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The Strategic JOURNAL of Business & Change MANAGEMENT
ISSN: 2312-9492 www.strategicjournals.com
Vol. 5, Iss. 4, pp 251 - 266, October 13, 2018. www.strategicjournals.com, ©Strategic Journals

EFFECT OF GROWTH STRATEGIES ON ORGANIZATIONAL PERFORMANCE: A SURVEY OF COMMERCIAL PRINTING FIRMS IN NAIROBI, KENYA

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Accepted: October 11, 2018

ABSTRACT

The commercial printing industry keeps changing and is faced with a million challenges that has made the trade difficult for the people in this industry in Kenya, in East Africa and also in various parts of the world. As a result, it is important for the commercial printing firms to analyze the various growth strategies they can use considering the trends and the fierce competition they are faced with so that they are able to cope and improve their performance. The main objective of this study was to establish the effects of growth strategies on organizational performance of commercial printing firms in Nairobi, Kenya. The target population of the study was 249 commercial printing companies in Nairobi that are registered under the Registrar of Companies section as depicted by (Kenya Department of Registrar General, 2015). The study adopted a descriptive research design and used random sampling technique to select 25 commercial printing companies and stratified sampling technique to select 75 managers from the selected 25 commercial printing companies in Nairobi, Kenya. Data was collected from questionnaires and data collection sheet and analyzed using both descriptive and inferential statistics. The study found that market development, market penetration, product development and diversification strategies had a positive significant relationship with organizational performance of commercial printing firms in Nairobi, Kenya except for product development strategy that had an insignificant positive effect on profit growth of such firms. The study recommended that managers and other high level stakeholders of commercial printing firms should apply the range of growth strategies highlighted in improving the firms' organizational performance. The study also recommended that commercial printing firms should invest more on research of current market trends, continuous skill development for employees and infrastructure that support new technologies to ensure effective and successful implementations of the mentioned growth strategies.

***Key words**: Growth strategy, market development strategy, market penetration strategy, product development strategy, diversification strategy, organizational performance*

INTRODUCTION

The Commercial printing industry is an important sector and contributes a lot in the growth of global markets. According to the Global Commercial Printing Market Research Report Jul 2016 done by IBISWorld (2017), the global industry revenue between 2011 and 2016 was US $716 billion having a growth rate of 0.4% with 753,742 businesses. The overall growth in developing markets has contributed to growth in the commercial printing industry in Africa as well and various countries in Africa are venturing into this business especially digital printing. In Kenya, printing industry has grown over the previous years and has become competitive since the inception of the first printing press in the year 1895. In many of the statistical sources in Kenya, the commercial printing industry is not classified as a separate industry but rather under the manufacturing sector and therefore getting specific information with respect to this industry is not readily available. But according to the economic survey report by KNBS (2017), the quantum indices of printing and production of media in this industry dropped to 99.2 in 2016 using a base of 2009=100. This may have indicated that firms in this industry were not performing quite well and therefore there is need to develop effective growth strategies and evaluate the already existing once to ensure survival of these firms.

Growth Strategy refers to strategic plan formulated and implemented for expanding firm's performance and hence gaining a competitive advantage over other firms (Andrews, 2001). Formulation and implementation of growth strategies are very key when it comes organizational performance and it is therefore important for an organization to find out which growth strategies are relevant and applicable to its industry so that they can be effective. In this case, commercial printing firms need to find out which growth strategies are relevant and applicable to this industry as they formulate and implement their growth strategies if they are to be effective. Lack of such understanding may result to poor or underperformance of such companies.

Statement of the Problem

According to IFRA (2006),Commercial printing industry keeps changing and is faced with a million challenges that has made the trade difficult for the people in this industry in Kenya as well as in East Africa and in different parts of the world. New demands from the users and the development of technology in the society today are some of the changes that keep taking place in this industry (Otoki, 2016).The rise of technology use in the Kenyan society especially in Nairobi has stimulated the migration of some volume of print to Internet, PDF, and other electronic methods hence resulting in losses in the commercial printing industry. According to Romano (2004), the industry at large has seen a loss of about $16 billion in revenue since 1999 as a result of this migration of content to non-print alternatives. This is also evidenced by a drop in the quantum indices of printing and production of recorded media in the industry from 100 to 99.2 in 2016 using a base of 2009=100 (KNBS, 2017). It is therefore important for the commercial printing firms to analyze the various growth strategies they can use considering the trends and fierce competition they are faced with so that they are able to cope and improve their performance,hence the purpose of this research.

