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**ABSTRACT**

*This research work established the performance outcome when bamboo-related micro enterprises in Vihiga County employ growth strategies. Focus was on product development, market penetration, market development and diversification growth strategies. The influence of each strategy on the micro enterprise's performance was thereafter established. A total of 65 micro enterprises formed the target population from which 65 owners and managers were involved in the process of data collection. The small population compelled use of a census in the collection of data with a questionnaire as the primary instrument of data collection. The questionnaire type was self-administered containing open ended and closed ended questions. Descriptive statistics were used for the analysis of data through the use of an SPSS tool utilizing, frequency, percentage distributions and measures of central tendency. An analysis of variance (ANOVA) and a multiple regression model were constructed to provide a relation between the dependent and independent variables. It was established that there exists a strong interrelationship among market penetration strategies, product development strategies, market development strategies, and diversification strategies, and the performance of bamboo-related micro enterprises. These predictor variables accounted for seventy-two percent of the total variance in performance of bamboo-related enterprises, with each having a positive predictor value. The findings showed that we could use the aforementioned to predict the performance of bamboo-related micro enterprises in Vihiga County. Ultimately, the research work concluded that the application of these strategies had a significant and positive relationship with the micro enterprises performance. As a recommendation, both private and public entities are to engage bamboo-related micro enterprises to develop more strategies in achieving growth performance that will spur expansion beyond their domiciled market. A suggestion for further research was put forward to identify other unique strategies applied by bamboo-related micro enterprises and some of the challenges encountered in implementing them.*

**Key Words:** Growth Strategies, Performance, Micro Enterprises

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## INTRODUCTION

With a bulging population and a stagnant economy, unemployment has been a national concern with numerous job seekers being churned out into the industry every year. Micro and Small Enterprises (MSEs) are viewed as the alternative employment option for many who miss out on the formal opportunities. Through MSEs the unemployed can derive some source of income and create opportunities for wealth. Rathore & Mathur (2018) suggest that MSEs if well managed can be a catalyst for rapid growth for a country. Additionally, through the proliferation of MSEs you find the economy of a country receives significant boost through increased economic activity.

Despite MSEs underdeveloped status in the country, they have a part to play in the contribution of a nation's economy. MSEs are emerging as the leading employers in many developing nations (Hyder and Lussier, 2016). Their numbers make it an essential sector to the economy, alleviating poverty and allowing many to obtain an income source and hence improve their living conditions. MSEs are also handy in establishing dependable safety nets for society members. They provide employment options especially during economic downturns. Employment opportunities provided by MSEs are a reprieve to the poor who are not qualified for jobs requiring advanced skills and are forced to compete with many others for the limited opportunities in the unskilled jobs market.

MSEs in Kenya are under the regulation of the Micro and Small Enterprises Act (2012). According to this document, a micro-enterprise is any business entity of a formal or informal nature with a turnover of less than half a million shillings a year, while engaging not more than nine employees in its activities. It further defines small enterprises as those posting an annual turnover of more than half a million but less than five million shillings with an employee roll of between ten and fifty persons. From these definitions the difference between a Micro enterprise and a Small Enterprises is based on turnover and employee count.

Through MSEs economic growth has been achieved by the input of many entrepreneurial efforts alongside technological absorptions (Sato, 2015). The role of MSEs in eradicating poverty and improving social conditions by creating jobs cannot be ignored as economic growth is largely pegged on MSEs performance. The government has a leading role in encouraging MSE growth via the policies it develops and infrastructural support (World Bank, 2011). Government strategies to support MSEs include offering unsecured loans with low interest rates, offering training and streamlining the regulatory framework. The government can also provide incentives such as exemptions from taxation and subsidies.

According to Anyadike-Danes (2015), the size of a business can be used to determine its behavior in achieving growth and how it will eventually perform. For instance, you find a motivated and ambitious entrepreneur is likely to be more inclined to achieve positive growth performance. Moreover, a small enterprise innovation can positively influence growth performance by putting in place strategies and earnestly pursuing them (Omri and Ayadi-Frikha, 2014). Additionally, having trained personnel in an enterprise is imperative to a micro enterprise to achieve a positive outcome in its growth performance (Chelagat and Ruto, 2014). Factors such as marketing inadequacies can hinder the positive performance of a micro enterprise which stagnate growth and result in eventual failure.

There are many publications providing different strategies an enterprise can employ to pursue growth. This study intends to peg its observations based on the product and market expansion grid put forward by Ansoff (1957). Ansoff suggests four strategies referred to as the matrix that an enterprise can employ through individually analyzing associated risks to propagate growth. These strategies include market penetration strategy, product development strategy, market development strategy and diversification strategy. He suggests each of these strategies has different

risk levels with market penetration posing the least risk whereas diversification poses the greatest risk.

While bamboo and its products constitute one of the most traded natural commodities worldwide, its trade in Kenya has taken a back seat for a long time. According to the UN Comtrade Database (2017), China is the world's major exporter of bamboo and related products accounting to over two thirds of the world's exports. Contrarily, the European Union and the USA are the largest individual importers of these products with about twenty-eight and twenty-one per cent respectively. The statistics for Kenya's import and export figures are underwhelming with an insignificant impact on the global bamboo trade. The most common bamboo products traded internationally are preserved shoots, bamboo flooring, weaved baskets and bamboo furniture. However, Kenya has continued to show a rise in total imports of bamboo products over the past years with an increasing demand.

Micro enterprises in Kenya dealing with bamboo are typically located close to the raw product. As such, you find these enterprises prevalent in areas favoring growth of bamboo crop which is typically altitudes of over two thousand meters above sea level. Vihiga County is one of those areas with favorable climate conditions fostering bamboo growth. Additionally, the county hosts a major bamboo demonstration farm, the Tiriki Bamboo Value Chain Centre. There is also a Kenya Forest Research Institute (KEFRI) presence in the county which has been at the forefront of encouraging the growth of bamboo in its land rehabilitation and forest reclamation efforts.

### **Statement of the Problem**

The bamboo crop's high carbon absorption, high oxygen production and deep root system make it a unique solution to global environmental concerns. Many governmental and non-governmental organizations are spearheading efforts to encourage planting of bamboo for conservation purpose. However, these efforts will be naught if no commercial value can be extracted from practicing bamboo growing. Through applying growth

strategies, bamboo-related micro enterprises can tap into the commercial value of the bamboo crop, which will create a ripple effect of job creation and income generation through value addition; and, at the same time bolster conservation efforts.

Oroko and Ondigi (2017) investigated the influence of personal attributes of owners to the growth of micro enterprises. They established an existence of a positive correlation between an entrepreneur's attributes and enterprise growth. However, they did not investigate how an entrepreneur's attributes can be combined with specific strategies to spur growth. In this study, an investigation into the impact on performance of undertaking growth strategies in a micro enterprise was carried out. Kariuki and Kegoro (2018), investigated the influence of entrepreneurial practices on the women-owned micro enterprises in Embu County. In their study, they did not focus on the strategies on which to employ the entrepreneurial practices in order to influence performance. The correlation between growth strategies and business performance was uncovered in this work of study.

In examining innovation role on MSEs growth performance, Njiraini, Omolo and Gachanja (2018) found no significant relationship between an enterprise's growth performances with its innovations. The researchers did not investigate how incorporating innovation into growth strategy like product development can affect performance. In this study, we ascertained growth performance upon undertaking growth strategies in micro enterprises dealing in bamboo products.

### **Objectives of the Study**

The general objective of this study is to establish the influence of growth strategies applied by bamboo-related micro enterprises in Vihiga County on their performance. The specific objectives:

- To establish the influence of product development as a growth strategy on the performance of bamboo-related micro enterprises in Vihiga County.
- To determine how market penetration as a growth strategy influences the performance

of bamboo-related micro enterprises in Vihiga County.

- To establish the influence of market development as a strategy for growth on the performance of bamboo-related micro enterprises in Vihiga County.
- To determine how diversification as a growth strategy influences the performance of bamboo-related micro enterprises in Vihiga County.

## LITERATURE REVIEW

### Theoretical Literature Review

#### Resource Based View

Barney (1991) premised the Resource-based View theory on the suggestion that a firm can overcome competition to its product or service by possessing a resource of value that is rare, imitable and not substitutable. The Resource-based View (RBV) opines that the resources of a firm are indicators of a company's shot at competitive advantage in the industry and its performance. Only a few of these resources are however, strategic. An enterprise can employ the Resource-based View to apply product development and diversification as a strategy for its growth. Salder, Gilman, Raby and Gkikas (2020) suggest that the diversity of a firm provides an essential point of view with regard to the Resource-based View. However, to effectively exploit resources enterprises have to possess an overall guiding strategy (Williams Jr., Manley, Aaron and Francis, 2018).

