# INFLUENCE OF MARKET PENETRATION STRATEGIES ON ORGANIZATIONAL GROWTH IN THE STEEL INDUSTRY IN KENYA

**BY**

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## DECLARATION

This research project is my original work and has never been submitted for a degree award in this or any other institution of higher learning

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This research project is submitted for examination with my approval as the University Supervisor.

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## DEDICATION

I am indebted to my beautiful loving wife, Susan, for her unwavering support, always urging me to solder on. To our children Joash, Joy and Joel who have been a constant source of energy standing by me as I strive to further my expertise. It has really been a long journey and my family's understanding, encouragement and patience has been immeasurable. I therefore dedicate this study to my family.

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## ABSTRACT

Market penetration strategies are particularly important in industries where services or products offered are similar in nature and the nature of competitive rivalry is high. In these kinds of industries, firms that try to gain large market share make high returns and strive to survive and grow must develop a competitive strategy. Other companies have been kicked out of the business and shut down due to failure to adopt strategies for their survival and growth. The main aim of this study was to establish the influence of market penetration on organizational growth of Steel firms in Kenya. To meet the objectives of the study, the researcher used a cross sectional survey design. The population of the study comprised of all steel industries and firms in the Kenyan market. The target population were the key players of the 100 companies dealing with roofing products and steel beams and long products as per data from KAM database. Questionnaires was use to collect primary data, and data was summarized and analyzed using descriptive methods of statistics. The study found that market penetration strategies influence organizational growth of firms in the Steel industry. It was also noted that the companies in the Steel industry used a mixture of strategies which included marketing promotion and enhancing distribution channels promotion and advertising pricing and diversification. The study concludes that the penetration strategies are highly effective in any organisation as growth is dependent on them. This reflected in the market share attained by some steel manufacturing companies, increased profits and increased production. The study recommends that the Steel manufacturing firms in Kenya have to regularly carry out market research to analyze the prevailing market trends and gain understanding as they seek to identify their strengths, weaknesses and maximize on the opportunities and avoid threats. The findings of the study will therefore help companies find out if their strategy is in line with their set Vision and mission and realign their goals and objectives to ensure they are realistic and achievable.

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## ACRONYMS AND ABBREVIATION

| | |
|---|---|
| KAM | KENYA ASSOCIATION OF MANUFACTURERS |
| DGP | GROSS DOMESTIC PRODUCT |
| ANOVA | ANALYSIS OF VARIANCE |

# CHAPTER ONE

# INTRODUCTION

## 1.1 Background of the study

Organization operates in an open system in an ever changing environment characterized by turbulent operations. The environment therefore determines it survival and is environment serving. A number of the environmental influences that affect business emerge from competition. As competition increases, the industry attractiveness deteriorate, and thus affect the profitability and growth of the firms in the market. The pressure exerted to the firms therefore forces them to be proactive and responsive to the expected and real changes in the prevailing competitive atmosphere (Drucker, 1969). Organization and therefore forced to focus on gaining and leveraging on competitive advantage to allow them effectively compete and react to the prevailing conditions.

By establishing their inherent competencies, organization can focus on areas that give them an upper hand as compared to their competitors, therefore a source of competitive. According to Faeth (2009), competitive advantage has three stages of life cycle namely build up period in which strategic actions and moves yields and brings about competitive advantage. The second stage the period of deriving benefit and competitive advantage bears fruits, with firms earning more profits and return on investments. The final stage is erosion period. At this stage competitive advantage has been eroded either through duplication, technological advancement or other players in the market with the same products. To be able to achieve comparative advantage and enhance performance of firm over its competitors, the firm should surpass the industry performance average at the same time harnessing its internal strengths and weaknesses within the organization.

Several theories have been coined to determine how firms in the same industry acquire competitive advantage above others. Knowledge-based view and Resource-based theory have been selected for this study. This present the relevant analysis related to the strategies and seeks to explain how competitive advantages can be sustained continually for a longer time.

