International Journal of Econometrics and Financial Management, 2023, Vol. 11, No. 1, 13-22
Available online at http://pubs.sciepub.com/ijefm/11/1/2
Published by Science and Education Publishing
DOI:10.12691/ijefm-11-1-2

Understanding Growth Strategies and Performance: Empirical Investigation of Cement Manufacturing Firms in Kenya

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Received April 21, 2023; Revised May 27, 2023; Accepted June 09, 2023

Abstract The Manufacturing Sector of Kenya is a key pillar towards attaining the country's Vision 2030. Despite the good progress in the infrastructure sector, this is not the case with the domestic cement manufacturing companies since all listed firms have seen a fluctuation in profit loss. As a result, the study investigated how growth strategies affect the performance of Kenya cement manufacturing companies. The study adopted a descriptive research design. The target population was 159 managers from eight cement manufacturing firms in Kenya. Data was collected using questionnaires and analyzed using descriptive and inferential statistics. The findings indicated that market penetration, product development, and diversification positively and significantly influenced Cement manufacturing companies' performance. The study concluded that growth strategies contribute significantly to the performance of cement manufacturing companies. The management of cement companies should invest in training employees to provide the best customer service, invest more in research and development, and have a portfolio of product development strategies. The marketing team should be innovative in developing products that meet the changing demands of customer preferences. The management of cement companies should intensify the use of a diversification strategy to achieve higher margins than their existing products.

Keywords: *market penetration, market development,product development, diversification, performance, Balanced Scorecard Theory, Kenya*

Cite This Article: Roselyne Kavata Munyasya, and Stephen M. A. Muathe, "Understanding Growth Strategies and Performance: Empirical Investigation of Cement Manufacturing Firms in Kenya." *International Journal of Econometrics and Financial Management*, vol. 11, no. 1 (2023): 13-22. doi: 10.12691/ijefm-11-1-2.

1. Introduction

As noted by [1], the rising need for a wider range of products and the constant exchange of customers have attracted the attention of organizations to strategize the best way to achieve customer satisfaction by overcoming diversity and the need to increase market share and expand productivity, is achieved and make full use of resources and power available to them. To ensure a wider market segment is covered, creating new brands through rebranding present brands or distribution is important for businesses. Furthermore, to understand the strength of competing companies and the characteristics of the international market, firms must enhance their productivity to provide excellent services and goods to prospective clients.

In today's somewhat dynamic corporate climate, improving productivity and extending investment portfolios necessitates business strategy and investment flexibility. Strategy is an instrument used to improve a long-term market edge and ensure the full use of resources to accomplish crucial long-term objectives and advantages, according to [2]. [2] view strategy as setting long-term goals and objectives, accepting options for acting, and providing related resources needed to accomplish the goals.

Diversification is a portfolio management method in which investors minimize uncertainty and risk by holding several different investments related to a minimum. Diversification is a corporate strategy to expand an organizational activity by adding innovative services, goods, production phases, or markets to an established firm [12]. Diversification permits a corporation to engage in activities not now part of its core business. A diversification strategy is also defined as a collection of business entities operated by one corporation in many industries [14].

In the manufacturing industry, diversification is a common strategy for organizations looking to outperform their counterparts [18]. It is often a deliberate decision made by executives to increase organizational performance, whether connected or unconnected. Diversification happens when a corporation seeks to modify its market identity, either singly or in combination, by generating new goods or moving into fresh markets. It is assumed that the losses of one company will be offset by the profits of another company which may be adversely affected by negative market circumstances. Diversification, in the words of [18], is regarded as a stimulating tool for strategic edge since it helps reduce the danger associated with bankruptcies and create efficiencies in market activities. This company strategy's performance varies over time and between geographies [9]. To guarantee strategic consistency, harmony must be struck between implementing an enterprise diversification plan and the broader company concept.

Kenyan cement manufacturers are struggling, with some facing profit warnings due to fierce competition from low-cost imports, high production costs, and declining demand from the area building sector. As the Kenya National Bureau of Statistics Economic Survey 2020 reported, the output declined from 6,069 thousand tonnes in 2018 to 5,967 thousand tonnes in 2019 [17]. The usage of Cement fell to 5,930 thousand tonnes. Exporting Cement to neighboring African nations in the East decreased to 18.2 thousand tonnes in 2019, whereas importing Cement increased to 26.4 thousand tonnes from 23.0 thousand tonnes in 2018.

