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ABSTRACT

This study evaluated the market strategies on the firm performance in Keroche Breweries Company. The study determined the influence of pricing strategy, product diversification strategy, distribution channel strategy and market penetration strategy on firm performance at Keroche Breweries. The study would benefit Keroche Breweries and other players in the Industry in how to enhance their marketing strategies in achieving the desired firm's performance. The study employed a cross sectional survey design. The study targeted top and middle management staff from Keroche Breweries in Nakuru. Both stratified random method and simple random sampling techniques were used to apportion a sample of 58 respondents out of the 68 respondents from Keroche Breweries. The primary data was used in the study. The pilot data was collected through a five likert scale structured questionnaire. Descriptive analysis was used to analyze the collected data and was presented through descriptive and frequency tables. The study established that factoring competitors' prices in pricing decisions improves sales volumes for both products and services. The study findings revealed that diversification of products affects the firm's performance at Keroche Breweries and the company has implemented its diversification at the same time. The study established that different channels are employed by the firm in distribution of products and that there is information sharing between the distribution channels. The findings showed that the company product performance can be associated with the continue market penetration strategy. The study concludes that pricing strategy, product diversification strategy, market penetration strategy and distribution channel strategy has significant positive influence on firm performance of Keroche Breweries. The study recommends that the company should base its pricing decisions on close competitor's prices as it was found to lead to increased sales volume which leads to improved firm performance. Consequently, the company should diversify to products which have minimal differential ration to existing product lines. The vertical diversification should be employed so as to innovate seamlessly from raw materials to placement. The company should streamline its distribution network with a view to improve efficiency and if necessary employ various distribution channels to enable product reach to all customers. The study recommends that the management of the company should be proactive in penetrating the new markets.

Key Words: *Marketing Strategy, Market Development, Firm Performance*

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INTRODUCTION

Changes in business environment have led to innovative competitiveness in operations and as a result, companies are endeavouring to outdo each other (Nafuna, Ayub, Sulait, Watundu, Tirisa, & Nakol, 2019). In pursuit of competitiveness in the market, businesses have had to adopt and develop Porter's competitive advantage strategies to ensure their sustainability. The alcoholic drinks market has witnessed a secular decline in volume sales in developed markets while demand in emerging markets is still growing. Value growth is mostly driven by premiumization as well as by growth in the out-of-home segment. Worldwide, more than two out of five US$ spent on alcoholic drinks are attributable to consumption away from home (in bars, restaurants, etc.), highlighting the importance of the on-trade sales channel for the industry.

Marketing strategy has become a relevant tool in the world for any organization to remain in the competitive market environment and become stronger (Ogunmokun & Peterson, 2018). In order to achieve the desired performance, firms should make the right choice of strategy that fit to their company and industry (Afuah, 2018). A successful marketing strategy must tell an organization where they would want to be on a long-term basis that is why it is often said that marketing strategy is a continuous process. Marketing strategy is seen as the marketing logic by which the business will hope to achieve its marketing objectives (Goi, 2021).

In China, although beer ranks first in China's wine market sales, accounting for 76%, and liquor sales were less than 18%, in terms of revenue, liquor ranks the number one due to the high average unit price (accounted for 66 percent) (Novák & Timár, 2016). Bingxin and Li (2018) observed that cost-leadership and dual strategies are less effective in less concentrated markets than in more concentrated ones, the effect of a differentiation strategy is stronger when the level of market concentration is low rather than high while in Sinaloa, companies in the manufacturing sector are employing promotional strategies to influence the knowledge, attitudes and behavior of the of the targeted customers. This are also using this strategy in promotion in providing the target customers with all the accurate information they need to help them make a buying decision of their goods.

In South Africa, Revenue in the Alcoholic Drinks market amounts to US$10,780.00m in 2023. The market is expected to grow annually by 8.50% (CAGR 2023-2027). Further, total local liquor consumption (including Botswana, Lesotho, Namibia and Eswatini) decreased by 18% in 2020. The pandemic has also accelerated growth in no-alcohol and low-alcohol beverages, and led to an increase in ecommerce sales. Wine sales declined by more than 10% in volume terms in 2020, with domestic sales only marginally ahead of export sales. Despite lockdowns and alcohol bans, wine exports, excluding those to neighbouring countries, grew in revenue terms in 2020.