### 1.1.1 Concept of Strategy

Strategy as explained by Porter (1996), is the act of creating of a unique product and value preposition, this involves a set of different activities. This include 'limited needs of many customers', 'extended needs for limited customers' and 'broad needs for many customers in a narrow market'. This will therefore require trade-off in competing to choose what to do and not do. Porter (1980) argued that competitive strategies is a function of two aspects namely supply side and demand side. The supply side popularly known as strategic scope while demand side involves strategic strength. Porter (1980) went ahead and simplified idea into Cost leadership, Differentiation and Focus. These are three generic strategies. According to Porter (2004), competitive strategies primarily have evolved through a well-coordinated planning process and on the other hand through approaches and programs dictated by firms' orientation and the incentives pumped in by its sponsors. Although porter (1980) gave the first concept in this field, others researchers have challenged his philosophy in several ways, and this has led to extended research in this area, with main research from Treacy and Wiersema (1993), Faulkner and Bowman (1995), Hax and wilde (1999). However, this has not made more impart and it is Porter's (1980) initial thinking in this filed and the "Five Forces Model" that has become popular and has been key framework for determining firms' competitiveness in a given industry.

Scholes and Johnson (2002) defined of strategy as the direction and extent to which a given organization achieves advantage by realignment of its resources to meet the market needs within the industry and therefore fulfill all the stakeholders' expectations. Competitive strategies have been proposed such as Mintzberg (1998) and Porter's Generic Model (1980). Michael Porters Generic Model has received a lot of attention. He stated that differentiation and cost leadership are the most practical ways in which a company can gain advantage over other players in the industry sector. He argues that this can be achieved through the adoption of any of the unique strategies or processes such as Low-cost strategy, quality and product, innovative products and customer service. Porter (2005) on his part gave the description of competitive strategy as the act of looking for a good fair position within an industry. According to Porter (2005), competitive strategy is not about maintaining the status quo but being different from the rest. This entails being above the competitors by engaging in activities that are different and unique in a way which gives firms an upper hand. By adopting this strategies firms are able to leverage in the competitive advantage over its competitors.

Competitive strategies are therefore necessary to achieve a competitive advantage in the industry and this can later be transformed into a sustainable competitive advantage that brings out the Resource Based View of the strategy as argued by Barney (2001). Barney states that competitive advantage translates into a very important resources that cannot be copied as is nor substitutable. It requires great effort to replace this or substitute.

### 1.1.2 Market Penetration Strategies

Market Penetration strategy can be explained as the focus of selling already existing products or services into the existing market. It involves the act of selling more to the existing customers and bringing other new on board to purchase your product. By selling more of the existing product you gain and increase market share and thus achieve growth. In consideration of the product and market power, the market share of the steel industries in the Kenya's market is still growing with many players coming in. The firm with high market share will try to increase dominance and stay above the rest. Ansoff, (1987) defines market penetration strategies as a way of using the existing product in the current market. Several approaches can be adopted when implementing the market penetration strategies. This can be achieved by increasing the market share, driving out competition or changing the product to increase its usage. Also implementing tactics to secure and dominate growth market leads to sustenance of growth.

### 1.1.3 Organizational Growth

An industry as explained by Johnson et al, (2008) is a group of firms producing or offering the same principal product or service. The size of the firm and its age has direct relationship between the competitive advantage and performance. Growth is an important aspect that most companies strive, with smaller firms desiring to be big, and big companies want to be dominate and be bigger. However for different companies, organizational growth is view differently. However, the ultimate goal of any firm is profitability, with growth measured in terms of profit, revenue, market share or firm size. Several research have been carried out to establish this relationship. The moderating variables as confirmed in the previous studies include how long the company has been in operation and the size of the firm.

Based on the factor analysis framework for the competitiveness of the Kenya's steel industry, we establish the underlying variable as a factor of competition and competitiveness in the industry in relation to the organizational growth. For the qualitative analysis, abstract factors need to be specified and appropriate variables to be selected for the model. Production capacity, market share and trade capacity are some competitive abilities as described in international competitiveness. Steel industry operations measures its productivity by using overall equipment effectiveness, which is a factor of productivity, quality and equipment availability. We use the steel industry overall labour productivity as a dependent variable for the production model.