1.1. Statement of the Problem

Kenya's manufacturing industry is crucial for achieving the country's 2030 ambition. Kenya's cement industry has over the years been steadily growing in past years, owing to high residential housing and governmental big construction projects, which include Lamu Port-South Sudan-Ethiopia Transport Corridor (LAPSSET) and the Standard Gauge Railway (SGR). Cement output declined by 6% annual growth to 1.46 million tonnes during the first three months of 2019 from 1.55 million tonnes in a similar period last year, according to the Economic Survey report. The use of Cement fell by 3 percent the previous year. Cement usage increased by 2.8 percent yearly and in 2018 in 2017. Nevertheless, from 6.23 million tonnes to 6.07 million tonnes, output declined by 2.6 percent. Imports rose by nearly 50% to 23,000 million tonnes, while the overall export fell by 63 percent, owing to several significant declines in delivery to Uganda and Tanzania [17].

Regardless of the reality that the infrastructure industry has done effectively, the fundamentals mostly do not seem to support the domestic cement companies since all listed firms have seen functioning in profit loss from 2016 to 2019. The company's financial report shows that its earnings have steadily dropped, with frequent losses, since 2016, and its profitability has suffered as a consequence. Amidst continuous huge public construction projects like highways, new county headquarters, county government constructions, stadiums, and bridge reconstructions, the company is losing money owing to dwindling sales.

Over the years, growth strategies and business performance have been the subject of several studies. [3] reported that market development strategies improve insurance business profitability in Kenya. The focus was on insurance companies and not cement companies. [15] investigated how market growth affected the growth of WEF-funded SMEs in Homa Bay County. However, SMES were the focus of the research, not cement companies. [16] found that a growth strategy improves the performance of hotels in Nairobi. The hotel industry was particularly the focus and not the cement industry. According to [12] investigation into the relationship between Kenyan commercial banks' development strategies and profitability, those banks used several growth techniques to increase their profitability. However, the study focused on the banking sector, not the cement industry. [4] did a study on product development and large construction firms' productivity in Malaysia. The focus was Malaysia, which is different from Kenya. In addressing the existing research gaps, this study focused on understanding growth strategies and performance: Empirical investigation of cement manufacturing firms in Kenya.

1.2. Research Objectives

i. To determine the influence of market penetration on the performance of cement manufacturing firms in Kenya
ii. To establish the influence of market development on the performance of cement manufacturing firms in Kenya
iii. To examine the influence of product development on the performance of cement manufacturing firms in Kenya
iv. To determine the influence of diversification on the performance of cement manufacturing firms in Kenya

2. Literature Review

This section presents a theoretical and Empirical Review of the Study.

2.1. Theoretical Review

2.1.1. Resource-Based Theory

[11] conducted previous research that can be traced back to the resource-based theory. This model assumes that the business may use its operating assets, which include its physical, human, and organizational resources, as well as its reserves' primary activity, to outperform rivals and increase efficiency [10]. How the organization uses its resources will determine its capacity to expand internally and abroad through mergers, acquisitions, or diversification [13]. This means that for a firm to effectively accomplish its business model, it must have adequate resources to support it; otherwise, it will be unable to implement the strategy, no matter how good it is.

Although a company's success is ultimately decided by the resources utilized to produce its goods, Penrose contends that resources are also essential to the execution of a product development plan because a company's performance is directly influenced by its products. Market-specific resources, market-based assets, and market-based capabilities are crucial for enhancing the company's financial performance in the market, claim Srivastava et al. (2001). Even when a company develops and implements a market entry strategy or market development strategy, these factors must be considered if the strategy is to be successful. Hence, the theory underpins this study's market penetration and development variables.

2.1.2. Dynamic Capability Theory

Dynamic capability theory was developed by [17]. The theory opined that most organizations involved in business should always try to reconfigure their available resources together with their ability to attain responsibility for refusing the environment, which is quite unstable. The ability of businesses to essentially generate and then further consistently recreate their resources to succeed in a competitive market that will continue for a considerable amount of time is the focus of the dynamic capability theory [6]. Dynamic capability theory is a theoretical construct that is useful in the aspect of understanding the term of competition in various global conditions. The major assumptions of the dynamic capability theory were introduced by [17], who addressed that when a certain organization is cared for as a resource set, it will be very difficult to explain convincingly the various achievements and adaptability level to various changes and innovations based on the resource approach involved. Dynamic capability theory is believed to be such that major competencies are involved in the recreating stages, which are very competitive from the short to the long term. Dynamic capability theory shows how a business organization will be created and defined. It also explains how several entrepreneurial opportunities can be accessed and navigated in volatile surroundings.