Beer Industry is growing in Kenya as competition continue to grow. The industry has achieved an overall 6.5% GDP growth in 2015, it is a growing market in a country where 22.8 percent of men and 9.6 percent of women consume alcohol, according to the World Health Organization. Although the economy has experience a downward growth, the sector is still one of the fastest growing industry with a growing number of brands. In addition to the many brand, most of the companies have resorted to small cheap packing in order to sell more and get more revenue (Tanni, 2020).

While there are many players today, The East African Breweries Limited continue to dominate the beer market in Kenya as of 2020, with the company taking 90 percent market share. Subsidiary of the world group Diageo, EABL produces the most popular beers in the country. By contrast, Keroche Breweries, the second largest alcoholic beverages producer in Kenya, registered a market share of two percent (Statica, 2021).

Keroche Breweries Limited started in 1997. It all began by drawing support from the associated branch selling hardware products also known as

Keroche Industries Limited. It started by producing fortified wines which targeted low income earners. The company is located in Kenya's Rift Valley Province along the Nairobi-Nakuru Highway. For over half a century, the brewing industry was dominated by multi-nationals, the largest being the Diageo controlled East African Breweries which controlled both the beer and spirit market. Keroche Brewries Limited started with an initial production of about 200 litres of their new brand Viena. The brand Viena gained market acceptance gradually due to its low price and taste and within six years from then; the company had introduced four more brands of average quality as those of the multi-national brewers.

Currently the company has penetrated the Kenyan market greatly and looking forward East and Central Markets for their brands that include high quality liquors, sugarless or free drinks, health and diet drinks amongst others. The road to this achievement has not been easy; the company has had legal battles to fight, offensive tactics from multinationals, national and unlicensed local brewers to fight as well. This study sought to explore and bring out how Keroche Breweries Limited has weathered these battles through penetrative tactics.

Statement of the Problem

Firms in different sectors have been pushed to develop marketing strategies in order to sustain or grow their market share, expand to new territories or markets, acquire new technologies, develop brand or line extensions, reduce costs and risks (Oliver, 2019). The performance of the business is an important precondition for a firm's longevity. Poor performance of any profitable company is often a sign of problems, while stagnation, including a situation where growth has stopped, is usually indicative of problems that a firm will face in the future.

The liquor industry in Kenya faces stiff competition from dominant players and therefore businesses have to constantly change their business strategy. The industry presents unique competition, most stemming from the fact that apart from the effects of COVID 19, almost monopoly by major player and many other challenges are issues that the players in the industry must deal with. There these players must consider effective marketing growth strategies in order to be as competitive as required. While, the companies have employed various marketing strategies, there is need of establishing how they have been affected firms' performance.

Objectives of the Study

The general objective of the study is to investigate the marketing strategies and firm performance of Keroche Breweries Company, Kenya. The specific objectives were**:**

- To establish the effect of pricing strategy on the firm performance of Keroche Breweries Company, Kenya.
- To determine the effect of product diversification strategy on the firm performance of Keroche Breweries Company, Kenya.
- To investigate the effect of distribution channel strategy on firm performance of Keroche Breweries Company, Kenya.
- To find out the effect market penetration strategy on firm performance of Keroche Breweries Company, Kenya.

The study adopted the null hypothesis to test the study variables,

- **$H0_1$:** There is no significant effect of pricing strategy on firm performance of Keroche Breweries Company, Kenya.
- **$H0_2$:** There is no significant effect of product diversification strategy on firm performance of Keroche Breweries Company, Kenya.
- **$H0_3$:** There is no significant effect of distribution channel strategy on firm performance of Keroche Breweries Company, Kenya.
- **$H0_4$:** There is no significant effect of market penetration strategy on firm performance of Keroche Breweries Company, Kenya.