Various local studies have been carried out concerning growth strategies as used by various firms. For instance, Anyanga and Nyamita (2016) conducted a study on the major growth strategies adopted by small and medium firms in Kenya focusing on the *Jua Kali* sector in Kibuye market Kisumu, Ajagbe, A., Ojochide, P., Udo, E., Uduimoh, A.,and Akpan, S. (2016) studied business strategy as a contributor to organizational performance as an empirical review of diverse literature and Etori (2013) studied business growth strategies and organization performance in chase bank. Despite having immense literature on growth strategies as mentioned above, little has been done concerning the effects that these strategies have on organizational performance and the few that have looked at the effects as well have given attention to contexts other than the commercial printing industry in Kenya. The study therefore aimed to bridge this research gap by investigating the effects of growth strategies on performance of firms with specific focus on commercial printing industry in Nairobi, Kenya.

Objectives of the Study

The general objective of the study was to establish the effects of growth strategies on organizational performance of commercial printing firms in Nairobi, Kenya. While the specific objectives were: To establish the effects of market development strategy, product development strategy, market penetration strategy and diversification strategy on organizational performance in commercial printing industry in Kenya.

LITERATURE REVIEW

Theoretical Review

The Resource Based Theory (RBT)

RBT theory can be traced back to earlier research of Penrose (1959) among other researchers. This theory emphasizes on the organization's ability to use firm-specific resources, i.e. the company's strategic resources such as physical resources, human resources and organizational resources to gain competitive advantage over other firms and achieve more performance (Shahmansoun, Esfahan & Niki 2013). For a firm to grow both inside and then externally either through merger, acquisition, or diversification, it will rely upon the way in which its resources are utilized (Newbert, 2007). This implies that for a firm to successfully execute diversification strategy, it must have satisfactory resources to facilitate it without which it will be unable to actualize the strategy regardless of how great it might be. He further postulates that despite the fact that a firm's performance is driven directly by its products, it is at last determined by the resources that go into their production and thusly resources are likewise critical with regards to implementation of product development strategy. Srivastava et al. (2001) states that market specific resources, market based assets and market based capabilities are important in enhancing financial performance of a firm in a market place. Even as firms develop and implement market penetration or market development strategies, it is important to consider those factors in order to succeed with such strategies.

The Porters' Theory of Competitive Advantage

This theory emphasizes on the firm's ability to formulate and execute strategies that will enable it to increase its competitive advantage over the rivals in the industry. Competitive advantage can be described as the value a firm creates for its buyers that surpasses the firm's cost of creating it (Porter, 1998). He states that this value is what buyers are willing to pay and that superior value can be achieved in two ways: Through cost leadership whereby a firm offers lower prices than rivals for equivalent benefits or through differentiation whereby a firm provides novel benefits that offsets a higher price.

According to Porter (1998), firms make strategic choices without considering the long term consequences for industry structure i.e. they try to achieve competitive advantage for itself alone without thinking about the consequences of competitive reaction. Therefore, for a firm to be considered as an industry leader, it needs to make a move that enhances or protects its industry structure as opposed to seeking greater competitive advantage for itself alone. Therefore as firm seeks to implement growth strategies for the purpose of being more competitive, it needs to have a clear understanding of its industry structure and consider the long term consequences of such strategic choices on its industry structure. By doing so, it will be impacting positively on the general organizational performance.