According to Barney, resources are the assets owned and controlled by an organization providing it a unique strategic advantage in its approach to carrying out business. These include capital, property, processes, capabilities and consumer knowledge. Resources can be external or internal to a firm. Integrating new technologies with internal resources can significantly tilt the market balance in favor of an enterprise (Krishnamoorthi and Mathew, 2018). For small enterprises, internal resources are most important due to their limited financial standing which is usually a growth

limitation. A valuable resource allows the firm to achieve higher revenues while incurring lower costs. Barney (1991) suggests that such a resource positively influences the value of a firm while enabling pursuit of strategies that positively influence productivity and identification of opportunities and threats in the market.

#### Theory of Competitive Advantage

Competitive advantage theory suggests that an entity can gain leverage over its competition by presenting their customers with enhanced products or services or with superior value. Porter (1985) advanced the theory of competitive advantage as that which results from an enterprise providing value in its offering such that it exceeds the cost of doing so. Accordingly, competitive advantage is an element that allows customers to value a certain enterprise's product/services more highly than other. Though growth reduces an enterprise's chance of mortality, micro enterprises need to have an aggressive approach to survive and grow in a highly volatile market and with limited resources. Competition can build enterprises to perform better or eat into an enterprise's profits at great cost (Abdolshah, Moghimi and Kahatibi, 2018).

Porter (1985) identifies cost leadership and differentiation as key approaches a firm should undertake to achieve competitive advantage. He adds that each method is isolated and different from the other while all can create a path to overcome competition. According to Porter, enterprises should only identify and implement one of the two advising against their combination. Baroto, Abdullah and Wan (2012) provide evidence to support the use of a single approach as most effective on performance. Choosing between differentiation and cost leadership is essential in to facilitate an enterprise's efforts to beat competition and recording increased sales (Karyani and Rossieta, 2018).

#### Industrial Organization Theory

According to this theory, the composition of a market bears influence on the nature and response of members. Subsequently, it molds the

attractiveness of the industry and enlarges an entrepreneurs approach to cut out a market in a competitive environment. Porter (1980) advanced the industrial organization theory identifying five industrial forces that describe an industry's attractiveness with regards to profits and level of competition. These forces include the bargaining power of buyers and suppliers, the threats from new entrants and substitutes, and competitive rivalry among firms.

Dimitrieska (2016) suggest that enterprises can use the five forces model to formulate strategies that would enhance their position in the market, compete and ensure sustainability. These strategies have been noted to shape an enterprise's income (Grace, Leverty, Philips and Shimpi, 2015). The buyer bargaining power alludes to how consumers influence enterprises' pricing. Buyer power is strengthened when the products or services on offer are standardized, when they are few and price sensitive, and where buyers make large purchases.

### **Empirical Literature Review**

As put forward by Ansoff (1957), product development is concerned with introducing a new offering to an existing market by an enterprise. Kiss and Barr (2017) describe product development as involving the making of a new product or the modification of a current product and presenting it to a prevailing market, new market or both. In the case of an existing product, the improvements are meant to give increased value to the customers for their purchase. An entity can be said to pursue product development when it offers new products to complement its existing line or by refining its current offerings in already established markets. However, providing a new and unrelated product or service to a market as a product development strategy can interfere with an enterprise's current product-market strategy and subsequently its operation. Through product development an enterprise can uncover new revenue streams and thus stimulate stagnated growth.

The organizational input bears on the success of product development as a strategy (Katsikeas,

Leonidou and Zeriti, 2016). Hussain, Khattak, Rizwan, and Latif (2016) associate product development with technological changes. They also suggest that it is usually in response to a reduced demand of the current product line by an enterprise that motivates this strategy. When lean product development is taken up, there is likely to be an observation of increased revenues (Marodin, Frank, Tortorella and Netland, 2018). Product development out of collaboration with customers positively influences a firm's growth performance (Eslami and Lakemond, 2016). Consumer behavior can be incorporated into the product development strategy and a competitive advantage created out of it by an enterprise. This way, you identify the needs of the consumer not addressed by any other product and integrate them to your new product.

During market penetration, an enterprise endeavors to enhance its sales without departing from its original strategy of focusing their product offering to the market (Ansoff, 1957). Market penetration strategy involves an enterprise's approach to capture an existing market with their product by taking actions such as cutting prices, increasing promotional activities and improving distribution network. Similarly, Mutua and Murigi (2019) describe marketing penetration as efforts to positively drive sales of an enterprise without modification of the initial strategy to market the product. Hussain, Khattak, Rizwan and Latif (2016) suggest an enterprise can use this strategy to increase sales by driving more demand from existing customers or attracting new customers from the same market.

Mwangi (2016) observes that lowering an enterprise's prices and dictating the market price as strategies for market penetration considerably influence an enterprises performance. The performance of a business can be appraised by determining its share of the market (Ritthaisong, Johri and Speece, 2014). Market penetration is considered less risky by enterprises when considering the strategy to pursue when seeking growth. Thompson and Strickland (2015) present

market penetration as an achievement of four key goals including the augmenting of an enterprise's market share, dominance and customer numbers, and maintaining stable operations. Gecheo, Thuo and Byaruhanga (2016) established that an elevation of efforts designed to penetrate a market through creating unique customer experience positively reflected on an enterprise's performance.

Ansoff (1957) defines market development strategy as establishing new markets for firm's products by identifying and exploring previously ignored market segments, discovering entirely new markets and establishing new channels of distribution. In this strategy, enterprises curve out new markets for their current offerings without any value addition. Hussain, Khattak, Rizwan and Latif (2016) contribute that market development strategy is pursued to establish new markets for an enterprise's existing product/service upon saturation of the current market. Market development can result in increased revenues for a company, enhancing the bottom-line. In developing a market, an enterprise sells its current catalogue to an unexplored or new market motivated by increased competition in its present market that limits opportunities for further growth.

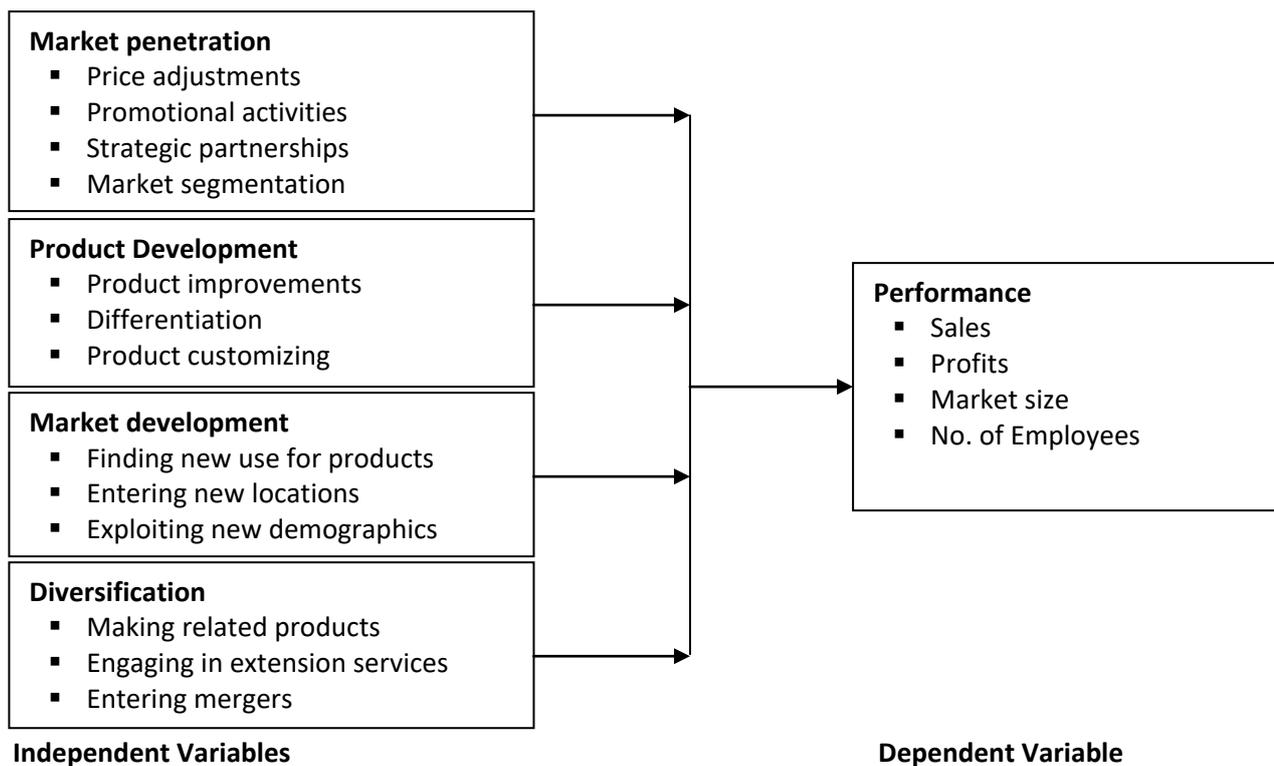
Dugguh, Aki and Oke (2018) tie an increase in sales volume to market development strategy. Enterprises can achieve new markets by using digital platforms such as social media pages and through online retail efforts (Kubai, Ngochi and Kihara, 2018). Using social media platforms can result in an increase in overall enterprise sales because it introduces to the enterprise more people who can turn out to be loyal customers (Martinez-Nunez and Perea-Aguiar, 2014). Kudeshia, Sikdar and Mittal (2016) underscore that social media platforms are especially useful in reaching out to

new customers for small enterprises as effectively as word of mouth.