LITERATURE REVIEW

Theoretical Review

Theory of Pricing

The proponent of the theory of pricing is Marshall in 1990, who argued that a market-price equilibrium can be calculated by the forces of demand and supply on the basis of a perfect market competition model assumption, based on classical and early neoclassical economic theory. Later, Clarke (1982) characterized price as the monetary value assigned to a good, service, or product. Farmers in Nakuru County and beyond grow and supply barley on the supply side of the Keroche value chain, while consumers of alcoholic drinks on the demand side represent the market for Keroche Breweries. The price of the final product is therefore at the point of intersection of supply and demand. This theory was therefore used to examine the influence of pricing strategy on the firm performance of Keroche Breweries.

Distribution Channel Theory

A Leading proponent of Distribution Channel Theory is Bucklin in 1966 who suggests that distribution is traditionally the fourth component of the Marketing Mix. Before a commodity is purchased or used, it moves through distribution channels, which are intermediary entities or networks. Typically, such businesses specialize in marketing or distribution and depend on economies of scale to succeed. Companies differ in how they sell their products to the public, whether they are manufacturing or consumer goods. Others are heavily distributed (via a large number of intermediaries) while others are distributed exclusively (directly to the consumer).

Convenience goods need intensive distribution, while shopping goods require limited distribution, and specialty goods need exclusive distribution Bucklin (1966). Market goods and services that are purchased on a daily basis, easily, and with little effort are known as convenience items. Customers expend a considerable amount of time and money gathering knowledge and comparing various products while buying shopping goods. Specialty products are branded goods that have distinct characteristics or a distinct brand name for which a significant number of consumers are willing to go to extra lengths to purchase (Kotler, 2003).

The Balanced Score Card Model

The Balanced Scorecard model emanated from the works of Kaplan and Norton (1996). The balanced scorecard approach emphasizes on the need to provide management with a set of information that covers all relevant areas of performance in an objective way. The idea of the balanced scorecard is that performance could be measured from four different perspectives. The four areas of performance are defined and labelled into financial perspective, customer perspective internal business and innovation and learning perspectives respectively.

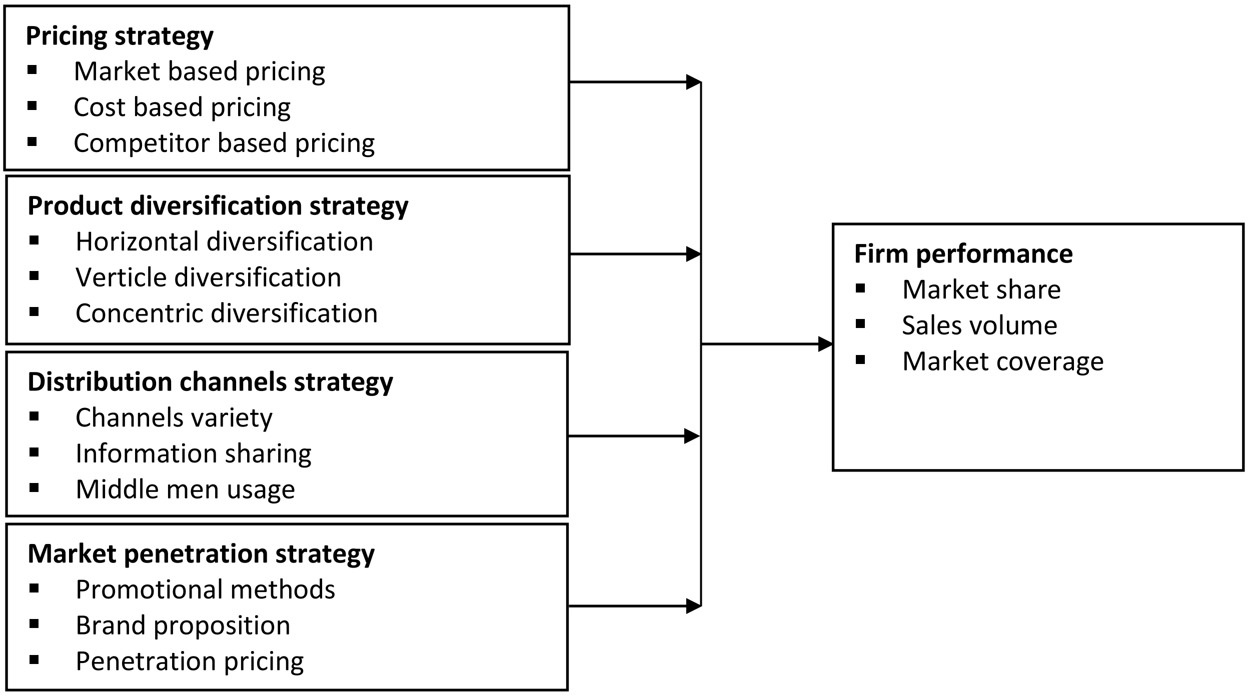
The four performance perspectives are not necessarily comprehensive but should represent the critical success factors necessary for continued organizational success hence they are intended to be a close link between the business unit strategy adopted and the performance measures selected (Otley, 2009). The idea of the balance scorecard is that you should not evaluate a firm based on one single measure thus in marketing the balanced score card can be used to link the pricing and distribution strategies with the overall organizational goals. Additionally, firms can use the balanced score card approach to link their marketing strategies with their strategic plans.