### 1.1.4 Steel Industry in Kenya

In any economy, Steel has a wide use and form the cornerstone of the country's economic activity. The country's levels of development is measured per capita steel consumption. This is an international indicator. With the steel consumption in Kenya expected to increase in the coming years focus is now on the development agenda and the country has come up with vision 2030, with various projects earmarked to support this initiative. This include Lamu Port development, standard gauge railway and roads projects and Housing projects envisioned in the four pillar The steel industry in Kenya has been on an upward growth with the growth in the economic and infrastructure growth. The steel manufacturing in Kenya is a very dynamic industry with powerful forward and backward linkages just like other sectors of the economy. The art of Steel making is very highly capital and technology intensive sector.

Today Kenyan market forces and infrastructure growth steel industry growth and market prospects but there are other constraints affecting the sector and this include availability of raw materials, infrastructure support etc. The government's role of facilitating the growth of the sector still remains. The fluctuations on the world steel prices have affected the steel industries in the Kenya. The influx of cheap Chinese imports has resulted to stiff competition to the steel players in the country. The Kenya's steel industry is reflected mainly in the production capacity, market and trade capacity. In any manufacturing company, Production capacity is used the measure the firms' productivity.

## 1.2 Research Problem

Market penetration strategies are particularly important in industries where services or products offered are similar in nature and the nature of competitive rivalry is high. In these kinds of industries, firms that try to gain large market share make high returns and strive to survive and grow must develop a competitive strategy. Other companies have been kicked out of the business and shut down due to failure to adopt strategies for their survival and growth. Manufacturing sector in Kenya contributes 10% of the country's GDP. For any country to achieve sustainable growth and globally become competitive, its needs to develop its iron and steel Industry.

A number of research and studies have been done to establish the influence on market penetration on organizational growth, for instance, Mwiti (2011) in his study was seeking to understand the market penetration strategies adopted by Essar Telecom Kenya. Wanaina and Oloko (2016) studied the Market Penetration strategies and organizational growth with focus on soft drink sector in Kenya. However, these studies does not address steel industry sector which has unique characteristics. Furthermore, there has been no established study to establish the influence of market penetration on organizational growth in the steel industry. The studies on growth in Steel manufacturing firms are scarce and would be beneficial to explore this field further. The purpose of this study, therefore is to establish the effects of market penetration on organization growth

## 1.3 Research Objectives

i. To determine the Market Penetration Strategies in Steel Industries in Kenya
ii. To establish the influence of market penetration on growth of Steel firms in Kenya

## 1.4 Value of the study

The study is useful in helping steel industries deal with competition and differentiate their products. It identifies how firms' market penetration strategies influence their growth.

The study will also identify innovative ways for competitive steel manufacturing for industry growth in Kenya. Coming up with a sustainable comparative and competitive advantages is the most important factor that each firm must focus on and forms the firms goal. It examines the economies of a firm's core activities focusing mainly on its growth and development. The results obtained from this Study will also form a basis for other studies to be done in future.

# CHAPTER TWO

# LITERATURE REVIEW

## 2.1 Introduction

This chapter presents the literature review and theories on issues concerning growth and market penetration strategies in the steel industry in Kenya for its development. It reviews the theoretical foundations what other researchers have done in related field of study.

## 2.2 Theoretical Foundation of the study

A number of theories have been developed to explain how firms gain advantage above other players in the same industry. The theories also explain the sustenance of the competitive advantage over a longer time span. This section will present relevant theories that are related to strategies and industry growth. An example of such theory include Knowledge based view theory. The other theory is the Resource-based theory. The mentioned theories are presented in details below:

### 2.2.1 Resource-Based Theory

This resource-Based model shows the performance of the firm and dwell mostly on the resources and capabilities that are within their reach as the main sources of competitive advantage as argued by Barney (1991). Barney highlights two assumptions of the resource-based view to explain why some firms perform better that other firms in the same industry. He argues that if a firm has valuable resources and capabilities that not available or available to few firms then it can gain a competitive advantage. Some of these firms finds it difficult or expensive to imitate or copy these resources and capabilities. The resources and capabilities by the firms can be used to exploit the external opportunities and or work out to overcome the external threats. The firm can leverage on these resources and capabilities turning them into strategic advantage if they are of value, not readily available, and cannot be copied. The theory is based on the premise that resources cannot be similar in nature and restricted in its mobility .