Given that the researcher attempted to determine the effect of growth tactics on performance, the concept will be especially helpful in establishing whether aggressive growth approaches are profitable. An analysis of how product variety and development affect performance will particularly influence the theoretical viewpoint. As such, the theory underpins product development and diversification variables in this study.

2.1.3. Balanced Scorecard Model

The theory was first introduced by [7]. It provided insight into the traditional system of management, which is underperforming, and their major dependence on the financial performance measures which are great indicators that keep them from going forward. The balanced scorecard theory was mainly assumed to be majorly on measurement without including finances during a period. The balanced scorecard theory withheld certain financially related performances that were later supplemented with certain measures in place on the drivers and other indicators related to the performance in the nearest future financially [5]. The balanced scorecard theory also relates to assembling various rewards for employees following their performance. The balanced scorecard theory has been diligently translated and adequately implemented in public and non-profit-oriented industries.

The balanced scorecard theory mainly comprises four (4) different perspectives: financial performance, growth, internal processes, and customer perspectives. The four (4) major perspectives have been indicated to provide ways through which the balance created between performance drivers and the desired expectation and the result that comes out from it can be enhanced [8]. To establish a shared vision for the future, the balanced scorecard theory puts through, leads, and challenges the entire organization. The theory has been agreed to be very useful in organizing, showing, capturing, and translating intangible assets into values that are real for the entire stakeholders of an organization. As a result, enables the implementation of several strategies efficiently [5]. Although, it has been discovered that the balanced scorecard theory is difficult to implement and consumes time. An organization often needs about two years or more to implement it efficiently and adequately. It will be used to underpin performance.

2.2. Empirical Review

2.2.1. Market Penetration and Performance

After mergers and acquisitions, [16] examined how Nigerian deposit money institutions performed financially. Examining how mergers and acquisitions affect the market share of deposits made in Nigerian banks was one of the goals of this study. Banks' market share between 2002 and 2008 before and after the consolidation is examined using a variety of market indicators of chosen institutions. Four Nigerian banks were selected using a targeted sampling strategy. Secondary data from business reports and bank reports are used for analysis. Thus, the bank's market share performance has increased significantly through mergers and acquisitions. This, in turn, improves their financial results. This study concludes that mergers and acquisitions positively impact the development of Nigerian banks' market share. The statistical t-test is used to analyze the data, and this study used multiple regression analysis to analyze the data.

Using a descriptive methodology method [11], the impact of market penetration tactics on the steel industry’s corporate development in Kenya was examined. The sample population comprised 48 steel companies operating in the Kenyan market. The data gathering instrument used was the primary data questionnaire and published sources, including website reviews, journals, and magazines for the secondary data. The results indicated that market penetration significantly impacts the development of the organizational steel industry. The study made use of a descriptive method.

2.2.2. Market Development and Performance

The impact of market development on the development of WEF- funded SMEs in Homa Bay County's Kasipul and Kabondo Kasipul Constituencies was carried out by [15]. This research aimed to increase the generalizability of Ansoff's development techniques and to give the government enough information to develop applicable policy structures for directing the establishment, incubation, and development of SMEs. The study applied a cross-sectional survey as its research approach and concentrated on a group of 3768 women-owned SMEs in the two WEF-sponsored Districts. The data was gathered by questionnaires, which were then analyzed with inferential and descriptive statistics. The impact of market development strategy on SME growth was negligible. The study looked at women-owned businesses in Homa Bay County, this research focused on cement manufacturing companies in Kenya as a whole.

A study by [2] investigated the impact of market development strategies on insurance business profitability in Kenya. Profitability, as assessed by net profit, and market share, as defined by overall yearly gross premium, were the profitability factors. Porter's generic competitive theory, contingency theory, balanced scorecard model, and Ansoff growth matrix model drove this research. As reported by the Insurance Regulatory Authority's 2017 annual report and through descriptive survey means, the target population was 55 registered enterprises in 2017. The supervisor used professional judgment to assess the questionnaire's face validity. In pre-testing the questionnaire, ten respondents and their opinions were considered. Test-retest and Cronbach's Alpha were used for external and internal reliability. The threshold for this study was 0.78 Cronbach's Alpha. This study utilized analyses of variance to determine the amount of fluctuation within the dependent factor in proportion to the change in the independent factors. As an analytic tool, the researchers used the SPSS 17. According to the study's conclusions, market development strategies significantly and favorably impacted the organizational profitability of Kenyan insurance companies. This study looked at Kenyan cement manufacturing companies in contrast to the previous study's focus on insurance companies in Kenya.