Market Based View Theory

This Market-Based View (MBV) was propounded by Bain in 1968 and argues that industry factors and external market orientation are the primary determinants of firm's growth. The market-based view (MBV) of the firm focuses on the link between organizations‟ strategies and their external environments. According to Grant (1991) its first basic assumption is that strategically relevant resources are distributed homogeneously among the firms within an industry. The second assumption refers to the mobility of these resources, which in the MBV are highly mobile (Barney, 1991). Accordingly, for a firm to grow it must depend on its ability to take advantage of imperfectness on the market in which it sells its goods or services. This is to say, an organization has to identify a position in the industry where the company can best defend itself against and the competitive forces or can influence them in its favor.

In the MBV, a competitive advantage can be achieved by performing strategically relevant activities at lower costs than competitors or in a unique way that is valuable to customers (Porter, 2008). Therefore, the MBV shows that the market expansion strategies under study (pricing strategy, distribution strategy, diversification strategy and differentiation strategy) can be pursued separately or in combination and have the long-term objectives to create a defendable position within the industry and to outperform competing actors within that industry.

Conceptual Framework



Independent Variables **Dependent Variable**

Figure 1: Conceptual Framework

Empirical Review

Nafuna, Ayub, Sulait, Watundu, Tirisa, and Nakol (2019) researched on pricing strategies and financial performance. Empirical Evidence from Uganda, a Study of Private Primary Schools. The study population comprised of a total of 184 private primary schools' projects in Kampala district Rubaga Division, Urban Council, 2017. The study adopted a cross-sectional descriptive and analytical research design. The findings from the correlation analysis indicated a significant perfect positive relationship between price strategy and financial performance.

Ogohi (2018) carried out a study on effects of Marketing Strategies on Organizational Performance of Nigeria Bottling Company in Kaduna. The study through deduction from existing literature enabled a construction of a conceptual model that explains overall firm performance. The study established that promotion, pricing, distribution, and product standardization and adaptation have an impact on sales, customer and financial performance of firms. The study suggests that the impact is mediated by marketing strategy implementation success.

Kinoti (2015) investigated the influence of marketing development strategies on the growth of small and medium business in air travel agencies in Nairobi City County in Kenya. The study employed descriptive study approach where statistical analysis methods were used and included a descriptive analysis was employed that included a total of 52 questionnaires that were randomly distributed using even numbers. The study results showed a significant influence of marketing strategies on the sales growth of an enterprise. The study also indicates a significant relationship between the usages of direct distribution channels on the profitability of an enterprise.

Another study by Mwachengo (2016) focused on the product diversification by Vodacom Tanzania. The study was based on a case study of Vodacom Tanzania, and collected data from senior company managers to establish the effects of Product Diversification on the company's performance. Results indicated that Vodacom Tanzania has been repositioning itself to become a total communications solutions provider, offering customers quality and meaningful services and products. Vodacom maintains its stature of being Tanzanians Leading Cellular Network by introducing new products and services that target each and every Vodacom customer. The findings of the study also established that company has employed the concentric diversification strategy to maintain and improve its performance.