Diversification as a growth strategy is concerned with the creation of new markets and/or provision of new products or services. To Kim and Rasheed (2014) a firm diversifies when it undertakes activities related to its current operations or entirely different, by utilizing its own resources. It allows enterprises to establish a footprint of their objectives. Bowen, Baker & Powell (2015) describe diversification as a form of internal growth strategy where a business entity enters business markedly unlike existing activities. An enterprise employing diversification as a strategy targeted to increase market share and record increased revenues and profits. Coad and Guenther (2014) explain that diversification can occur as a continuous process or intermittently, even though an older firm is less likely to diversify than a young firm.

According to Njuguna, Kwasira and Orwa (2018), firm performance is positively influenced by pursuing diversification. Doaei, Anuar and Ismail (2014) established a negative performance pattern with enterprises employing unrelated diversification. However, careful consideration and execution of an unrelated diversification strategy can influence an enterprise's performance positively (Vogl, 2018). On the other hand, reduced performance levels are observed when a firm over or under-diversifies owing to cost strains. However, optimal pursuit of diversification, especially related to the enterprise's current activities increases the firm's performance level (Hashai, 2015). Adeleke, Odebeatu and Adeoye (2018) conclude that there is a relation between a firm's survival and its choice of diversification strategy. According to them, diversification augments an enterprise's ability to survive competition and increase their value.

## Conceptual Framework



**Figure 1: Conceptual Framework**  
Source: (Researcher, 2023)

## METHODOLOGY

The research design used in this study was descriptive research. In this study, the target population consisted of bamboo-related micro enterprises in Vihiga County a total of 65 micro enterprises. Due to the small number of the target population, this study employed a census in data collection and analysis. The questionnaire was the primary data collection instrument. It was self-administered questionnaire to the respondents drawn from the micro enterprises. This study employed face and content validity for its research instruments. The reliability of a measure can be

expressed across items contained in the research instrument known as internal consistency reliability. This study determined reliability from a point of internal consistency. Data analysis via use of descriptive statistics was through an SPSS tool.

## FINDINGS AND DISCUSSION

### Questionnaire Response Rates

The population of study was 65 owners and managers of bamboo-related micro enterprises in Vihiga County, Kenya. The questionnaires were issued to all these respondents and the response rate is as indicated in Table 1 below.

**Table 1: Questionnaire Response Rate**

Questionnaires	Frequency	Percentage
Distributed	65	100
Returned	65	100
Total	65	100

Source: (Researcher, 2023)

From Table 1 above, the questionnaires distributed were 65 and the researcher managed to collect all

of them from the respondents. This translated to 100% response rate. According to Mugenda and

Mugenda (2003) response rate of 70% and above is excellent for data analysis, making our response rate adequate for data analysis and reporting.

### Product Development Strategies

In determining the influence of product development as a growth strategy on the performance of bamboo-related micro enterprises, the following procedures were utilized.

### Product Development Strategies Likert Scale

Various statements related to the product development strategies were issued requiring respondents to determine their extent of agreement on a five-point Likert scale. The results are presented in Table 2.

**Table 2: Product Development Strategies Likert Scale**

Product Development Strategies	1	2	3	4	5	Mean	SD
Making Improvements on Products	3.1%	6.2%	0	75.4%	15.4%	3.93	0.82
Differentiating Products	55.4%	29.2%	0	15.4%	0	1.75	1.0
Customizing Products	0	3.1%	0	81.5%	15.4%	4.09	0.52
To what Extent has the Strategy Action(s) above Influenced Performance	0	0	0	83.1%	16.9%	4.17	0.38

Key

1 = Not at all, 3 = To a moderate extent, 5 = To a very large extent

2 = To a small extent, 4 = To a large extent,

Source: (Researcher, 2023)

Majority (75.4%) of the respondents agreed that product improvements positively influenced performance, to a large extent, with another 15.4% indicating improvement to a very large extent. 6.2% of them indicated improvement was to a small extent while 3.1% were of the opinion that it does not improve the performance at all.

The mean score stood at 3.93 ( $SD=0.82$ ) indicating that the majority agreed that product development does improve performance to a large extent. These results are in agreement with Kiss and Barr (2017) who established that through product development, an enterprise can uncover new revenue streams and thus stimulate stagnated growth.

On the influence differentiating products had on performance, majority of the respondents represented by 55.4% indicated that it does not contribute in any way. Another 29.2% of the respondents indicated that it contributes but to a small extent. Approximately 15.4% of the respondents indicated that it contributes to the

improvement to a large extent and none indicated that it contributed to a very large extent.

The mean score was 1.75 ( $SD=1.0$ ) indicating that majority were of the opinion that differentiating products does not improve on the performance of micro enterprises. This result contrasted with that of Porter (1985) who in his advancement of the theory of competitive advantage, put forward that by differentiating products, customers may put more value to such products and hence increasing its demand in the market.

81.5% agreed that customizing the products improved the performance of their micro enterprises to a large extent. 15.4% indicated that it improved on their performance to a very large extent. Only 3.1% were of the opinion that while it contributed to some improvement, it was only to a small extent.

The mean score of 4.09 ( $SD=0.52$ ) suggested most respondents agreed customizing their product contributed to increased performance of the micro

enterprise. It buttressed the report by Hussain, Khattak, Rizwan, and Latif (2016) that product development counters the reduced demand for the already existing product boosting an enterprise's sales and relevance in the market. It is especially rewarding when presented such that customers think there is an improvement to the already existing product.

Considering all the strategies combined, it was established that majority of the respondents (83.1%) agreed that they jointly contribute to the performance of micro enterprises, to a large extent. Another 16.9% determined contribution was to a very large extent to the performance of micro enterprises. The mean score stood at 4.17 ( $SD=0.38$ ) indicating that majority agreed that the three variables contribute to a large extent to the performance of micro enterprises.

The findings established by Eslami and Lakemond, (2016) were also similar to the results of the present study. The researchers found that a lot of impact will be felt when enterprises develop new

products in consultation with the client at each stage of development. The incorporation of consumer behavior to the product development was proven as the game changer in improving the demand for the product, which gives the enterprise a competitive advantage over the others. The incorporation of consumer behavior can be done through the identification of the needs of the consumers that have not been addressed by any other product and integrating them to the new product.

### Product Development Strategies by Respondent Title

Product development strategies were also evaluated by the respondent title to determine any mean differences between owner and the manager. The results are presented in Table 3 below.

**Table 3: Product Development Strategies by Respondent Title**

Respondent Title	N	Mean	SD
Owner	49	9.65	1.41
Manager	16	10.19	1.87
Total	65	9.78	1.54

Source: (Researcher, 2023)

Table 3 above shows micro enterprises run by managers scored the highest at 10.19 with and 1.87 SD. Those run by the owners scored 9.65 with 1.41 SD. While it could be the result of their considerably lower number, it could be conclude that micro enterprises run by the managers performed better on product development strategies compared to those run by the owners. This is in agreement with Tillmar (2016), who put forward that insufficient

skills of management by an entrepreneur can affect the growth performance of a micro enterprise.

### Product Development Strategies by Nature of Business Activity

The researcher also used the data collected to measure the product development strategies based on the nature of business. Table 4 below summarizes the findings.

**Table 4: Product Development Strategies by Nature of Business Activity**

	N	Mean	SD
Selling Seedlings	8	10.25	1.83
Furniture Making	27	9.56	1.01
Artifacts	30	9.87	1.83
Total	65	9.78	1.54

Source: (Researcher, 2023)

Table 4 above shows those selling seedlings had the highest mean of 10.25 with a 1.83 standard deviation. Those dealing in artifacts averaged a mean of 9.87 with standard deviation at 1.83. Furniture makers had the lowest mean score, 9.56 with standard deviation of 1.01. As such, those who were in the business of selling bamboo seedlings did better in product development strategies. This could be attributed to efforts by government and other agencies in supplying farmers with new bamboo varieties. This is in line with sentiments by

Abdullahi and Sulaiman (2015) who identify programmes targeted to micro enterprises and initiated by the government as pivotal for their growth efforts.

#### **Product Development Strategies by Ownership Nature**

When the product development strategies were measured against the ownership nature of the micro enterprise, the results are as indicated in Table 5 below.