Ma (1999) also argued that competitive advantages comes up as a result of comparison within firms along any dimensional characteristics and attributes of the firm that makes them to be ahead and create customer value then others in the same industry. There are a number of generic sources of competitive advantage that a firm can adopt. This include assets owned or position, route to market and distribution channels, supply and proficiency based on knowhow, core competence and capabilities in the business dealings. It has been further argued that competitive advantage can be achieve and sustain if the firm uniquely and proactively exploit the three generic sources as mentioned to predict the competitor actions and implement ant combination of this initiatives before the rivals can exploit. However, a lot of the resource based information and studies considers resource stock as is and does not consider the process of developing resources. This is a gap, as the ways and means through which a firm can accumulates its resources are determined by other factors including diseconomies of scale, interconnections, and efficiencies of asset mass coupled causal ambiguity (Fahy 2000). Therefore, more understanding about the development of resources are important in pursuing the resource based model in with respect to comparative advantage as argued by Fahy (2000)

### 2.2.2 Knowledge based view Theory

The knowledge based view model considers firms' ability to incorporate human, social and organizational resources together with economic and technical resources. Narasamha, (2002) and Miller, (2002) considered firms as bodies that are involved in generating, integrating and distributing knowledge. They argue that the ability of a firm to create value does not necessarily depend on physical and monetary resources but depends on a combination of capabilities related to knowledge. Competitiveness of a firm is achieved by the organizations ability to come up with new technological knowhow as an asset that will help to create core competencies. Sustainability requires that a company considers their intangible resources in the form of accumulated experience, knowledge articulation and making it explicit.

Barney (1991) argues that that extent to which competitive advantage last over time is depended on the capabilities which cannot be imitated and which are depicted in the same competitive advantage. This is dependent on the employees involved in generating, storing, sharing and employing the required generic and specific knowledge which will facilitate competitive advantage.

## 2.3 Strategies that informs the Study

Competitive strategies are embedded by the resource based theory and Knowledge based view theory. These two theories help to explain why some organizations perform better than others. The theories explain why certain organizations are more competitive than other organizations. The two theories expounds on the how resources are accumulated, on the replication and inimitability of the organizations capabilities. The resource-based-view theory explains how the firm can identify the potential key resources and use them to achieve sustained competitiveness.

Knowledge based view on the other hand is about the firm's resources in terms of knowledge and not more about the tangible assets that the firm has. These assets include technological knowledge, intellectual property, business process knowledge, customer business relationship, reputations and the overall organizational culture and values (Stewart, Chris, Kornberger and Schweitzer, 2011). Organizations have to have the right processes, paths and market positions in order to attain distinctive competence. Dynamic capabilities are all about having the muscle to integrate, develop and also to review the internal and also external competences available in order to adopt to the ever changing environment (Teece et al, 1997). Therefore dynamic capabilities explain how strategic managers should be able to maneuver through the changing environment and ways to sustain their competitive advantage.

The firms need to have the capability to assess the threats in the environment. The firm also must exploit the opportunities that exist in the environment. Firms also need to identify any gaps by constantly reconfiguring their business assets. This will in turn ensure that they are able to protect their competitive advantage and sustain their competitive advantage. A winning strategy is one that fits the circumstances of an organization's existing situation with its internal strengths and competitive capabilities.

The organization therefore builds competitive advantage and consequently its overall performance improves (Thompson, Strickland and Gamble, 2012). Firm need to develop strategies by looking opportunities presented by the business environment so as to take advantage and maximize on these opportunities. The Key point of this approach is the need to realign the organization to its environment. This is a major aspect of which the industry operates.

Competitive rules of the game and organizations ‘strategies are firmly influenced by industry structure. This model has greatly influenced the thinking in strategy practice within organizations. Strategic expansion within the elastic limit is achieved by leveraging on the resources and competences the firm has to provide an edge in competitive advantage and thus acquire new opportunities. The resource based view theory helps explain the strategic stretch model. According to Wernefelt (1984), he advance the strategic idea. This theory emphasizes that the firm relies on resources that are both tangible and intangible. The tangible resources as explained include physical things and objects like, land, buildings, capita, machinery and equipment. The intangible resources include, trademarks, intellectual property and brand reputation.