Wambui and Kavale (2022) carried out a study on the effect of horizontal diversification strategy on performance of insurance firms in Kenya, to establish the effect of concentric diversification strategy on performance of insurance firms in Kenya The descriptive study employed modern portfolio theory, Ansoff market growth theory, the agency theory and performance maximization theory. The study through regression analysis revealed that 45.6% of changes in performance of these firms were attributed to the collective use of the diversification strategies.

Furrer (2016) carried out a study in Japan on the marketing strategies carried out in Japan. The study used descriptive methods where the study collected data from 17 Japanese companies drawn from different sectors. The study results indicated that a number of Japanese primarily think in terms of creating products for a world market and marketing them on global scale, often at the corporate center. The results also showed that firms attempt to gain a competitive advantage through building global efficiencies by employing economies of scale and economies of scope.

Ahmad, Ishak, Anuar and Ishak(2017) carried out a study on the business strategy applied to increase performance of logistics companies in Malaysia. The study had attempted to investigate the business strategy and performance of logistics companies in Malaysia. The data was collected through 400 mail questionnaires sent to the selected companies. Two hundred companies responded by returning the questionnaires. Only 125 were fully completed used in the analysis. The findings clearly indicate that the business strategy adopted by the logistics companies are specializing in product development strategy, specializing in customer targeted product strategy based on low-cost strategy that can increase firm's profitability.

A study by Akpane (2018) on the choice and application of marketing strategies of selected Book Publishers in Nigeria. The study focused on forty market managers and 60 sales representatives drawn from selected publishing houses in Nigeria were sampled. The instruments used for gathering data were questionnaire, interviews and documentary sources. Data gathered were analyzed descriptively using tables and percentages. The study results indicated that book publishers in Nigeria employ various marketing penetration among other marketing strategies which contribute to the achievement of marketing objectives.

Birungi (2018) carried out a study of the effects of price review on market penetration retail market. The study while using descriptive study design, through structured questionnaire collected data from top and middle management staff drawn from 5 leading manufacturing companies in Kampala Uganda. The established a significance relationship between price reduction and market penetration. The study also established that reducing the selling price of the company's products so that they attract customers to their products.

METHODOLOGY

The study employed a cross sectional design. The study targeted 68 staff at the management levels in the company drawn from top management and middle management cadres at Keroche Breweries Limited in Nakuru County. The study sample size was 58 Respondents. The study used multi-step sampling techniques of stratified random sampling and simple random sampling. The main data used in this study was primary data. Primary data is very essential to this study and was collected through structured questionnaires that were issued out to different Senior Management Staff, and Middle Management Staff. In addition, secondary data was drawn from the company performance reports and other publications available in the public domain. Likert scale type questionnaires were adopted to collect primary data. The researcher carried out a pilot study to establish the validity and reliability of the data collection tool used, pilot test is necessary for the validity of a study (Creswell, 2016). Therefore, to statistically test the reliability of the questionnaire, the pilot study questionnaires in the pre-test exercise were entered into Statistical Package for Social Sciences [SPSS] version 25 for running the Cronbach reliability test. Cronbach's Alpha was used to check its reliability for which a result of less than 0.5 were reviewed.

DATA ANALYSIS AND INTEPRETATION

Descriptive Statistical Results

Pricing Strategy

Respondents were required to indicate the extent to which the firm had adopted selected pricing strategies. The results were as shown in Table 1.