**Table 5: Product Development Strategies by Ownership Nature**

<b>Ownership Nature</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>
Sole Proprietorship	44	9.82	1.54
Company	2	11.00	2.83
Partnership	18	9.61	1.46
Others	1	9.00	0.00
Total	65	9.78	1.54

Source: (Researcher, 2023)

Table 5 above reveals companies averaged highest mean at 11.00 with a standard deviation at 2.83. Next were sole proprietorships whose mean at 9.82 was accompanied with standard deviation of 1.54. Partnerships scored a mean of 9.61 and a standard deviation of 1.46. The lowest mean score was recorded by those who fall under the category of “others” with a mean of 9.00. The results imply that the companies did better on product development scale compared to any other category of the ownership nature. The findings agree with Krishnamoorthi and Mathew (2018) who opine that a firm with significant internal resources can tilt the market balance in their favour.

#### **Product Development Strategies by Duration of Existence**

The application of product development strategies were also measured against the micro enterprises’ duration of existence. The results are shown in Table 6 below.

**Table 6: Product Development Strategies by Duration of Existence in Years**

<b>Duration of Existence</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>
Less than 1 year	3	10.00	3.00
1-5 years	10	9.70	1.57
6-10 years	45	9.76	1.47
Above 10 years	7	10.00	1.53
Total	65	9.78	1.54

Source: (Researcher, 2023)

Table 6 above highlights micro enterprises in existence for more than 10 years recorded the highest mean score of 10.00 with a standard deviation of 1.53. This was followed by those who had existed for less than one year averaging a mean of 10.00 and SD of 3.00. Closely following were

those between 6-10 years of existence followed with a mean of 9.76 and a standard deviation of 1.47. The lowest mean score was recorded by those between 1-5 years of existence at 9.70 and 1.57 SD.

In summary, those who had been in business for the longest period as well as those who had been in

business for the shortest period did better than any other category. This is in agreement with Hitt, Ireland, and Hoskisson (2015) who conclude that an enterprise achieves greater growth performance over time. Additionally, Omri and Ayadi-Frikha (2014) determined that when a small enterprise puts in place innovative strategies, it can positively influence growth performance within a short time.

#### **Influence of Product Development on Performance**

Pearson correlation was used to determine the relationship between product development as a growth strategy and the performance of bamboo-related micro enterprises. With  $r(65)=0.69$ , it can be concluded that there exists a positive and significant correlation between product development strategies and performance of bamboo related micro enterprises. This implies that implementing product development strategies will positively influence performance of bamboo-related micro enterprises.

These findings resonate with Katsikeas, Leonidou and Zeriti (2016) who opine that organizational efforts in pursuing product development as a strategy bring about success. Additionally, Marodin, Frank, Tortorella and Netland (2018) conclude that undertaking lean product development is likely to result in increased revenues.

#### **Market Penetration Strategies**

The following analysis was undertaken to determine the influence of market penetration strategies on the performance of bamboo-related micro enterprises.

#### **Market Penetration Likert Scale**

The researcher subjected responses from respondents on various parameters used as market penetration strategies to a Likert scale with values form 1 to 5. Table 7 below presents the results.

**Table 7: Market Penetration Strategies Likert Scale**

<b>Market Penetration Strategies</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>Mean</b>	<b>SD</b>
Making Adjustments in Price	0	50.8%	3.1%	46.2%	0	3.0	0.99
Increasing Promotional Activities	0	9.2%	0	70.8%	20%	4.02	0.76
Creating Strategic Partnerships	0	60%	6.2%	18.5%	15.4%	2.89	1.19
Segmenting the Market	0	1.5%	0	86.2%	12.3%	4.09	0.422
To What Extent has the Strategy Action(s) Above Influenced Performance	0	47.7%	3.1%	26.2%	23.1%	3.25	1.28

#### **Key**

1 = Not at all, 2 = To a small extent, 3 = To a moderate extent, 4 = To a large extent, 5 = To a very large extent  
 Source: (Researcher, 2023)

The respondents were in majority agreement at 50.8% that making adjustments in price influenced performance to a small extent. They were followed by those who indicated that the influence was to a large extent with a representation of 46.2%. The least number of respondents (3.1%) were of the opinion that its influence was to a moderate extent. The 3.00 mean and 0.99 SD indicating that the level of agreement was moderate. The results were in

agreement with Mwangi (2016) who observed lowering prices was effective in influencing sales performance. This is an indication that the price is among the key tools that can be used by a firm to penetrate into the market and increase their sales and share of the market.

Increasing promotional activities was observed by 70.8% of the respondents to influence performance to a large extent. Those that thought it did so to a

very large extent followed with a representation of 20%. The least percentage was by those who considered its influence was to a small extent at 9.2%. The 4.02 mean and 0.76 SD indicating majority approval that influence of promotional activities on performance was to a large extent. Hussain, Khattak, Rizwan and Latif's (2016) work suggesting an enterprise using this strategy can drive demand from new or existing customers and increase sales is in agreement with these results.

Concerning the influence of creating strategic partnerships on the performance, most of the respondents at 60% opined it was to a small extent. Nonetheless, 18.5 % thought it did to a large extent. 15.45% indicated its influence was to a very large extent while 6.2% offered the opinion that it influenced performance to a moderate extent. The resulting mean score stood at 2.89 with 1.19 SD showing a majority opinion assenting influence of creating strategic partnerships was to a small extent. This result agrees with Thompson and Strickland (2015) who identified augmenting a market share by dominating customer numbers, through partnerships, for instance, as one of the four key goals in achieving market penetration.

Segmenting the market was deemed by 86.2% as influential to business performance to a large extent. Those that indicated its influence was to a very large extent was 12.3%, while 1.5% opined its

influences was to a small extent. The 4.09 mean and 0.422 SD signifying majority assent that market segmentation influences the performance of bamboo-related micro enterprises. The findings are in line with Gecheo, Thuo and Byaruhanga (2016) who established that creating unique customer experience by utilizing efforts like market segmentation positively reflected on an enterprise's performance.

Combining the four market penetration strategies resulted in a majority opinion (47.7%) with the view that influence on enterprise performance was to a small extent. 23.1% indicated that it influenced performance to a large extent. Those indicating influence was to a moderate extent were at 3.1%. The mean score stood at 3.25 with a standard deviation of 1.28 indicating that the influence of market penetration strategies on the performance of bamboo-related micro enterprises was to a moderate extent. The findings of this study support Duncan and Natarajarathinam (2016), who established that market penetration, when properly executed, contributes greatly to the sustained growth of an enterprise.

#### Market Penetration Strategies by Respondent Title

The researcher obtained data comparing the use of market penetration strategies based on the respondent title. Table 8 below captures the results.

**Table 8: Market Penetration Strategies by Respondent Title**

Respondent Title	N	Mean	SD
Owner	49	13.84	2.65
Manager	16	14.31	2.65
Total	65	13.95	2.64

Source: (Researcher, 2023)

Table 8 above indicates micro enterprises ran by managers scored highly with an average of 14.31 while SD stood at 2.65, while those run by owners averaged 13.84 with a 2.65 SD. Micro enterprises ran by managers did better in market penetration than those ran by the owners. This could be attributed to the efforts of an enterprise in acquiring skilled personnel and combining with

other resources into productive and valuable internal resources as put forward by Pett, Francis and Wolff (2019).

#### Market Penetration Strategies by Nature of Business Activity

Market penetration strategies were also interpreted based on the nature of business activity undertaken. Table 9 below presents the results.

**Table 9: Market Penetration Strategies by Nature of Business Activity**

Nature of Business Activity	N	Mean	SD
Selling Seedlings	8	15.50	2.97
Furniture Making	27	12.85	1.68
Artifacts	30	14.53	2.92
Total	65	13.95	2.63

Source: (Researcher, 2023)

From Table 9 above, the results indicate that those involved in the selling of seedlings had the highest mean at 15.50 with 2.97 SD. Those dealing in artifacts followed with a mean of 14.53 and a standard deviation of 2.92. The lowest mean score was obtained by those in the furniture making with a mean score of 12.85 and a standard deviation of 1.68. This implies that the micro enterprises involved in selling seedlings had better market penetration strategies than any other business

activity. It can be concluded as per Mutua and Murigi (2019), that these micro enterprises put the appropriate efforts in positively driving sales without modification of their initial marketing strategy.

#### Market Penetration Strategies by Ownership Nature

Market penetration strategies were also deduced based on the ownership nature of the micro enterprise. Table 10 below summarizes the findings.

**Table 10: Market Penetration Strategies by Ownership Nature**

Ownership Nature	N	Mean	SD
Sole Proprietorship	44	13.66	2.64
Company	2	17.00	1.41
Partnership	18	14.11	2.47
Others	1	18.00	0.00
Total	65	13.95	2.64

Source: (Researcher, 2023)

Table 10 above accounts companies highest mean at 17.00 with a standard deviation of 1.41. They were followed by partnerships who obtained a mean score of 14.11 with a standard deviation of 2.47. The sole proprietors obtained the lowest mean of 13.66 with a 2.64 SD. This translates to better performance by companies than any other category on market penetration. It can be concluded that as Yin (2016) put it, these

enterprises were comprehensive in the exploitation of their market to pursue maximum consumption of their product.

