135	Olenguruone Natural Water Limited
136	Olivado EPZ Limited
137	Orchard Juice Limited
138	Palmhouse Diaries Limited
139	Patco Industries Limited
140	Patiala Distillers (K) Limited
141	Pearly LLP
142	Pembe Flour Mills Limited
143	Peshwood Enterprises Limited
144	Pradip Enterprises (E.A) Limited
145	Premier Food Industries Limited
146	Pride Industries Limited
147	Promasidor (Kenya) Limited
148	Propack Kenya Limited
149	Pwani Oil Products Limited
150	Rafiki Millers Limited
151	RAZCO LIMITED
152	Re-Suns Spices Limited
153	Royal Swiss Bakery Limited
154	Salwa Kenya Limited
155	Sameer Agriculture & Livestock (Kenya) LIMITED

156	Savannah Brands Company Limited
157	SBC Kenya Limited
158	Scrumptios Eats Limited
159	Selecta Kenya Gmbh & Co. .KG
160	Shake and Cream
161	Shree Sai Industries
162	Sky Foods Limited
163	Slikridge Limited
164	Spice World Limited
165	Sunbake Enterprises Limited
166	Sunny Processors Limited
167	Suntory Beverage & Food Kenya Limited
168	Supa Snacks Limited
169	Toggen Milk
170	Top Food (EA) Limited
171	Transmara Sugar Company Limited
172	Trisquare Products Limited
173	Tropical Heat Limited
174	Tropical Lush Limited
175	Trufoods Limited
176	UDV (Kenya) Limited
177	Umoja Flour Mills Limited
178	Unga Group Limited
179	United Distillers and Vintages Limited
180	United Millers Limited
181	Upfield Kenya Limited

182	Ustawi Grain Millers Limited
183	Valley Confectionery Limited
184	Vert Limited
185	Victory Farms Limited
186	Weetabix East Africa
187	West Kenya Sugar Company Limited
188	Winnie's Pure Health
189	Xpressions Flora Limited
190	Zaytuna Enterprises Limited
191	Zeelandia East Africa Limited
192	Zheng Hong K Limited

Source: KAM (2023)