Table 1: Pricing Strategy Descriptive Statistics

	Mean	Std. Deviation
Factoring competitors' prices in pricing decisions improves sales volumes for both products and services	4.65	.852
Overall organizational costs significantly influences our pricing decisions and hence profitability	4.51	1.207
Our customers significantly influence the pricing decisions for our products /services	4.86	1.167
We always factor the forces of demand and supply in our pricing decisions	4.69	.917
Proper products/services pricing play a fundamental role in attracting new customers as well as retaining existing ones	3.71	1.326
Various marketing objectives such as market penetration and market development will always affect pricing decisions	3.93	1.141

The results in Table 1 have shown that respondents agreed to the statement that factoring competitors' prices in pricing decisions improves sales volumes for both products and services and that overall organizational costs significantly influences our pricing decisions and hence profitability as indicated by a mean of 4.65 and mean of 4.51 respectively. Respondents also agreed that our customers significantly influence the pricing decisions for our products /services with a mean of 4.86 and that the we always factor the forces of demand and supply in our pricing decisions as indicated by a mean of 4.69. Proper products/services pricing play a fundamental role in attracting new customers as well as retaining existing ones (Mean=3.71) and various marketing objectives such as market penetration and market development will always affect pricing decisions (Mean=3.93). The findings agree with Nafuna, Ayub, Sulait, Watundu, Tirisa, and Nakol (2019) whose study revealed that there is a significant perfect positive relationship between price strategy and financial performance.

Product Diversification Strategy

Respondents were required to indicate the extent to which the company had adopted selected product diversification strategy aspects. The results are shown in Table 2.

Table 2: Products Diversification Strategy Descriptive Statistics

	Mean	Std. Deviation
Diversification of products affects the firm's performance at Keroche Breweries	4.57	.938
The company has implemented its diversification at the same time.	4.15	1.099
The firm has undertaken its operations at different stages of production	4.26	1.099
The company has added new products to its existing product lines to attract new customers	4.17	1.038
The company diversification strategy has increased its performance	4.07	.730

The results in table 2 showed that respondents agreed to the statement that diversification of products affects the firm's performance at Keroche Breweries and the company has implemented its diversification at the same time as indicated by a mean of 4.57 and mean of 4.15 respectively. Further, respondents agreed that the firm has undertaken its operations at different stages of production (mean=4.26) and that the company has added new products to its existing product lines to attract new customers with a mean of 4.17. The company diversification strategy has increased its performance (Mean=407).

Distribution Channel Strategy

Respondents were further asked to indicate the extent to which the company had adopted selected distribution channel strategy aspects. The results are shown in Table 3.

Table 3: Distribution Channel Strategy Descriptive Statistics

	Mean	Std. Deviation
Different channels are employed by the firm in distribution of products	4.57	.975
There is information sharing between the distribution channels	4.15	1.286
The distribution agents are incentivized to carry firm's products	4.26	1.506
The firm has streamlined its distribution network to improve efficiency	4.17	1.167

The results in Table 3. have shown that respondents agreed to the statement that different channels are employed by the firm in distribution of products and that there is information sharing between the distribution channels as indicated by a mean of 4.57 and mean of 4.15 respectively. Further, respondents agreed that the distribution agents are incentivized to carry firm's products (mean=4.26) and that the firm has streamlined its distribution network to improve efficiency with a mean of 4.17. The results of the study are supported by Kinoti (2015) whose study showed that there is a significant relationship between the usages of direct distribution channels on the profitability of an enterprise.

Market Penetration Strategy

Respondents were required to indicate the extent to which the company had adopted selected market penetration strategy aspects. The results are shown in Table 4.

Table 4: Market Penetration Strategy Descriptive Statistics

Market Penetration	Mean	Std. Deviation
The way a company penetrates the market affects the way the firm's performance at Keroche Breweries	4.00	1.109
The company has a good distribution network that reaches even the remote areas when introducing new products	3.64	1.646
Keroche applies various promotional strategies to penetrate the market	4.53	1.286
The company products has penetrated initially competitors market	4.80	.941
The company product performance can be associated with the continue market penetration strategy	4.39	1.204

The results in Table 4. have shown that respondents agreed that the way a company penetrates the market affects the way the firm's performance at Keroche Breweries and that the company has a good distribution network that reaches even the remote areas when introducing new products as indicated by a mean of 4.00 and mean of 3.64 respectively. Respondents also agreed that Keroche applies various promotional strategies to penetrate the market (mean=4.53) and that the company products have penetrated initially competitors market (mean=4.80). The company product performance can be associated with the continue market penetration strategy (Mean=4.39).