#### Market Penetration Strategies by Duration of Existence

The market penetration strategies data was also compared by the duration of existence in years to determine any mean differences. The results are presented in Table 11 below.

**Table 11: Market Penetration Strategies by Duration of Existence**

Duration of Existence	N	Mean	SD
Less than 1 year	3	13.000	4.35
1-5 years	10	14.400	3.06
6-10 years	45	13.960	2.53
Above 10 years	7	13.714	2.43
Total	65	13.950	2.64

Source: (Researcher, 2023)

From Table 11 above, the micro enterprises in existence for between 1-5 years obtained a 14.40 average with 3.06 SD. Those in existence for between 6-10 years followed closely with a mean of 13.96 and a standard deviation of 2.53. Micro enterprises in existence for more than 10 years had a mean of 13.71 and a standard deviation of 2.43. Those with less than one year since inception recorded the lowest mean score of 13.00 with a standard deviation of 4.35.

The results indicate that the micro enterprises who had been in business the longest had better success at market penetration strategies. This is in line with the observations made by Hussain, Khattak, Rizwan and Latif (2016), that over the years, an enterprise gains experience finding more ways to increase sales and drive up demand from both new and existing customers.

#### **Influence of Market Penetration Strategy on Performance**

The influence market penetration strategies had on the performance of bamboo-related micro enterprises was determined by using Pearson correlation test. The established value was  $r(65)=0.72$  indicating existence of a positive correlation when performance is sought through market penetration strategies.

The outcome asserts Porter (1985) describing the theory of competitive advantage that an entity can gain leverage over its competition by presenting their customers with enhanced products or services or with superior value. It also is in agreement with Thompson and Strickland (2015) who established that market penetration when executed properly through the augmentation of the enterprise's market share, dominance and customer numbers, and maintaining stable operations, will contribute to the performance of micro enterprises, results which are consistent with those of the current study.

#### **Market Development Strategies**

Investigation of the influence of market development strategies on the performance of bamboo-related micro enterprises is discussed in this section.

#### **Market Development Likert Scale**

The respondents provided data by answering statements using a five point Likert scale to determine the extent of their agreement. The results are presented in Table 12 below.

**Table 12: Market Development Strategies Likert Scale**

<b>Market Development Strategies</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>Mean</b>	<b>SD</b>
Finding New Use for Products	0	3.1%	0	64.6%	32.3%	4.26	0.62
Venturing into New Geographies	9.2%	46.2%	4.6%	29.2%	10.8%	2.86	1.25
Exploiting New Demographics	10.8%	46.2%	3.1%	30.8%	9.2%	2.82	1.25
To What Extent has the Strategy Action Above Influenced Performance	20%	61.5%	0	0	18.5%	2.17	0.96

#### **Key**

1 = Not at all, 3 = To a moderate extent, 5 = To a very large extent  
 2 = To a small extent, 4 = To a large extent,

Source: (Researcher, 2023)

Most of the respondents (64.6%) indicated finding new use for products influenced performance to a large extent. 32.3% indicated that the influence was

to a very large extent while only 3.1% credit the influences to a small extent. The 4.26 mean and 0.62 SD indicating that the majority of the

respondents agreed that new use for products influenced performance to a large extent. This corroborates what Madungu and Kagwe (2016) put forward that establishing consumer patterns and behavior and undertaking product conversions are key in opening up new markets for an enterprise.

46.2% of the respondents were of the opinion that venturing into new geographies influenced the performance of bamboo-related micro enterprises to a small extent. Another 9.2% were adamant that it did not influence the performance at all. On the other hand, 29.2% of the respondents indicated the influences on performance was to a large extent while another 10.8% indicated influences to a very large extent. Only 4.6% were of the opinion that performance was influenced to a moderate extent. The 2.86 average alongside 1.25 SD indicated most respondents supposed venturing into new geographies influenced performance to a small extent. The findings are in agreement with Kubai, Ngochi and Kihara, (2018) who established that using digital platforms like social media pages and online retailing contributed to the establishment of new markets.

New demographics were said to influence performance of bamboo-related micro enterprises to a small extent by 46.2% of the respondents. 10.8% indicated there was no influence at all while, on the positive side, 30.8% of the respondents indicated the influences on performance was to a large extent. Another 9.2% credited the influence as

to a very large extent with a paltry 3.1% indicating the influence was to a moderate extent. The mean score stood at 2.82 with a standard deviation of 1.25 implying the majority were of the opinion that performance was influenced to a small extent. Martinez-Nunez and Perea-Aguiar (2014) confer that new demographics can result in an increase in overall enterprise sales by introducing more people to the enterprise who can turn out to be loyal customers.

Evaluating the combined three variables of market development strategies established a majority opinion (61.5%) that their influence on performance was to a small extent. 20% indicated there did not observe any influence at all while another 18.5% credited these strategies to a large extent. The 2.17 average and 0.96 SD indicated the majority felt market development as a strategy influenced performance to a small extent. These findings are supported by Wanjohi, Gathenya and Kihoro (2019) who, while investigating retail supermarkets, observed that market development alongside other product oriented strategies can considerably influence performance.

#### **Market Development Strategies by Respondent Title**

The data for market development strategies was evaluated by respondent title to determine any mean difference between businesses run by owners and those run by the managers. Table 13 below captures the results.

**Table 13: Market Development Strategies by Respondent Title**

<b>Respondent Title</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>
Owner	49	8.94	3.03
Manager	16	10.00	3.35
Total	65	9.20	3.12

Source: (Researcher, 2023)

From Table 13 above, the micro enterprises run by the managers had a higher mean score of 10.00 with standard deviation of 3.35 while those run by the owners averaged 8.94 with a 3.03 SD. The observation was that owners did poorly in market development strategies compared to those

businesses run by managers. According to Hussain, Khattak, Rizwan and Latif (2016), an enterprise pursues market development strategy to establish new markets for their existing product when they consider the current market saturated. In this case

it could be concluded that the managers have a different market view compared to the owners.

### Market Development Strategies by Nature of Business Activity

Data for market development strategies deciphered by the nature of business activity was examined to determine any mean differences between those selling seedlings, and those making furniture or artifacts. Table 14 below captures the results.

**Table 14: Market Development Strategies by Nature of Business Activity**

Nature of Business Activity	N	Mean	SD
Selling Seedlings	8	8.88	3.31
Furniture Making	27	8.52	2.93
Artifacts	30	9.90	3.19
Total	65	9.20	3.12

Source: (Researcher, 2023)

Table 14 above shows that those making artifacts averaged the highest score at 9.90 with a 3.19 SD. Next were those selling seedlings averaging 8.88 and 3.31 SD. The furniture makers averaged 8.52 with 2.93 SD. This can be concluded as an intense effort by those making artifacts to reach out to new customers through platforms like social media and word of mouth (Kudeshia, Sikdar and Mittal, 2016).

### Market Development Strategies by Ownership Nature

The data for market development strategies was also measured by ownership nature of the micro enterprise. The results are presented in Table 15 below.

**Table 15: Market Development Strategies by Ownership Nature**

Ownership Nature	N	Mean	SD
Sole Proprietorship	44	9.39	3.24
Company	2	6.00	0.00
Partnership	18	8.89	2.78
Others	1	13.00	0.00
Total	65	9.20	3.12

Source: (Researcher, 2023)

The results in Table 15 above indicate that sole proprietorships had a superior average of 9.39 with a 3.24 SD. They were followed by partnerships who had a mean of 8.89 with a standard deviation of 2.78. Companies recorded the lowest mean score of 6.00 with a standard deviation of 0.00. The performance of sole proprietorship agrees with the findings of Salder, Gilman, Raby and Gkikas (2020)

who attributed the success of an enterprise to the owner's vigor.

### Market Development Strategies by Duration of Existence

Market development strategies were also tabulated against the duration the business has existed. Table 16 below summarizes the results.

**Table 16: Market Development Strategies by Duration of Existence**

Duration of Existence	N	Mean	SD
Less than 1 Year	3	10.33	3.79
1-5 Years	10	9.80	3.39
6-10 Years	45	9.02	3.06
Above 10 Years	7	9.00	3.42
Total	65	9.20	3.12

Source: (Researcher, 2023)

From Table 16 above, micro enterprises in existence for less than one year obtained a 10.33 mean with 3.79 SD. Those who had been in existence for between 1-5 years followed with a mean of 9.80 with standard deviation of 3.39. Those who had been in existence for between 6-10 years came third with a mean of 9.02 and a standard deviation of 3.06. The lowest mean score of 9.00 ( $SD=3.42$ ) was recorded by those who had been in existence for over 10 years. The results indicate that the new entrants to this market were more aggressive as supported by Dimitrieska (2016) who suggested new enterprises can use market development strategies to enhance their position in the market, compete and ensure sustainability.