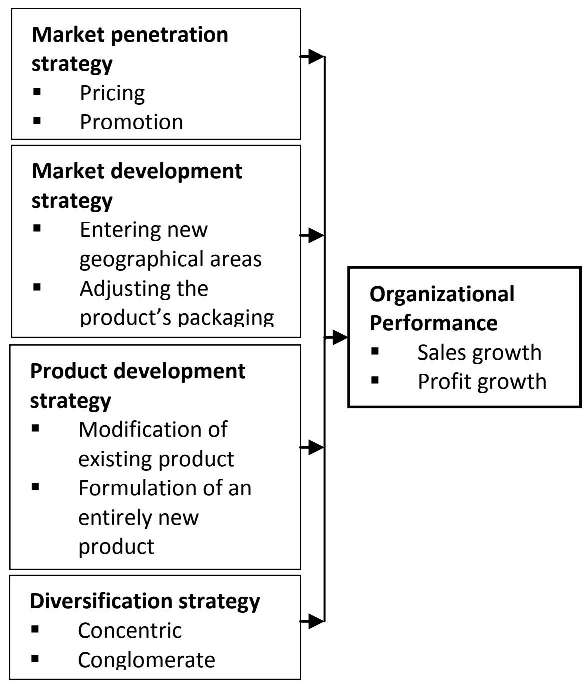
The Open Systems Theory

The open system theory was at first developed by Bertalanffy (1950) as a discipline of physics and biology; however it became applicable in all disciplines right away. This theory emphasizes on the fact that organization relies upon the environment for their ceaseless survival thus operating as an open system (Pearce & Robinson 2005). According to Scott and Davis (2016), setting of goals is based on information received from the environment such that the interactions between the organization and the environment become advantageous to the firm. The open system theory focuses on the external environment of the organization that influence change within the organization. This means that as an organization formulates their growth strategies, they must be based on information received from its environment and not just what the management thinks in order for them to succeed. For example, before entering new geographical area as a market development strategy, the management should consider the external organizational environment in that area such as social, economical and political aspects that may affect the firm's operations in that particular area and make informed decisions.

Contingency Theory

Contingency theory as advocated by Fiedler (1964) is based on the concept that there is no single best method of managing organizations. In other words, organizations ought not to be managed by one-size-fit-all approach but should work out exceptional managerial strategies relying upon the specific condition or circumstance they are facing (Ologbo, Oluwatosin & Kwakye, 2012). This is on account that the environment is unstable and regularly changing and therefore managers should first be conscious of the environment and then come up with effective growth strategy which can empower the firm to achieve continuous competitive advantage.This theory is relevant to this study in the sense that the managers in commercial printing firms must perceive the constant changes in the environment in terms of technology and consumer needs and put them in consideration even as they formulate and implement product development strategies for them to be effective.

Conceptual Framework



Independent Variables Dependent Variable

Figure 1: Conceptual Framework

Empirical Review

A study on market penetration strategies and competitiveness of mobile telecommunications service providers in Kenya done by Gacheo, Thuo and Byaruhanga (2016) revealed that market penetration strategy had a direct bearing on organizational competitiveness in that higher penetration rates imply better performance since the firm can generate and sustain profits that are more prominent than the normal for that industry. Concerning the same strategy, Wainaina & Oloko (2016) conducted a study on market penetration strategies and organizational growth in the soft drink sector in Kenya and the findings affirmed that there exists a relationship between market penetration strategies and organizational growth. From their findings, the pricing and distributions strategies had negative relationships with organizational growth while the promotional strategy had a positive relationship with the organizational growth. The conclusion of the study was that all the market penetration strategies are essential for organizational growth and that every one of them supplements one another and ought to be incorporated in the marketing plan for anorganization to increase its market share/market penetration and organizational growth.

A study on the effect of market development strategy in sugar industry in Kenya was carried out by (Mbithi, Muturi & Rambo, 2015). The findings revealed that market development strategy can influence a firm's capacity utilization by 8.6% and sales volume by 5.6%. The study suggested that since the level of significance on the results was low, firms ought to consider different factors that contribute to performance in sugar companies apart from market development strategy. As per the study of Mwau, Oloko and Muturi (2016) on the influence of market development strategy on performance of firms within the insurance industry in Kenya, market development strategy specifically through new geographical areas was noted to influence the performance of insurance firms in a negative manner.The study suggested that firms must be extremely cautious in choosing the markets to enter if at all it is to perform with the exception of those firms that are enjoying loyalty from solid brands. Generally, firms with weaker brands may not add value if they open different branches/markets at ago and may end up consuming a portion of the profits got from their headquarters.On the market development strategy, the study recommended firms to seek after it with much alert since it is known to negate the performance of a firm more so in the insurance industry.