2.2.3. Product Development and Performance

A study by [7] was conducted on Taiwanese property and accident insurance companies to assess the impact of business structure, product diversification, and company performance. This study used panel data analysis, OLS regression, and random and fixed effects models. Each insurance company's performance is evaluated using ROE and ROA. The findings revealed a significant inverse link between Taiwanese P&L insurance businesses' performance and product diversity. This study also revealed that product ratings, particularly those for marine and fire insurance, significantly affect how well Taiwan's property and accident insurance businesses operate. Also, the financial performance of significant insurance companies has increased due to product diversification. This study uses secondary data to assess product diversification concerning company performance. This study uses ROA and ROE, profitability, market share, and customer satisfaction.

The effect of product market growth strategies on retail supermarket performance in Nairobi County, Kenya, was conducted by [19]. The sample size was 143 supermarkets chosen randomly from the 227 supermarkets that comprised the target population. The collected primary data were processed and analyzed using regression and descriptive analysis. This study demonstrates how a key factor affecting store performance is product creation. The study focused on the use of the purposive sampling technique, which did not be used by the current study as it leveraged the use of the census sampling technique.

2.2.4. Diversification and Performance

The influence of diversification on commercial banks' profitability in Vietnam from 2007 to 2017 was carried out by [4]. All bank's financial information was painstakingly gathered from yearly reports. Various recent econometric approaches were used in the empirical approach to meet the study aims. According to the research evidence, diversification had a good influence on the bank's profitability. However, the impact differs depending on the kind of bank. The researchers discovered that, although diversification favors international banks owned by the state, it adversely impacts domestic banks' profitability not owned by the state. This current research was done in Kenya, unlike the previous study in Vietnam.

To determine how diversification affects non-financial firm performance indicators, [14] performed a study at NSE. They concluded that diversity has little effect on financial performance but significantly affects non-financial enterprises' performance. The RVB theory and transaction cost economic theory are the main topics of this investigation. The research target group includes all 59 listed companies. Only 35 out of 59 companies responded, giving a response rate of around 60%. The effect of diversification strategy on non-financial organizational indicators was found to be statistically significant. Diversification references have a statistically significant impact on organizational effectiveness, whereas diversification entry styles have no impact. The dependent variable of this study was non-financial performance, but the dependent variable considers financial and non-financial performance.

3. Methodology

The study was carried out using a descriptive research design; a similar design was used by [10]. The target population consisted of 159 managers from eight cement manufacturing firms in Kenya. As this was a census study, information was obtained from all qualified components in a specified group. The census method was preferred since the target population was small. The Cement manufacturing companies' management team consisting of top management, mid-management, and low management were the respondents. Primary data was collected using structured questionnaires. Descriptive statistics and inferential analysis were used to analyze the data [10].

4. Results and Discussion

This section presents the study findings and discussion.

4.1. Descriptive Results on Market Penetration

Descriptive results for market penetration are shown in Table 1.

Table 1. Market Penetration

Statement	strongly disagree	disagree	neutral	agree	strongly agree	M	Std. dev
The company has improved sales by lowing prices of goods	10 (8.4%)	10 (8.4%)	32 (26.9%)	31 (26.1%)	36 (30.3%)	3.61	1.24
To enter into a new market, the company uses penetration prices	13 (10.9%)	6 (5%)	16 (13.4%)	29 (24.4%)	55 (46.2%)	3.90	1.34
Sales promotion and advertisement are used to bring in new customers	9 (7.6%)	10 (8.4%)	17 (14.3%)	30 (25.2%)	53 (44.5%)	3.91	1.27
The products are introduced into new markets to increase the market share of the company	11 (9.2%)	11 (9.2%)	19 (16%)	30 (25.2%)	48 (40.3%)	3.78	1.32
The distribution of goods for customers is reliable, especially entering a new market	8 (6.7%)	7 (5.9%)	22 (18.5%)	30 (25.2%)	52 (43.7%)	3.93	1.21
Market penetration helps the company increase its performance	18 (15.1%)	20 (16.8%)	28 (23.5%)	20 (16.8%)	33 (27.7%)	3.25	1.42