### Market Development Strategy's Influence on Performance

The researcher aimed to determine whether market development strategies influence performance of bamboo-related micro enterprises. This was done using Pearson's correlation analysis which was established to be  $r(65)=0.45$ . This results reveal a positive correlation between market development strategies and bamboo-related micro enterprises to significant levels.

**Table 17: Diversification Strategies Likert Scale**

Diversification Strategies	1	2	3	4	5	Mean	SD
Making Related Products	43.1%	21.5%	3.1%	21.5%	10.8%	2.35	1.48
Engaging in Extension Services	0	6.1%	3.1%	84.6%	6.2%	3.91	0.57
Entering Mergers	36.9%	9.2%	30.8%	23.1%	0	2.94	1.69
To What Extent has the Strategy Action(s) Above Influenced Performance	6.1%	55.4%	3.1%	26.2%	9.2%	2.77	1.18

#### Key

1 = Not at all,                      3 = To a moderate extent,    5 = To a very large extent  
 2 = To a small extent,        4 = To a large extent,

Source: (Researcher, 2023)

43.1% of the respondents indicated they did not undertake such measures and so it contributed nothing to performance of their micro enterprises. 21.5% of respondents agreed that contribution to performance was to a small extent. A similar percentage responded the contribution to performance was to a large extent. Those who

These findings corroborate Dugguh, Aki and Oke (2018) who established that an increase in sales volume of any micro enterprise is attributable to market development strategies. It also supports the findings by Kudeshia, Sikdar and Mittal (2016) who highlighted that social media platforms are useful ways micro enterprises can reach out to new customers. The positive correlation between market development strategies and performance is also emphasized by Madungu and Kagwe (2016), who reported in their study that efforts geared towards market development like rebranding and carrying out promotional events help enterprises curve out a new market segments for themselves.

### Diversification Strategies

This study also sought to determine how diversification as a growth strategy influenced the performance of bamboo-related micro enterprises in Vihiga County. The outcome is discussed in the following sections.

#### Diversification Strategies Likert scale

The participants responded to three diversification-related statements on a five-point Likert scale. Table 17 below presents the results.

indicated that the influence of this strategy on performance was to a very large extent made up 10.8%, while 3.1% were of the opinion that it contributed to a moderate extent. The 2.35 mean and 1.48 SD signaled majority opinion that contribution to performance of this strategy was to a small extent. This resonates with Ng'ang'a,

Namusonge and Sakwa (2016) who observed that a need to diversify to remain relevant accompanies increased market competition.

The majority (84.6%) of respondents were of the opinion that engaging in extension services contributed to a large extent the performance of bamboo-related micro enterprises. 6.2% determined the contribution to be to a very large extent. Those who indicated that it contributes to a moderate extent were at 3.1% while 6.1% indicated it contributed to a small extent. The 3.91 mean and 0.57 SD indicating that popular opinion that it contributes to a large extent. This is testament to the findings by Njuguna, Kwasira and Orwa (2018) who identified that firm performance is positively influenced by pursuing diversification.

With regard to entering mergers, 36.9% disagreed that it would boost the performance of the micro enterprise stating it does not contribute at all. 9.2% of the respondents suggested it did contribute but to a small extent. Of the respondents, 30.8% indicated contribution of this strategy to performance was to a moderate extent while 23.1% were of the opinion that it contributes to a large extent. The mean score stood at 2.94 with a standard deviation of 1.69 indicating that majority were of the opinion that the contribution tended towards a moderate extent. This finding is

supported by Patrisia and Dastgir (2016) who opined that diversifying by entering mergers for instance, can provide an enterprise with the advantage of a larger market presence and water down current risks.

When the three variables were combined there was a 55.4% opinion that these diversification strategies contribute to the micro enterprise's performance to a small extent. 6.1% of respondents indicated that it does not contribute at all while 3.1% indicated that it contributes to a small extent. 26.2% indicated that it contributes to a large extent and another 9.2% were of the opinion that it contributes to a very large extent. The mean score stood at 2.77 with a standard deviation of 1.18 implying that the three variables contributed to a small extent to the performance of the micro enterprises. In similar fashion, Adeleke, Odebeatu and Adeoye (2018) conclude that there is a relation between a firm's survival and its choice of diversification strategy. According to them, diversification augments an enterprise's ability to survive competition and increase their value.

#### Diversification Strategies by Respondent Title

The researcher obtained data comparing application of diversification strategy by respondent's title. A summary of the results is captured in Table 18 below.

**Table 18: Diversification Strategies by Respondent Title**

Respondent Title	N	Mean	SD
Owner	49	11.88	1.18
Manager	16	11.81	0.98
Total	65	11.86	1.13

Source: (Researcher, 2023)

From Table 18 above, micro enterprises run by the owner had an 11.88 mean and 1.18 SD, while those run by the manager had a mean of 11.81 with a standard deviation of 0.98. The enterprises run by the owners showed an increased propensity to pursue and achieve success with diversification as a strategy. As put forward by Benito-Osorio, Colino and Zuniga-Vicente (2015), an enterprise is limited in its approach of diversification depending on its

internal capabilities. In this case, owners exercise more control over the business compared to managers and are such more likely to initiate diversification efforts.

#### Diversification Strategies by Nature of Business Activity

The data on diversification strategy when compared by nature of business activity was also tabulated. Table 19 below summarizes the data.

**Table 19: Diversification Strategies by Nature of Business Activity**

Nature of Business Activity	N	Mean	SD
Selling Seedlings	8	12.25	1.16
Furniture Making	27	11.56	1.09
Artifacts	30	12.03	1.13
Total	65	11.86	1.13

Source: (Researcher, 2023)

From Table 19 above, those selling of seedlings recorded the highest mean score of 12.25 with a standard deviation of 1.16, followed by makers of artifacts with a mean of 12.03 and a standard deviation of 1.13. Those in furniture making averaged 11.56 against a 1.09 SD. Those selling seedlings did better than any other category. This case can be supported by Kistruck, Qureshi and Beamish (2013) who insinuated that changes made

by an enterprise pursuing related diversification are minimal and less disruptive. Considering the nature of business activities, selling seedlings is easily adaptable to such diversification.

#### Diversification Strategies by Ownership Nature

The results when diversification strategy was measured against the ownership nature of micro enterprises is discussed below. Table 20 below highlights the figures.

**Table 20: Diversification Strategies by Ownership Nature**

Ownership Nature	N	Mean	SD
Sole Proprietorship	44	11.73	1.11
Company	2	14.00	0.00
Partnership	18	11.94	1.06
Others	1	12.00	0.00
Total	65	11.86	1.13

Source: (Researcher, 2023)

The results in Table 20 above indicate that companies had the highest mean score of 14.00, followed by partnerships with a mean score of 11.94 and a standard deviation of 1.06. Sole proprietorship scored lowest with a 11.73 mean 1.11 SD. The better performance by companies can be attributed to their capacity to undertake optimal

pursuit of diversification Hashai (2015) with careful consideration and execution.

#### Diversification Strategies by Duration of Existence

A summary discussion was also carried out comparing application of diversification strategy by duration of the business in years. Table 21 below presents the results.

**Table 21: Diversification Strategies by Duration of Existence in Years**

Duration of Existence	N	Mean	SD
Less Than 1 Year	3	12.67	1.15
1-5 Years	10	12.10	1.10
6-10 Years	45	11.78	1.14
Above 10 Years	7	11.71	1.11
Total	65	11.86	1.13

Source: (Researcher, 2023)

The Table 21 above shows that businesses in existence for less than a year had the highest mean score of 12.67 with a standard deviation of 1.15. These were followed by those with between 1-5 years of existence with a mean Of 12.10 and a standard deviation of 1.10. Businesses in existence for between 6-10 years had a mean of 11.78 and a standard deviation of 1.15. Those that had been in existence for above 10 years had a mean score of 11.71 with standard deviation of 1.1. This drew the conclusion that businesses in existence for less than one year implemented diversification strategies successfully than any other category. This is supported by Coad and Guenther (2014) who explain that while diversification can occur as a continuous process or intermittently, older firms are less likely to diversify than young firms.