The study of Koks and Kilika (2016) regarding Product Development Strategy, Market Adoption and Firm Performance uncovered that there was existing relationships between product development strategy and a firm's performance. They speculate that firms which invest in this strategy will experience a positive relationship between product development strategy investments and the firm performance. The study further explains that despite the fact that this strategy influences firm performance, the relationship depends on the general features of the market that push for the product adoption. The study of Mbithi, Muturi and Rambo (2015) on the effect of product development strategy in sugar industry in Kenya also found out that product development has significant prescient effect on performance in terms of capacity utilization specifically when developing new products while improvement of existing products has no statistical significance in this industry. This shows that for a firm to improve its organizational performance through any of the product development strategies, it has to consider its industry first and see whether it will be applicable since successful implementation of this strategy in one industry doesn't necessarily mean that it will automatically work in another different industry.

Concerning diversification strategies, Oyedijo (2012) studied the effects of product-market diversification strategies on corporate financial performance and growth. Findings reveals that there is high positive and statistically significant correlation between diversification (especially related diversification) and the firm financial performance and sales growth. He further recommended that related diversification is better than unrelated diversification and a mixed strategy in a developing economy like Nigeria. On the other hand, The study of Anil and Yigita (2011) on the relationship between diversification strategy and organizational performance with specific focus on companies that are enlisted in the Istanbul stock exchange market revealed that the relationship between diversification strategies and organizational performance in developed countries appears as reversed U curve i.e. it increments up to the medium value then demonstrates a decline in performance. However, they conclude that the pointers of the relationship between diversification strategies and organizational performance of developed countries contrast from the pointers of developing countries because of the impact of government and business relations, market, production, labor factors, and political economic variable. The study also revealed further that performance level of the related diversified company was higher than those of the unrelated diversified company.

METHODOLOGY

Descriptive research design was used for this study. According to Kothari (2004), the fundamental reason for descriptive research design is to depict a situation or an event as it is at a specific moment in time without manipulation of the environment. The target population for this study was the 249 companies that deal with commercial printing in Nairobi as indicated by the Kenya Department of Registrar General (2015) under the registrar of companies section. The study focused on the senior level management (CEOs), middle level management(Departmental managers) and functional level management (Supervisors) or their equivalents in commercial printing companies in Nairobi as these are the people that majorly formulate and implement growth strategies in firms and therefore having the relevant knowledge on effects of such strategies. The sampling size in this study included 75 managers from 25 commercial printing companies within Nairobi area. For primary data, questionnaires were used to collect data from respondents. Both descriptive and inferential statistics were used to analyze data with the help of Statistical Package for Social Sciences (SPSS) version 20. Multiple regression analysis was done to assess the relationship between growth strategies and organizational performance among commercial printing firms in Nairobi.

The study used the following regression model:

$$Y=\beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where:

Y = Organizational performance

β_0 = Constant

β_1, β_2, β_3 and β_4 are regression coefficient of each independent variable.

X_1, X_2, X_3 and X_4 = Market development strategy, Market penetration strategy, Product development strategy and Diversification strategy respectively.

ε = the error term

FINDINGS

Descriptive statistics

The main objective of the study was to investigate various growth strategies and their effect on the organizational performance of commercial printing firms. Ansoff (1965) breaks down growth strategy into four major strategies namely, market development, market penetration, product development and diversification as indicated in the Ansoff Matrix. Therefore, the results were analyzed and presented based on these strategies as follows:

Market Development

The respondents had been asked to indicate the extent to which the specific market development techniques were being used in the firm. The responses were ranging from 1 (No extent) to 5 (Very great extent) as per the five Likert scale .The relevant findings were as summarized below.

Table 1: Extent of use of market development techniques

Market development techniques	% NE	LE	ME	GE	VGE	M	SD
New geographical areas	5	53.3	25	11.7	5	2.58	0.944
Adjustment of product packaging	5	13.3	31.7	41.7	8.3	3.35	0.988

n=60

NE=No extent **LE**= Low extent **ME**= Moderate extent **GE**=Great Extent **VGE**= Very Great Extent, **M**=Mean **S.D**= Standard deviation

From the table 1, 53.3% of the respondents cited that their firms ventured into new geographical areas to a little extent as a market development technique while 50% of the respondents cited that their firm adjusted their product packaging as a market development technique to either a great or very great extent implying that majority of the firms in this industry preferred adjusting product packaging as a marketing development technique.