The results showed that the majority of respondents aged 67 years (56.40%) agreed that the company had increased sales through lower merchandise prices (mean = 3.61, std. dev = 1.24). This has resulted in most cement companies entering the market with revenue cuts. Additional results show that most 84 respondents (70.6%) agree that companies use penetration pricing to enter new markets (mean = 3.90, std. dev = 1.34). This means that most cement companies enter the market through price penetration. Additional results show that 83 (69.7%) agree that promotions and advertisements are used to attract new customers (mean = 3.91, std. dev = 1.27). That is, most cement producers obtain customer growth through sales and promotions.

Moreover, the results clearly show that most 78 respondents (65.5%) agree that products are introduced in new markets to increase the company's market share (mean = 3.78, std. dev = 1.32). Most of the cement companies have entered the market by introducing new products. The results also show that most respondents aged 82 years (68.9%) agree that the distribution of goods to customers is reliable, especially when entering new markets (mean = 3.93, std. dev = 1.21). Selling goods to customers is a good way for cement companies to enter the market. Moreover, the results clearly show that most 55 (44.5%) agree that entering the market helps companies improve their performance (mean = 3.25, std. dev = 1.22). This means that most cement producers have good market penetration.

The study findings agreed with [11], whose results indicated that market penetration significantly impacts the development of the organizational steel industry. The findings were also consistent with [14], who found that market penetration has a positive and significant impacts

4.2. Descriptive Results on Market Development

Table 2 presents descriptive results for market development.

The results show that the majority of people, 83 (69.7%), agree that the company has established offices in key cities in Kenya (mean = 3.73, std. dev = 1.13). This indicates that most of Kenya's cement businesses have launched new branches. Additional results show that the majority of respondents, 74 (62.2%), agree that some demographic market group will be introduced (mean = 3.54, std. dev = 1.25). That is, most of the cement companies in Kenya belong to a demographic market group. In addition, the results show that the majority of 89 (74.8%) agree that the company has obtained support from marketing and sales companies (mean = 3.97, std. dev = 1.18). That means cement companies have invested heavily in sales and marketing.

Table 2. Market Development

statement	strongly disagree	disagree	neutral	agree	strongly agree	M	std. dev
In Kenya, the firm has developed branches in several significant cities.	8 (6.7%)	10 (8.4%)	18 (15.1%)	53 (44.5%)	30 (25.2%)	3.73	1.13
Several demographic market groups have been introduced.	12 (10.1%)	14 (11.8%)	19 (16%)	46 (38.7%)	28 (23.5%)	3.54	1.25
The firm has enlisted the assistance of marketing and sales firms.	10 (8.4%)	2 (1.7%)	18 (15.1%)	41 (34.5%)	48 (40.3%)	3.97	1.18
Additional institutional market categories were introduced.	14 (11.8%)	2 (1.7%)	28 (23.5%)	42 (35.3%)	33 (27.7%)	3.66	1.24
The company has invested in marketing intelligence to enhance expansion	10 (8.4%)	9 (7.6%)	30 (25.2%)	32 (26.9%)	38 (31.9%)	3.66	1.24
Participated in media campaigns to promote products.	9 (7.6%)	10 (8.4%)	21 (17.6%)	51 (42.9%)	28 (23.5%)	3.66	1.15
Market development has improved performance	9 (7.6%)	8 (6.7%)	18 (15.1%)	49 (41.2%)	35 (29.4%)	3.78	1.17

Further findings revealed that 75 respondents, or 63.0%, agreed with the statement that new institutional market categories had been added (mean=3.66, standard deviation=1.24). This suggested that cement producers had established market segments. The majority of respondents, 70 in total, agreed with the assertion that the company has invested in marketing intelligence to boost expansion, according to the data (mean=3.66, standard deviation=1.24). The investment in marketing was blamed for the cement industry's expansion. Further findings revealed that 79 respondents, or 66.4%, agreed in the majority with the statement that they took part in media campaigns to market items (mean=3.66, standard deviation=1.15). This suggested that cement companies' spending on media campaigns improved their performance. The majority of respondents, 84, or 70.6% of the sample, agreed with the assertion that market development has enhanced performance (mean=3.66, standard deviation=1.24), according to the data. This suggested that performance had a favorable impact on market development.