#### Diversification Strategies and Performance

Correlation between diversification and bamboo-related micro enterprises performance was analyzed by using Pearson correlation. The outcome  $r(65)=0.44$  revealed a positive correlation. These findings are supported by the sentiments of Ng'ang'a, Namusonge and Sakwa (2016) who concluded that diversification helps firms to remain

**Table 22: Performance of Micro Enterprises Scale**

Performance	1	2	3	4	5	Mean	SD
Increased Sales	3.1%	12.3%	70.8%	9.2%	4.6%	3.0	0.73
Increased Profit Margins	1.5%	6.2%	66.2%	13.8%	12.3%	3.29	0.82
Enhanced Market Size	15.4%	3.1%	3.1%	69.2%	9.2%	3.53	1.20
Increase in Employees	1.5%	3.1%	12.4%	69.2%	13.8%	3.91	0.72

Source: (Researcher, 2023)

On whether increased sales indicate better performance of micro enterprises, 70.8% were of the opinion that it did contribute to a moderate extent. This was followed by those who indicated that it contributes to a small extent at 12.3%. Those with the opinion that it does not contribute at all were represented by 3.1%. Another 9.2% and indicated contribution was to a large extent, while 4.6% supposed it was to a very large extent. The 3.0 average and 0.73 SD indicated affirmation that contribution towards performance was to a moderate extent. This finding is augmented by

market relevant and capable of retaining or increasing their market share. This study also agreed with Elif and Emerg (2015), that enterprises that pursue diversification as a strategy for growth are more valuable than those that shun the strategy. It is also in line with the work of Adeleke, Odebeatu and Adeoye (2018), who concluded that there is a relation between a firm's survival and its choice of diversification strategy. According to them, diversification augments an enterprise's ability to survive competition and increase their value.

#### Performance of Micro enterprises

The researcher tested the various parameters used to measure the performance of micro enterprises. The strategies were independently tested to determine if they can jointly predict the performance of bamboo-related micro enterprises.

#### Performance of Micro Enterprises Likert Scale Responses

The researcher subjected performance of micro enterprises-related statements to a Likert scale with values form 1-5 based on provided response. The results are summarized in Table 22 below.

Mutua and Murigi (2019) and Hussain, Khattak, Rizwan and Latif (2016) who view increased sales as a measure of performance.

Concerning whether increased profit margins is an indicator of the performance of micro enterprises, 66.2% agreed it was to a moderate extent. 13.8% of the respondents noted that it did to a large extent. Another 6.2% determined that it indicates to a small extent, while 1.5% noted that it does not indicate performance at all. The mean score stood at 3.29 and a 0.82 SD showing according to majority it indicates to a moderate extent. The findings

corroborate Brenes, Montoya, and Ciravegna (2014) who credit increased profits earnings to strategies aimed at gaining competitive advantage such as differentiation.

An enhanced market size was identified to be an indicator of improvement in the performance by 69.2% who opined it is to a large extent. Of them, 9.2% noted that its usefulness as an indicator was to a very large extent while 3.1% determined it was an indicator to a small extent and a moderate extent as well. Another 15.4% noted that it does not indicate the improvement of performance at all. The mean score stood at 3.53 with a standard deviation of 1.2 determining that the majority thought it is an indicator to a moderate extent. Ritthaisong, Johri and Speece (2014) agree with this finding, putting forward that performance of a business can be appraised by determining its share of the market. Also, Madungu and Kagwe (2016) identify opening up new markets for an enterprise as growth performance through establishing consumer patterns and behavior.

**Table 23: Performance by Respondent Title**

Respondent Title	N	Mean	SD
Owner	49	9.73	2.48
Manager	16	10.56	2.73
Total	65	9.93	2.55

Source: (Researcher, 2023)

Table 23 above reveals micro enterprises run by managers scored a 10.56 mean and 2.73 SD. Those run by the owners had a mean of 9.73 with standard deviation of 2.48. The conclusion is that those micro enterprises run by managers displayed better growth performance. The findings agree with Chelagat and Ruto (2014) who identified having trained personnel like managers in an enterprise is

**Table 24: Performance by Nature of Business Activity**

Nature of Business Activity	N	Mean	SD
Selling Seedlings	8	11.37	2.87
Furniture Making	27	9.00	1.98
Artifacts	30	10.40	2.69
Total	65	9.94	2.55

Source: (Researcher, 2023)

An increase in the number of employees was said to be an indicator of improved performance by micro enterprises by 69.2% of the respondents who opined that it is to a large extent and 13.8% noted it is to a very large extent. Some 12.4% of respondents noted it is an indicator to a moderate extent while another 3.1% were of the opinion that its indication was to a moderate extent. 1.5% said was not an indicator of improved performance at all. The mean score stood at 3.91 and 0.72 SD suggesting majority opinion that it indicates to a large extent. This conclusion resonates with Davies, Chambers and Haugh (2017) who pointed out that performance of a micro enterprise is exhibited by successful efforts of growth sprouting outcomes like market expansion, enhanced profits, increased ability to compete and more job prospects.

#### **Performance by Respondent Title**

The researcher obtained data of the performance of bamboo-related microfinance pitting it against the respondent's title. The results are highlighted in Table 23 below.

imperative to achieve a positive outcome in its growth performance.

#### **Performance by Nature of Business Activity**

The performance data was also compared by the nature of business activity to determine any differences in the mean score. Table 24 captures a findings summary.

From Table 24 above, the results show that those selling seedlings averaged a high 11.37 with 2.87 SD. They are followed by those dealing in artifacts with a mean of 10.40 and a standard deviation of 2.69. Furniture making micro enterprises had a mean of 9.00 with standard deviation of 1.98. This can be concluded in agreement with Tshabalala and Rankhumise (2011) that those micro enterprises selling seedlings put in place proper strategies that helped achieve the desired growth performance.

### Performance by Ownership Nature of the Micro Enterprise

Further comparative analysis was undertaken pitting performance of bamboo-related micro enterprise against the ownership nature of the micro enterprise. Table 25 below captures a result summary.

**Table 25: Performance by Ownership Nature of the Micro Enterprise**

Ownership Nature	N	Mean	SD
Sole Proprietorship	44	9.68	2.53
Company	2	14.00	0.00
Partnership	18	9.94	2.38
Others	1	13.00	0.00
Total	65	9.93	2.55

Source: (Researcher, 2023)

Results from Table 25 above, companies achieved the highest mean score of 14.00. Partnerships averaged 9.94 with a 2.38 SD. Sole proprietorships came last with a mean of 9.68 and a standard deviation of 2.53. Companies fared better in accordance with Anyadike-Danes (2015), who concluded that the size of a business can be used to determine its behavior in achieving growth and how it will eventually perform.

### Performance by Duration of Existence in Years

When tabulating performance data of bamboo-related micro enterprise against the duration of existence (in years) of a micro enterprise, the following results were obtained. The results are presented in Table 26 below.

**Table 26: Performance by Duration of Existence in Years**

Duration of Existence	N	Mean	SD
Less than 1 Year	3	11.00	3.61
1-5 Years	10	9.90	2.51
6-10 Years	45	9.87	2.56
Above 10 Years	7	10.00	2.65
Total	65	9.94	2.55

Source: (Researcher, 2023)

According to Table 26 above, micro enterprises with less than a year of existence scored the highest with a 11.00 mean and 3.61 SD. Those that had been in existence for over 10 years followed with a mean of 10.00 and a standard deviation of 2.65. These were followed by micro enterprises in existence for 1-5

years with a mean of 9.90 and a mean of 2.51. The lowest mean score was recorded by those that had existed for between 6-10 years with a mean of 9.87 and a standard deviation of 2.56. The high score by the new enterprises corresponds to Omri and Ayadi-Frikha (2014) who determined that a small

enterprise can positively influence growth performance over a short time by putting in place strategies and earnestly pursuing them.

### Multiple Regression Analysis

The researcher tested if market penetration strategies, product development strategies, market

development strategies, and diversification strategy could be used to predict the performance of bamboo-related micro enterprises using regression analysis. The results are discussed in the Tables 27 to 29 below.

**Table 27: Regression Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.85	.72	.70	1.39	1.21

a. Predictors: (Constant), E\_Total, D\_Total, C\_Total, B\_Total

b. Dependent Variable: F\_Total

B: Market Penetration Strategies, C: Product Development Strategies, D: Market Development Strategies, E: Diversification Strategy

Source: (Researcher, 2023)

Table 27 above reveals a strong interrelationship among product development strategies, market penetration strategies, market development strategies, and diversification strategy and the performance of bamboo-related micro enterprises (R=0.85). The R square value shows that the

predictor variables accounted for about 72% of the total variance in the performance of bamboo-related micro enterprises. To determine if this interrelationship is significant, ANOVA test was conducted. The results are presented in Table 28 below.

**Table 28: ANOVA Test**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	301.15	4	75.29	38.74	.00
	Residual	116.61	60	1.94		
	Total	417.75	64			

a. Dependent Variable: F\_Total

b. Predictors: (Constant), E\_Total, D\_Total, C\_Total, B\_Total

Source: (Researcher, 2023)

This results in Table 28 above point to product development, market penetration, market development, and diversification strategies significantly predicting performance of micro-enterprises,  $F(4, 60) = 38.74$ . This is in agreement with other studies that have investigated the four variables and their use in predicting the performance of micro enterprises.