Market Penetration

The respondents had been asked to indicate the extent to which the specific market penetration techniques were being used in the firm. The responses were ranging from 1 (No extent) to 5 (Very great extent) as per the five Likert scale. The relevant findings were as summarized below.

Table 2: Extent of use of Market Penetration Techniques

Market penetration techniques	% NE	LE	ME	GE	VGE	M	SD
Low pricing	5	11.7	21.7	51.7	10	3.50	1.00
Market rate pricing	5	15	16.7	26.7	36.7	3.75	1.244
Advertisements	5	20	25	35	15	3.35	1.117
Sales Promotion	16.7	53.3	15	10	5	2.33	1.036

n=60

NE=No extent **LE**= Low extent **ME**= Moderate extent **GE**=Great Extent **VGE**= Very Great Extent, **M**=Mean **S.D**= Standard deviation

From the table 2, 61.7% of the respondents expressed that their firms used low pricing technique to either a great or very great extent while 36.7% of the respondents stated that their firm used market rate pricing technique to a very great extent. 35%of the responded stated that advertisements were used to a great extent as a market penetration strategy and 53.3% stated that sales promotion was used to a low extent by firms in this industry.

From the results of the means of the items, it was noted that all the means fall within the range of 3.35 – 3.75 apart from one item which had a mean of 2.33. This suggested that a greater number of respondents used market penetration strategies to considerable extent hence implying that the items well captured the element of market penetration.Moreover, the standard deviation also fell within the range of 1.0 - 1.2 meaning that the responses were not very much dispersed from each other.

Product Development

The respondents had been asked to indicate the extent to which the specific product development techniques were being used in the firm. The responses were ranging from 1 (No extent) to 5 (Very great extent). The findings are presented in table 3.

Table 3: Extent of use of product development techniques

Product development techniques	% NE	LE	ME	GE	VGE	M	SD
Development of entirely new products	3.3	53.3	25	11.7	6.7	2.65	0.971
Modification of existing product	3.3	8.3	23.3	35	30	3.80	1.070

n=60

NE=No extent **LE**= Low extent **ME**= Moderate extent **GE**=Great Extent **VGE**= Very Great Extent, **M**=Mean **S.D**=Standard deviation

From the table 3, findings revealed that 53.3% of the respondents cited that their firms developed entirely new products to a little extent as a product development technique while 65% of the respondents cited that their firm modified their existing products as a product development technique to either a great or very great extent.

From the means and standard deviation of the items, it was noted that modification of an existing product was the most widely technique used for product development by firms in this industry.

Diversification

The respondents indicated the extent to which the specific diversification techniques were being used in the firm as asked in the questionnaire. The responses were ranging from 1 (No extent) to 5 (Very great extent) as per the five Likert scale. The relevant findings were as summarized below.

Table 4: Extent of use of diversification techniques

Diversification techniques	% NE	LE	ME	GE	VGE	M	SD
Concentric	15	20	31.7	33.3	0	2.83	1.060
Conglomerate	30	43.3	15	11.7	0	2.08	0.962

n=60

NE=No extent **LE**= Low extent **ME**= Moderate extent **GE**=Great Extent **VGE**= Very Great Extent, **M**=Mean **SD**=Standard deviation

From table 4, 65% of the respondents cited that their firms used concentric diversification to either a moderate or great extent while 73.3% of the respondents cited that their firm used conglomerate diversification to either a low or no extent. Additionally, the means and standard deviationof the items showed that concentric technique was the most widely technique used for diversification by firms in this industry.

Overall organizational Performance of sampled commercial printing firms

Organization performance of commercial printing was evaluated using sales growth and profits growth. The findings were as discussed below.

Sales growth

From the secondary data, the sales growth of the specific firms from their financial records were recorded and analyzed in order to get the overall sales growth trend of such firms in commercial printing industry. Results showed that the average mean of sales growth increased gradually from 62.3% in 2013 to 123.7% in 2016 and a decrease to 67.69% in 2017.The findings implied that the sales growth of commercial printing firms increased across the years, most probably due to the adopted growth strategies.

Profits growth

From the secondary data, the profit growth of the specific firms from their financial records were recorded and analyzed in order to get the overall profit growth trend of such firms in commercial printing industry. Results showed that the average mean of profits growth increased gradually from 84.81% in 2013 to 125.3% in 2016 and a slight decrease to 87.61% in 2017. The findings implied that the profit growth of commercial printing firms increased across the years, most probably due to adopted growth strategies.