Multiple Regression Analysis

In statistical modelling, regression analysis is a statistical process for estimating the relationships among variables (Marshall, 2013). Test of significance was carried out for all variables studied using t-test at 95% level of significance. A multiple regression model was adopted in the study to establish the statistical relationship between the independent and the dependent variables. The results of regression analysis are presented as follows.

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.770[a]	0.592	0.508	1.042598	.612[a]

a. Predictors: (Constant), Pricing strategy, Distribution channels strategy, Product diversification strategy, Market penetration strategy

b. Dependent Variable: Firm performance

The coefficient of determinant (R^2) of 0.592 that presents a 59.2% of the total variation in the firm's performance at Keroche Breweries can be explained by pricing strategy, diversification of products strategy, distribution channel strategy and market penetration strategy factors. On the other hand, the Adjusted R^2 of .508 indicates that independent variables in exclusion of constant variable, explained the changes in the firm's performance by 50.8%. The remaining (40.8%) can be explained by the factors not included in the regression model under investigation.

Table 6: Model Validity (ANOVA)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	42.805	4	10.701	18.198	0.000[b]
	Residual	29.383	50	0.588		
	Total	72.188	54			

a. Dependent Variable: Firm performance

b. Predictors: (Constant), Pricing strategy, Distribution channels strategy, Product diversification strategy, Market penetration strategy

From the ANOVA results in Table 6, it was established that the significance value in testing the reliability of the model was obtained as 0.000 which is less than 0.05, the critical value at 95% significance level. Therefore, the model is statistically significant in predicting the relationship between the study variables.

Table 7: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.803	.365		2.200	.000
	Pricing strategy	.594	.251	.389	2.366	.018
	Product diversification strategy	.479	.215	.609	2.228	.029
	Distribution channel strategy	.380	.188	.333	2.021	.004
	Market Penetration	.466	.219	.520	2.127	.011

a. Dependent Variable: Firm performance

The derived regression coefficients of the model are:

$$Y = .803 + .594X_1 + .479X_2 + .380X_3 + .466X_4$$

Regression results revealed that holding all factors constant at zero, the change in firm performance would be .803. Further, the regression results showed that a unit change in pricing strategy would lead to 0.594 unit change in firm performance. A unit change in product diversification strategy would lead to 0.479 unit change in firm performance. Further, a unit change in distribution channel strategy would lead to 0.380 unit change in firm performance and finally, a unit change in market penetration strategy would lead to 0.466 unit change in firm performance. In the findings, pricing strategy was found to have the highest positive influence on firm performance of Keroche Breweries. The regression results showed that independent variables had significant value below 0.05 meaning that they were all significant.

Discussion of Key Findings and Hypotheses Testing

The hypotheses of the study were tested using the p-value approach whereby the null hypotheses would be rejected when the p-value was less than 0.05 level of significance. The p-values for each variable were extracted for conduction the hypotheses tests.

The first objective of the study was to investigate the influence of pricing strategy on firm performance. Regression results showed that pricing strategy has a significant and positive influence on firm performance. This is supported by regression analysis β-value of .594 and p-value>0.05 at 95% level of significance. It is concluded that a unit change in pricing strategy would lead to 0.594 unit change in firm performance. The findings agree with Nafuna, Ayub, Sulait, Watundu, Tirisa, and Nakol (2019) whose study revealed that there is a significant perfect positive relationship between price strategy and financial performance. The study rejected the null hypothesis that there is no significant influence of pricing strategy on firm performance.

The second objective of the study sought to determine how product diversification strategy influence firm performance. Regression results revealed that product diversification strategy has a significant influence on firm performance. This is supported by regression analysis β-value of .479 and p-value>0.05 at 95% level of significance. The study concludes that a unit change in product diversification strategy would lead to 0.479 unit change in firm performance. The study rejected the null hypothesis that there is no significant influence of product diversification strategy on firm performance.