Kubai, Ngochi and Kihara, (2018) revealed that the use of digital platforms such as social media pages and online retailing contributes to the establishment of new markets consequently influencing growth and performance positively. In their study, Wanjohi, Gathenya and Kihoro (2019)

established that market development when executed together with product-oriented strategies can be used to predict the performance of retail supermarkets. Additionally, Njuguna, Kwasira and Orwa (2018) affirm that the performance of a firm is positively influenced by pursuing diversification.

The researcher carried out regression analysis to come up with predictive values of performance of bamboo-related micro enterprises from the market penetration strategies, product development strategies, market development strategies and diversification strategies. Table 29 presents the results.

**Table 29: Regression Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.	
	B	Std. Error				
(Constant)	-9.76	2.10		-4.65	.00	
1	X <sub>1</sub>	.27	.09	.28	2.89	.01
	X <sub>2</sub>	.66	.14	.39	4.71	.00
	X <sub>3</sub>	.22	.07	.27	3.44	.00
	X <sub>4</sub>	.63	.18	.28	3.52	.00

a. Dependent Variable: F\_Total

X<sub>1</sub>: Market Penetration Strategies, X<sub>2</sub>: Product Development Strategies, X<sub>3</sub>: Market Development Strategies, X<sub>4</sub>: Diversification Strategy

Source: (Researcher, 2023)

From Table 29, the market penetration strategies had a regression coefficient of  $\beta = .27$ ,  $p = .01$ , product development strategies had a regression coefficient of  $\beta = .66$ ,  $p = .00$ , market development strategies had a regression coefficient of  $\beta = .22$ ,  $p = .00$  and diversification strategy had a regression coefficient of  $\beta = .63$ ,  $p = .00$ .

The prediction equation for the Model is:

$$\hat{Y} = 9.76 + 0.28X_1 + 0.39X_2 + 0.27X_3 + 0.28X_4 + \epsilon$$

Where  $\hat{Y}$  = Predicted Market Penetration Strategies; X<sub>1</sub> = Market Penetration Strategies, X<sub>2</sub> = Product Development Strategies, X<sub>3</sub> = Market Development Strategies, X<sub>4</sub> = Diversification Strategy, and  $\epsilon$  = standard error.

The results indicate that a unit change in market penetration strategies leads to a 0.28 change in the performance of bamboo-related micro enterprises. A unit change in product development strategies results in a 0.39 change in performance of bamboo-related micro enterprises. For market development strategies, a unit change leads to a 0.27 change in performance of bamboo-related micro enterprises. For diversification strategies, a unit change results in a 0.28 change in performance. These findings are supported by resource based view theory as advanced by Barnes (1991), the theory of competitive advantage advanced by Porter (1985), and Porter's industrial organization theory advanced in Porter (1980).

Barnes (1991) asserts that a firm can overcome competition and perform well by coming up with unique products or services with value that is rare, imitable, and not substitutable. This explains the predictive values of product development, market penetration, and diversification strategies. Furthermore, the findings of this study support the advancement made by the theory of competitive advantage. Porter (1985) argued that by enhancing products or services, the customers may put more value to such products and hence increasing its demand in the market. This explains the predictive value of market development on the performance of micro enterprises. Further support is offered by Porter (1980) whose industrial organization theory asserts that the composition of a market bears influences on the nature and response of members. By examining the prevailing industrial organization, micro enterprises can formulate strategies that would enhance their position in the market, compete and ensure sustainability.

It can therefore be concluded that market penetration strategies, product development strategies, market development strategies, and diversification strategy influence performance of bamboo-related enterprises in Vihiga County.

#### SUMMARY

The study's first objective sought to unearth product development influence on growth strategy on the performance of bamboo-related micro enterprises. Regarding the descriptive statistics of

the responses on product development strategies, the minimum score obtained for was 7 while the maximum was 13. The mean of 9.78 alongside 1.54 SD, pointed to average use of product development strategy in the bamboo related industries. On the related research question inquiring how product development as a growth strategy by bamboo-related micro enterprises in Vihiga County influences performance, it was established there's a positive relationship ( $r(65) = 0.69$ ).

The second objective sought to determine influence of market penetration strategies on performance. The descriptive statistics of the responses on market penetration strategies established that the minimum score was 10.00 and the maximum score was 18.00. The minimum score obtained was slightly higher than the expected value of 4 while the maximum score was lower than the expected value of 20. The mean score stood at 13.95 ( $SD=2.64$ ) indicating that majority of the micro enterprise's performance was average on this scale. The research question for this objective was; How does market penetration applied as a strategy for growth by bamboo-related micro enterprises in Vihiga County influence their performance? The relationship was established to be positive ( $r(65) = 0.72$ ). The results imply that the better the market penetration strategies, the better the performance of bamboo related micro enterprises.

The third objective of this study was to investigate market development growth strategy's influence on bamboo-related micro enterprises performance in Vihiga County. On the descriptive statistics of the responses on market development strategies, it was established that the minimum score was 6.00 while the maximum was 14.00. The mean score stood 9.20 and its standard deviation was 3.12 indicating that the respondents leaned towards the minimum value on this scale. This suggested that market development growth strategy was not adequately employed. The research question for this objective was; How is the performance of bamboo-related micro enterprises in Vihiga County from employing market development as a growth strategy? The

results showed that there exists a positive and significant influence of market development strategies on the performance of bamboo-related micro enterprises ( $r(65) = 0.45$ ).

The fourth objective of this study was to determine how diversification as a growth strategy influences the performance of bamboo-related micro enterprises in Vihiga County. The descriptive statistics of diversification strategy showed that the minimum score obtained was 9.00 while the maximum was 14.00. The mean score was 11.86 with a standard deviation of 1.13 indicating that diversification strategy was averagely employed. The research question for this strategy was; How, does diversification strategy of growth influence the performance of bamboo-related micro enterprises in Vihiga County? Analysis was done using Pearson correlation and the results showed that there exists a positive influence ( $r(65) = 0.44$ ). The results imply that the better the diversification strategy the better the performance of bamboo related micro enterprises.

## CONCLUSIONS

In the investigation of product development's influence on performance of bamboo-related micro enterprises, this study acknowledges a positive relationship. The findings imply where superior product development strategies are utilized, the better the performance of the bamboo micro enterprises.

Considering market penetration strategies influence on bamboo-related micro enterprises performance, this research work established a positively significant relationship. The findings imply that the better the market penetration strategies the better the performance of bamboo-related micro enterprises.

In investigating market development growth strategy's influence on bamboo-related micro enterprises performance in Vihiga County, this study concludes there exists a positive relationship of significance. The results imply that as the micro enterprises improve market development

strategies, their performance will also improve significantly.

Concerning how diversification as a growth strategy influences the performance of bamboo-related micro enterprises in Vihiga County, the conclusion buttresses a positive relationship. The results imply that the better the diversification strategies adopted the better the performance of bamboo-related micro enterprises.

The study also aimed to determine whether market penetration strategies, product development strategies, market development strategies, and diversification strategy could be used to predict the performance of bamboo-related micro enterprises. The researcher concludes that there exists a strong interrelationship among market penetration strategies, product development strategies, market development strategies, and diversification strategy and the performance of bamboo-related micro enterprises.

The independent variables accounted for about 72% of the total variance in the performance of bamboo-related micro enterprises. It is further concluded that each of the predictor variables had a positive predictive value, with market penetration strategies resulting in a 0.28 change, product development strategies a 0.39 change, market development strategies a 0.27 change, and diversification strategies a 0.28 change.

These findings show that the market penetration strategies, product development strategies, market development strategies, and diversification strategy can guide bamboo-related venture performance in Vihiga County.

## **RECOMMENDATIONS**

With regard to product development strategy, there is a need for the national government, county

government, the private sector, and other related agencies to work jointly in equipping bamboo-related micro enterprises with adequate skills to make them profitable and competitive in the market.

All stakeholders should come on board to train bamboo-related micro enterprises on ways of penetrating new markets to increase sales, enhance profitability and promote their growth.

Both governmental and non-governmental agencies should provide necessary assistance to bamboo-related micro enterprises to come up with strategies of market development that can spearhead growth through expansion beyond their current coverage to new markets regionally and even overseas.

There is also need for all stakeholders in this sector to work together with the micro enterprises owners and managers to develop various diversification strategies that will allow them to broaden their offerings and their reach while still remaining competitive in this sector.

## **Suggestions for Further Research**

Additional inquiries are necessary to identify factors affecting performance of bamboo-related micro enterprises in Vihiga County aside from product development, market penetration, market development, and diversification strategies. This will help in the development of long-term interventions geared towards overall improvement of the performance of the bamboo-related micro enterprises. Additionally, it would help to investigate some of the factors limiting the successful application of these strategies in pursuit of growth. By identifying the problem, such an inquisition will provide an avenue to navigate these issues and ensure successful implementation of the strategies.

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