Inferential Statistics

Table 5: Correlation Analysis of Research variables

		X1	X2	X3	X4	Y1	Y2
X1	Pearson Correlation	1	.622**	.287*	.620**	.707**	.809**
	Sig. (2-tailed)		.000	.026	.000	.000	.000
	N	60	60	60	60	60	60
X2	Pearson Correlation	.622**	1	.269*	.729**	.885**	.833**
	Sig. (2-tailed)	.000		.038	.000	.000	.000
	N	60	60	60	60	60	60
X3	Pearson Correlation	.287*	.269*	1	.480**	.448**	.432**
	Sig. (2-tailed)	.026	.038		.000	.000	.001
	N	60	60	60	60	60	60
X4	Pearson Correlation	.620**	.729**	.480**	1	.864**	.876**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	60	60	60	60	60	60
Y1	Pearson Correlation	.707**	.885**	.448**	.864**	1	.930**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	60	60	60	60	60	60
Y2	Pearson Correlation	.809**	.833**	.432**	.876**	.930**	1
	Sig. (2-tailed)	.000	.000	.001	.000	.000	
	N	60	60	60	60	60	60

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

*. Correlation is significant at the 0.05 level (2-tailed).

Key X1=Market Development Strategy X2=Market Penetration Strategy X3=Product Development Strategy X4=Diversification Strategy Y1=Sales Growth Y2=Profit Growth

Results from the correlation analysis stipulated that market development strategy is positively correlated with sales growth(r=0.707, p-value=0.000 < 0.05). Therefore, a unit increase in use of market development strategy led to an increase in sales growth by 0.707 units. As for profit growth, the correlation coefficient of market development strategy was also positive (r = 0.809, p-value=0.000 < 0.05). This demonstrates that a unit increase in the use of market development strategy in commercial printing firms led to an increase in firm's profit growth by 0.809 units.

Study findings also revealed that market penetration strategy is positively correlated with sales growth at a significant level (r=0.885, p-value =0.000 < 0.05) implying that an increase in use of market penetration strategy led to increased rates of sales growth of the commercial printing firms. The study findings also showed that market penetration strategy is positively correlated with profit growth (r = 833, p-value =0.000 < 0.05) meaning that an increase in market penetration strategy increases the rate of profit growth of commercial printing firms.

As regards to do with product development strategy, the findings of the correlation analysis indicated that product development strategy and sales growth are positively correlated (r=0.448, p-value=0.000 < 0.05). This implies that an increase in the use of product development strategy significantly increases the rateof sales growth by 0.448 units. About profit growth, the correlation coefficient of product development strategy was also positive (r = 0.432, p-value=0.001< 0.05) implying that an increase in use of product development strategy improved the rate of profit growth of the commercial printing firms.

Study findings also shows that a significant positive correlation between diversification strategy and sales growth exists (r=0.864, p-value =0.000 < 0.05) implying that an increase in use of diversification strategy improved the rate of sales growth of the commercial printing firms. The study findings also showed that diversification strategy is positively correlated with profit growth (r = 876, p-value =0.000 < 0.05) meaning that an increase in diversification strategy increases the rate of profit growth of commercial printing firms.

Regression Analysis between Growth strategies and Sales growth

Table 6: Model Summary - Growth strategies and Sales Growth

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.951[a]	.905	.898	.414

a. Predictors: (Constant), diversification strategy, market penetration strategy, market development strategy, product development strategy

R is the coefficient correlation which showed the relationship between the variables while R square was the coefficient of determination which shows how well the model predicts the observation. Table 6 shows that the value of adjusted R square is 0.898. This implies that the growth strategies employed by the commercial printing firms (diversification, Market penetration, market development and product development) explained 89.8% performance of commercial printing firms in Nairobi in terms of sales growth.