These resources must also be diverse and incapable on moving. Heterogeneous resources mean that they should be different from the competition. The resource based theory therefore assumes that the firms use different types of resources gain competitive advantage. Immobility shows that resources should not move from one company to the other. Therefore the companies cannot be able to replicate the resources of the rival firms to implement similar competitive strategies. According to Barney (2007) the firm needs to adopt a more complex framework which examines resources in a different way. These resources enable the firm to be competitive. The organizations require this complex framework since their environments are also complex.

### 2.3.1 Economic growth and International Trade

Steel manufacturers have to transform themselves in the ever changing environment to be able to survive and flourish. Globalization cannot be whisked away and forms the key to long term success and growth in steel businesses. Successful businesses therefore have to analyze the trends in order to tailor their strategies and business models in accordance to the global trends and mindset. Sowar (2010) argued that as steel manufacturers customize their products and operations, they need to strike a balance with globalization for them to remain relevant.

### 2.3.2 Global strategy and execution

With the future of steel industry as viewed from the global outlook indicates positive signs of growth in many parts of the world. However, there is still threats to global growth and this is mainly coming from China. The steel consumption in Kenya has not reached its peak, though no confirmed study has proved this, but with the growing infrastructure and demand is expected to reach its peak in 5 years. There is growth and urbanization and this will boost demand for steel.

## 2.4 Competitive strategies

A company can have competitive advantage over other firms when they are able to secure and win customers as compared to their rivals and able to defend against competitive forces as argued by Thompson & Strickland (2002). Prahalad and Hamel (1990) also defines a core competence a process of streamlining complex streams and activities of technology and work activity to bring about an expertise with specialized operation. He further went ahead and gave an elaborate explanation on the core competence broken down into three characteristics, namely benefits to the customer as perceived to increase. Secondly it provides an avenue to penetrate the various markets and finally the imitability of competitors. The differentiating factor that provides competitive advantage within the industry include high product quality, improved customer experience and managing the production costs and cost cutting measures as embraced to reduce costs over the rivals.

Competitive strategies are developed and implemented by most of the Steel Manufacturers for them to have a strong market position and increase their market share and achieve high profits. Barney (1991) came up with a approach of deriving competitive strategies by considering the internal resources owned by the firm both tangible and intangible. The tangible and intangible assets forms the organizational capabilities. Steel Manufacturers can be able to differentiate their activities from their rivals and still remain relevant and flourish in the ever changing competitive environment (Olsen *et al.,* 2008).

### 2.4.1 Industry competition

Ohmae(2000) analyzed the magnitude and rate on globalization in the industry. He concluded from his findings that the latter half of $20^{th}$ century has witnessed and increased pace and magnitude of globalization. Powell (2001) also found out that there is need for multinationals and local players alike to re-examine their competitive strategies and deliberately come up with new sustainable competitive advantages in the global market place. Kenyan Steel Manufacturing firms can ride on sustainable competitive advantage. Many companies achieve competitive advantage through their own exclusive capabilities, competences and knowledge as highlighted by Ma (1999).

Steel firms in Kenya have been scaling production capacity to meet the ever growing demand. A lot of capital investment and improvement of productivity have been focused to boost the output. With the projected double-digit economic growth in Kenya's infrastructure, steel industry is likely to experience exponential growth. Kenyan steel products is also being exports to other African countries with globalization taking its toll. Government tries to protect local industries from influx of cheap Chinese imports by legislating laws that protect local firms. The deliberate effort by the government to reduce production costs by managing power costs is another parameter to support local industry. The presence of cheap labour also boost the industry being labour intensive.

### 2.4.2 Geopolitical factors affecting steel industry

The Geopolitical situation in Africa and specifically Eastern Africa affect the Steel industry in Kenya. Firms are focusing on political stability to market and extend their product offing across all regions within their reach. The export to other African countries forms a major source of foreign exchange to support the sector.