Third study objective was to establish the influence of distribution channel strategy on firm performance. The results of the regression showed that distribution channel strategy has a significant and positive influence on firm performance as indicated by regression analysis β-value of .380 and $p<0.05$ at 95% level of significance. The study concludes that a unit change in distribution channel strategy would lead to 0.380 unit change in firm performance. The results of the study are supported by Kinoti (2015) whose study showed that there is a significant relationship between the usages of direct distribution channels on the profitability of an enterprise. The study rejected the null hypothesis that there is no significant influence of distribution channel strategy on firm performance.

Finally, the study sought to find out the influence of market penetration strategy on firm performance. The regression results indicated that market penetration strategy has a significant influence on firm performance. This is supported by regression analysis β-value of .466 and p-value>0.05 at 95% level of significance. It was concluded that a unit change in market penetration strategy would lead to 0.466 unit change in firm performance. The study, therefore, reject the null hypothesis that there is no significant influence of market penetration strategy on frim performance.

CONCLUSIONS AND RECOMMENDATIONS

On pricing strategy, the study concluded that pricing strategy has significant positive influence on firm performance of Keroche Breweries. It is concluded that sales volume for both products and services is improved if competitors' prices are taken in to account when making pricing decisions. Also, the cost of operations has a significant effect on firm's pricing decisions and customer segments influences price setting of firm offerings. The study concludes that pricing of offerings significantly influences new customer's attraction as well as retention of existing customers.

The study concluded that product diversification strategy has a significant positive influence on firm performance of Keroche Breweries. The product diversification has been embraced in the company and the firm has undertaken its operations at different stages of production. It is concluded that the firm performance has increased as a result of product diversification and the company has added new products to its existing product lines to attract new customer base.

In addition, the study concluded that distribution channel strategy has a significant positive influence on firm performance of Keroche Breweries. Further, distribution agents are incentivized to carry firm's products and that the firm has streamlined its distribution network to improve efficiency. The company has employed various distribution channels to enable product reach to all customers. The study concludes that there is information sharing between the distribution channels.

The study concluded that market penetration strategy has a significant positive influence on firm performance of Keroche Breweries. The company devises ways to penetrate the market and it has wide product distribution network that reaches even the remote areas when introducing new products or placing existing products. The company employs a mix of promotional strategies to penetrate the market. The company takes its products to the door step of its competitors.

The study recommended that the company should base its pricing decisions on close competitor's prices as it was found to lead to increased sales volume which leads to improved firm performance. In addition, the pricing decisions by the firm should factor the costs incurred to develop the product. This calls for the management of the company to work towards minimizing the cost of production so as to price its products competitively. This would lead towards attracting new customers and locking-in existing customers.

The study recommended that the company should embrace product diversification as it was found to have a significant influence on performance. Consequently, the company should diversify to products which have minimal differential ration to existing product lines. The vertical diversification should be employed so as to innovate seamlessly from raw materials to placement. This opens field to innovate and reduce waste in the supply chain process.

The study recommended that the company should incentivize distribution agents to make it attractive to carry the company's products. In addition, the firm should encourage the distributors to move the products to cover all the underserved locations. The company should streamline its distribution network with a view to improve efficiency and if necessary employ various distribution channels to enable product reach to all customers.

The study recommended that the management of the company should be proactive in penetrating the new markets. This means that the management should continuously comp the market to identify the customer tastes and preferences as far as alcoholic beverage is concerned then move to fill those market gaps. To effectively penetrate the market, the company should integrate all other marketing strategies of pricing and distribution so as to appear attractive over competitors.

Recommendations for Further Research

As far as studies on methods and methodology implications is concerned, this study used a cross-sectional design based on quantitative research designs. The study relied on the information given based on the perceptions of the Keroche Breweries on the influence of marketing strategies on firm performance. Unavailability of the objective firm performance data is likely to have introduced some biasness in this study and hence to increase the reliability of the findings, future studies should strive to obtain actual financial records from the brewery company. Future studies should also consider using a longitudinal approach and incorporate the experimental design to capture the real "effect" "impact" or "influence" in which the current study was only able to capture the perceived influence as opposed to the real influence based on what can be observed before and after in the longitudinal design.

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