The study's findings concurred with those of [15], who discovered that market development had a sub substantial impact. The study's findings concurred with those of [3], who discovered that market growth strategies positively and significantly impacted Kenyan insurance businesses' organizational profitability.

4.3. Descriptive Results on Product Development

Table 3 presents descriptive results for product development.

The findings revealed that 95 respondents, or 79.9%, agreed that the company offers clients unique things (mean=4.05, std.dev=1.20). This suggested that most Kenyan cement manufacturers provided distinctive goods that improved their efficiency. Additionally, 87 respondents, or 73.1%, agreed in the majority with the statement that the company delivers high-level innovative experiences to increase market share (mean: 3.78; standard deviation: 1.22). This suggests that cement businesses hire personnel with high levels of innovative experience, which aids the business in gaining market share. The findings also revealed that the majority of the 72 respondents, or 60.5%, agreed with the statement that the company enhances its current product to satisfy customers (mean=3.61, standard deviation=1.16). This suggested that cement manufacturers make investments to enhance their current offerings. The findings also indicated that 86 respondents, or 72.3%, agreed with the statement that the corporation engages in product rebranding (mean=3.89, standard deviation=1.38). This suggested that cement manufacturers spend money rebranding their goods.

Further findings revealed that 83 respondents, or 69.8%, agreed in the majority with the statement that the company uses several novel techniques to raise the caliber of its output (mean: 3.76; standard deviation: 1.22). This suggested that cement businesses invest in new technologies. The findings also revealed that 86 respondents, or 72.3%, agreed, on average, asserting that product development enhances performance (mean: 3.76; standard deviation: 1.21). This suggested that performance was positively impacted by product development.

The study's findings corroborated those of [19], who claimed that product creation has a significant impact on store performance. The study's findings concur with those who discovered that product development influences commercial printing enterprises' effectiveness.

Table 3. Product Development

statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	M	std. dev
The company offers customers unique items.	6 (5%)	14 (11.8%)	4 (3.4%)	39 (32.8%)	56 (47.1%)	4.05	1.20
The company creates a high level of innovational experience to expand market share	7 (5.9%)	18 (15.1%)	7 (5.9%)	49 (41.2%)	38 (31.9%)	3.78	1.22
The firm improves on existing products to meet customers' requests.	11 (9.2%)	5 (4.2%)	31 (26.1%)	45 (37.8%)	27 (22.7%)	3.61	1.16
The company practices product rebranding.	14 (11.8%)	8 (6.7%)	11 (9.2%)	30 (25.2%)	56 (47.1%)	3.89	1.38
The company has various innovative processes to improve the standard of products.	13 (10.9%)	2 (1.7%)	21 (17.6%)	47 (39.5%)	36 (30.3%)	3.76	1.22
Product development helps improve performance	13 (10.9%)	5 (4.2%)	10 (8.4%)	60 (50.4%)	31 (26.1%)	3.76	1.21

4.4. Descriptive Results on Diversification

Table 4 presents descriptive results for diversification.

Table 4. Diversification

statement	SD	D	N	A	SA	M	std. dev
Diversification entails a growth process that concurrently diverges from the organization's current market and products.	9 (7.6%)	4 (3.4%)	7 (5.9%)	23 (19.3%)	76 (63.9%)	4.29	1.20
The company experiences an increase in income through market diversification	12 (10.1%)	2 (1.7%)	10 (8.4%)	32 (26.9%)	63 (52.9%)	4.11	1.26
The company has come up with products and services that are different but enjoyed by customers	10 (8.4%)	0.00%	8 (6.7%)	35 (29.4%)	66 (55.5%)	4.24	1.15
Services are offered based on how suitable it is for customers	9 (7.6%)	5 (4.2%)	3 (2.5%)	28 (23.5%)	74 (62.2%)	4.29	1.19
Diversification improves performance	6 (5%)	11 (9.2%)	5 (4.2%)	28 (23.5%)	69 (58%)	4.20	1.19

The majority of respondents, 99, or 83.2, agreed that diversification requires growth processes that diverge from the organization's current markets and products simultaneously (mean=4.29, standard deviation=1.20). This suggested that diversification has been a focus for most cement companies. Further findings revealed that 95 respondents, or 79.8%, agreed that the company's income has increased due to the market (mean: 4.11; standard deviation: 1.26). This implied that most product diversification facilitated cement businesses' market expansion. The majority of the 99 respondents, or 83.2% of the total, agreed that the company had developed new goods and services that customers like (mean: 4.24; standard deviation: 1.15). This suggested that diversification has been a focus for most cement companies. Further findings revealed that 95 respondents, or 79.8%, agreed in the majority with the assertion that diversification enhances performance (mean=4.20, standard deviation=1.19). This suggested that diversification improves performance.