Table 7: ANOVA[a] – Growth Strategies and Sales Growth

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	89.446	4	22.361	130.776	.000[b]
Residual	9.404	55	.171		
Total	98.850	59			

a. Dependent Variable: Sales growth rate

b. Predictors: (Constant), diversification strategy, market penetration strategy, market development strategy, product development strategy

The ANOVA table sought to show significance of the regression model. The above results showed that the F-value was 130.776 which was significant at p= 0.001that was very much less than 0.05 (95% level of significance). Hence therefore, the model can be said to possess a 95% confidence interval. This was supported by Gilliland and Melfi (2010) who states that when a model has a 95% confidence interval then we are 95% confident that the true proportion lies in our interval.

Table 8: Regression Coefficients[a] – Growth Strategies and Sales Growth

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.266	.226		-1.178	.244
Market development	.127	.051	.139	2.498	.016
Market penetration	.524	.066	.512	7.922	.000
Product development	.125	.061	.099	2.063	.044
Diversification	.356	.070	.358	5.117	.000

a. Dependent Variable: sales growth

From the SPSS generated output presented in table above, the equation (**$Y = \beta 0 + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4+ \varepsilon$**) became:

$Y= -0.266+ 0.127X1+ 0.524X2 + 0.125X3+ 0.356X4+e$

The coefficient results reveals a positive significant relationship between market development strategy and sales growth of commercial printing firms as shown by β=0.127 and p=0.016<0.05. This suggests that if a commercial printing firm increases the use of market development strategy by a unit, then this would significantly improve the firm's sales growth at a unit of 0.127 i.e. when other influencing factors remain constant. These findings concur with that of Mbithi, Muturi and Rambo (2015) on the effect of market development strategy on performance in sugar industry in Kenya who found out that market development strategy had significant predictive influence on performance in terms of sales volume especially when markets are pursued by companies through accessing markets in new geographical regions.

The regression results shows that there's also a significant positive relationship between market penetration strategies and sales growth of commercial printing firms (β=0.524, p=0.001<0.05). This indicates that market penetration would improve the commercial printing firms' performance significantly at a unit of 0.524 when other influences remain constant.These findings agree with the study of Wainana & Oloko (2015) on market penetration strategies and organizational growth using a case of soft drink sector in Kenya. Their study affirmed that there exists a positive relationship between market penetration strategies (specifically promotional strategies and distribution channels) and organizational growth in terms of sales volume, achievement of set targets and asset growth.

The regression results further showed that there's a significant positive relationship between sales growth of commercial printing firms and product development (β=0.125, p=0.044<0.05). This implies that when a commercial printing firm increases the use of product development strategy by a unit, this in turn improves the firm's sales growth significantly at a unit of 0.127 i.e. when other influencing factors remain constant. This finding agrees with that of Nwokah, Ugoji and Ofoegbu (2009) on the study of product development and organizational performance who found out that majority of the product development strategies employed had a positive and significant correlation with organizational performance in terms of sales volume, financial profitability and customer loyalty. It however contradicts with that of Mbithi, Muturi and Rambo (2015) on the study of effect of product development strategy on performance in sugar industry in Kenya which revealed a weak relationship between product development strategy and all aspects of performance.

Lastly, the regression results also showed that there's a significant positive relationship between sales growth of commercial printing firms and diversification (β=0.356, p=0.001<0.05) implying that a unit increase in diversification strategies would significantly improve the sales growth of commercial printing firms at a unit of 0.356.The findings corresponds with that of Eukeria and Favourite (2014) on the study of Diversification as a Corporate Strategy and Its Effect on Firm Performance who found out that diversification and performance (as measured by turnover percentage growth) were linearly and positively related.

Regression Analysis between Growth strategies and Profit growth

Table 9: Model Summary - Growth Strategies and Profit Growth

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.959[a]	.919	.913	.375

a. Predictors: (Constant), diversification strategy, market penetration strategy, market development strategy, product development strategy

R is the coefficient correlation which shows the relationship between the variables while R square is the coefficient of determination which shows how well the model predicts the observation. The study results show that the value of adjusted R square was 0.913. This shows that the growth strategies employed by the commercial printing firms (diversification, Market penetration, market development and product development) explained 91.3% performance of commercial printing firms in Nairobi in terms of profit growth.

Table 10: ANOVA[a] - Growth Strategies and Profit Growth

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	87.661	4	21.915	155.751	.000[b]
Residual	7.739	55	.141		
Total	95.400	59			

a. Dependent Variable: Profit growth rate

b. Predictors: (Constant), diversificationstrategy, marketpenetrationstrategy, marketdevelopmentstrategy, product developmentstrategy.