The results are consistent with [6] who established that diversification positively influenced firm success. The findings also agreed with [14], who established that diversity has little impact on business growth.

4.5. Descriptive Results on Performance

Table 5 presents descriptive results for performance.

Of the respondents, 71 (59.6%) agreed that the company's market share has increased over time concerning growth plans (mean=3.51, std.dev=1.33). This suggested that market share has increased for the majority of cement companies. Further findings revealed that 88 respondents, or 74.0%, agreed that the company's profitability has increased (mean: 3.88; standard deviation: 1.19). This suggested that profitability has increased at the majority of cement companies. The respondents, 83 (78.2%), agreed with the assertion that the company's customer focus has improved (mean=4.08, std.dev=1.25), according to the data. This suggested that customer attention had improved at the majority of cement companies.

4.6. Correlation Analysis Results

This section presents findings on the connection between growth strategies and performance.

Findings showed that market penetration had a positive and significant association with the performance of cement manufacturing companies in Kenya (r=0.784, p=0.000). This implies that market penetration strongly correlates with the performance of cement manufacturing companies in Kenya. The study findings agreed with [11] whose results indicated that market penetration significantly impacts the development of the organizational steel industry. The findings were also consistent with [13], who found that market penetration has a positive and significant impacts

Further results showed that market development had a positive and significant association with the performance of cement manufacturing companies in Kenya (r=0.876, p=0.000). This implies that market development strongly correlates with the performance of cement manufacturing companies in Kenya. The study's findings concurred with those of [8], who discovered that the performance of the Kenyan Prison Company was seen to have a good association with market growth strategy.

Further results showed that product development had a positive and significant association with the performance of cement manufacturing companies in Kenya (r=0.886, p=0.000). This implies that product development strongly correlates with the performance of cement manufacturing companies in Kenya. The study's findings corroborated those of [19], who claimed that product creation significantly impacts. The study's findings concurred with those who discovered that the effectiveness of commercial printing businesses is influenced by product development.

Table 5. Performance

statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	M	std. dev
The company's market share has improved over time as regards growth strategies	13 (10.9%)	17 (14.3%)	18 (15.1%)	38 (31.9%)	33 (27.7%)	3.5	1.33
The company experienced an increase in profitability	10 (8.4%)	5 (4.2%)	16 (13.4%)	46 (38.7%)	42 (35.3%)	3.8	1.19
The company's customer focus has improved	12 (10.1%)	1 (0.8%)	13 (10.9%)	32 (26.9%)	61 (51.3%)	4.0	1.25

Table 6. Correlation Results

	Performance	Market penetration	Market n development	Product development	Diversification
Performance	1				
Market penetration	.784**	1			
	0.000				
Market development	.876**	.712**	1		
	0.000	0.000			
Product development	.886**	.760**	.730**	1	
	0.000	0.000	0.000		
Diversification	.842**	.735**	.790**	.736**	1
	0.000	0.000	0.000	0.000	

Further results showed that diversification had a positive and significant association with the performance of cement manufacturing companies in Kenya (r=0.842, p=0.000). This implies that diversification strongly correlates with the performance of cement manufacturing companies in Kenya. The study's findings concurred with [4], who discovered a link between huge construction companies' success and diversification. According to [16], diversification significantly impacted the financial stability of private institutions.

4.7. Regression Analysis

The effect of growth strategies on performance is presented in this section.

Table 7. Model Fitness

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.932a	0.869	0.865	0.364893

Table 7 shows that the R was 0.932. This implies that growth strategies had a strong connection with the performance of cement manufacturing companies in Kenya. In addition, the R square was 0.719. This implies that expansion plans account for 86.9% of the variability in the performance of Kenyan cement manufacturing enterprises, the dependent variable. The outcome supports [5] claim that market growth significantly impacted commercial printing enterprises' effectiveness.