The ANOVA sought to show significance of the regression model. The results showed a calculated F of 155.751 which was significant at p=0.001. This implied that the regression model had a 0.1% likelihood of giving the wrong prediction. The model had a 95% confidence level.

Table 11: Regression Coefficients[a] - Growth Strategies and Profit Growth

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.152	.205		.740	.462
Market development	.316	.046	.352	6.824	.000
Market penetration	.298	.060	.297	4.972	.000
Product development	.064	.055	.051	1.156	.253
Diversification	.408	.063	.417	6.456	.000

a. Dependent Variable: profit growth rate

From the SPSS generated output presented in table above, the equation (**$Y = \beta 0 + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + \varepsilon$**) becomes:

$Y = 0.152 + 0.316X1 + 0.298X2 + 0.064X3 + 0.408X4 + e$

The coefficient results showed that there's a significant positive relationship between market development strategy and profit growth of commercial printing firms as shown by $\beta=0.316$ and $p=0.001<0.05$. This implied that when a commercial printing firm increases the use of market development strategy by a unit, this in turn improves the firm's profit growth significantly at a unit of 0.316. This finding contradicts that of Mwau et.al, (2016) on the influence of market development strategy on performance of firms within the insurance industry in Kenya whofound out that a significant negative relationship existed between market development strategy (entering new geographical areas) and organizational performance of firms in this industry specifically in terms of profits since the branches were noted to eat up the headquarters profits.

The regression results also showed that a significant positive relationship between market penetration strategies and profit growth of commercial printing firms exists ($\beta=0.298$, $p=0.001<0.05$). This means that market penetration would significantly improve the profit growth of commercial printing firms at a unit of 0.298 when other influences remain constant.This finding agrees with that of Gacheo, Thuo and Byaruhanga (2016) on the study of market penetration strategy and competitiveness of mobile telecommunication service providers in Kenya who found out that market penetration strategy had a direct positive bearing on organizational competitiveness such that higher penetration rates imply better performance including generating and sustaining profits that are greater the average for that industry.

The regression results further showed that a positive relationship which is not significant exists between product development strategy and profit growth of commercial printing firms as shown by $\beta=0.064$ and $p=0.253>0.05$.These findings partially agree with that of Mbithi, et. al (2015) on effect of product development strategy on performance in sugar industry in Kenya whose results revealed that improvement of existing products as a product development strategy variable has no statistical significance on company performance.

Lastly, the results also showed that there's a significant positive relationship between diversification strategies and organizational performance ($\beta=0.408$, $p=0.001<0.05$) meaning that if commercial printing firm increases the use of diversification strategy by one unit, consequently their profit growth would improve significantly at a unit of 0.408.The findings corresponds with that of Eukeria and Favourite (2014) on the study of

Diversification as a Corporate Strategy and Its Effect on FirmPerformancewho found out that diversification and performance including growth of firms' profits were linearly and positively related.

CONCLUSIONS AND RECOMMENDATIONS

The study concluded that commercial printing firms in Nairobi have employed growth strategies i.e. market development, market penetration, product development and diversification strategies to enhance their performance. The study also concludes that market development, market penetration, product development and diversification strategies had a positive significant relationship with organizational performance of commercial printing firms in Nairobi, Kenya except for product development strategy that had an insignificant positive effect on profit growth of such firms.

The study recommended that since mentioned growth strategies affect the performance of commercial printing firms, senior managers and other high level stakeholders could therefore increasingly apply the range of growth strategies highlighted in improving the firms' organizational performance hence ensuring sustainability and competitive advantage over other firms in this industry. It was also recommended that commercial printing firms should invest more on research of current market trends, continuous skill development for employees and infrastructure that support new technologies to ensure effective and successful implementations of the mentioned growth strategies.

Suggestion for Further Study

Arising from the findings and the gaps in the study, a replica study was recommended for commercial printing firms in other regions apart from Nairobi County in order to test whether the conclusions of this study would still hold true. Further research also could be carried out to determine the other performance increasing aspects of commercial printing firms in Kenya other than growth strategies. Finally, further research could be carried on other industries other than the commercial printing firms or could also focus on a comparative study among various sectors.

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