Table 8. ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	100.996	4	25.249	189.633	.000
Residual	15.179	114	0.133		
Total	116.175	118			

At a 95% confidence level, the F statistic of 189.633 and the corresponding P-value of 0.000 indicate a significant impact on the performance of Kenyan cement manufacturing enterprises. The findings agree with [7], who found that growth strategies on the success of agrochemical enterprises.

The results show a positive and significant association between market penetration and the performance of cement manufacturing enterprises in Kenya (β =0.153, p=0.006). The findings do suggest that an increase in market penetration of one unit would result in a 0.153-unit improvement in the performance of Kenya's cement-producing enterprises. The study's results corroborated those of [11], who discovered that market entry strategies significantly influenced the success of agrochemical firms.

Additional findings revealed a positive and substantial association between market development and the performance of Kenyan cement manufacturing enterprises (β =0.358, p=0.006). The findings do suggest that an increase in market development of one unit will result in a 0.392-unit improvement in the performance of Kenya's cement-producing enterprises. The study's findings concurred with those of [15], who discovered that market development had a substantial impact. The study's conclusions agreed with those made by [3], who found that market expansion tactics had a positive and significant effect on the organizational profitability of Kenyan insurance companies.

The findings revealed a positive and substantial association between organizational performance and product development (β =0.327, p=0.006). The results indicate that a unit improvement in product development for Kenya's cement manufacturing businesses will result in a 0.327 unit gain in performance. The findings agreed with the findings that indicated that product development experienced a significant adverse effect on company performance. The findings also agreed with those who found that product development affects the effectiveness of commercial printing companies.

Results also indicated a positive and significant connection between performance and diversity (=0.173, p=0.011). The findings do suggest that an increase in diversification of one unit would result in a 0.173 unit improvement in the performance of Kenyan cement manufacturing enterprises. The results are consistent with those of [14], who found that diversity improved the bank's profitability. The study's conclusions agreed with those of [14], who found that diversity significantly impacts non-financial enterprises' performance but has no effect on financial performance.

$$Y = -0.265 + 0.153X_1 + 0.358X_2 \\ + 0.327X_3 + 0.173X_4$$

Y – Organizational Performance
X_1-Market penetration
X_2-Market development
X_3-Product development
X_4-Diversification.

Table 9. Coefficients

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	-0.265	0.155		-1.709	0.09
Market penetration	0.154	0.056	0.153	2.781	0.006
market development	0.392	0.071	0.358	5.539	0.000
Product development	0.352	0.080	0.327	4.396	0.000
Diversification	0.178	0.068	0.173	2.601	0.011

5. Conclusion

Based on the findings, the study concluded that market development strategy positively and significantly influences the performance of cement manufacturing firms in Kenya. The implication is that opening up new geographic areas will allow cement companies to attract a larger customer base, thereby increasing company performance.

From the findings, the study concluded that market penetration positively and significantly influences the performance of cement manufacturing firms in Kenya. The implication is that lowering the price of products will attract more customers, increasing the company's turnover. In addition, by entering new markets, cement companies can broaden their customer base, attracting more customers. According to the findings, the study concluded that product development positively and significantly influences the performance of cement manufacturing firms in Kenya. The implication is that unique products help cement companies differentiate themselves and build a loyal customer base. The brand change also helps companies differentiate their products from competitors.

In line with the findings, the study concluded that diversification positively and significantly influences the performance of cement manufacturing firms in Kenya. The implication is that developing additional non-cement-related products reduces the impact of market volatility. Therefore, companies can realize long-term investment plans by offering various products and services.

6. Recommendations

The management of cement companies, specifically the training managers, should invest in training employees to provide the best customer service. The management should study the behavior and patterns of their customers to understand what they need. The management of cement companies through the research and development department should invest more in research and development to develop new innovative products.

The management of cement companies should have a portfolio of product development strategies. Whatever product development strategy a company chooses must also incorporate market research to succeed. The marketing team should be innovative in developing products that meet the changing demands of customer preferences.

The management of cement companies, especially the marketing department, should intensify using a diversification strategy to achieve higher margins than their existing products. Managers should consider strengthening their business-to-customer network, thereby cutting out middlemen, and increasing their profits.

7. Limitation and Future Research Avenue

This study used primary data, which was collected using self-reporting questionnaires. As with many self-reporting studies, the results might be biased; thus, future research should incorporate secondary data to validate this study. Moreover, future studies should consider using an explanatory research design, which is more robust in testing cause-and-effect relationships.

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