### 2.4.3 Opportunities for Steel Industries

In Kenya, steel industry is faced with high production costs and challenging times. It therefore is imperative to put in place proactive actions that have to be well planned and implemented. To be able to survive in the competitive market and flourish, radical measures need to be adopted. This include cost reduction initiatives, customer focus and strategic investments. The operational costs are managed though the implementation of operational efficiency initiatives and continuous improvement programs. Enhancing customer experience and focusing on meeting and exceeding customer needs in the challenging times is also Key. Firms focus on creating value added products and services and improve relationship with its customers and suppliers.

Strategic investments is another area that presents great opportunity. Firms may target a niche market to penetrate and develop new markets to grow their business. Investing in people as in important resource is critical and has returns. Talent management brings about great capabilities within the company.

### 2.4.4 Financing to support the strategy

With the prevailing economic atmosphere, financial institutions as not willing to support investment initiatives due to the unreliability of the industry. The high cost of debt scare away firms from taking loans. Steel manufacturers therefore consider other available alternatives such as mergers and acquisition, or divesting in other non-core activities. Other firms positioned themselves strategically and devolve there operations into strategic business units to survive. Sowar (2010) argued that refinancing is the best option if done from the position of strength. Firms, therefore consider debt refinancing in order to return to profitability.

### 2.4.5 Strong Steel Companies over smaller entities.

The leading steel industries in the Kenya in terms of the annual volume of steel produced, have been their market share and investment portfolio, as smaller firms struggle in the challenging environment. Some firm have entered into merger and acquisition but this has been driven by the strategic drive for portfolio realignment. Stronger companies access the available opportunities and buy the assets in line with their strategic markets and customers. They seek to increase their capacity to be able to compete with other global steel industry players.

### 2.4.6 The impact of Steel industry on Supply Chain

The supply chain has contributed to the disruption of the market for steel products. The end upstream supply chain and distribution network has greatly disrupted the industry leading to either excess capacity or great influx of steel from china. The scrap metal providers have growth with this influx of steel products finding its way in to the Kenyan market. The World price of steel have also been a key contributor to the sectors growth with fluctuations of process every year. This makes the profitability of the industry unpredictable. The Imported Hot rolled Coils (HRC) prices in the global market in dictated by the global supply and demand of steel and steel products. The demand for base metal, steel and iron ore faces high supply in relation to the demand across the world.

### 2.5 Summary of literature review

From the literature review, it can be concluded that there is a need to carry out studies concerning the influence of market penetration strategies on organizational growth of steel industries in Kenya. Previous studies have not covered the external markets pressures felt by the steel industry and the global issues facing the industry which will affect their strategy. None of the studies have addressed the steel industry strategies in Kenya that affect growth. The dynamism of the steel industry has also not been unearthed by the previous studies. The current study intends to fill the identified gap by seeking to establish the influence of market penetration strategies on organizational in steel industry in Kenya.

# CHAPTER THREE

# RESEARCH METHODOLOGY

## 3.1 Introduction

This chapter provides details of the research design, population of the study, techniques for data collection and analysis to be employed by the researcher during the study. It also presents the approach used to conduct the research. It encompasses the research design, population of the study, sample selection and data collection and data analysis.

## 3.2 Research design

The main aim of this study is to investigate the influence of Market penetration strategies employed by the different steel industries on the organizational growth. To achieve the objectives of the study, a cross sectional survey design was used by the researcher. Nachmias (1996) argues that Cross sectional survey allows the researcher to carry out studies and analysis in natural and real life actual settings. This is used to examine relationships between the different properties and dispositions. They help us to approximate and determine the group design by using statistical data analysis technique. The use of cross sectional survey is appropriate because it enables the researcher to determine how the penetration strategies influence growth of firms and the relationship between the strategies and performance. Therefore, the use of cross sectional survey procedures helped to identify interrelationships among variables identified.

### 3.3 Population of the study

The target population of this study include of all steel industries and firms in the Kenyan market. The total number of firms that produces steel and steel products in Kenya are 100 as per list if steel Manufacturers' KAM database (retrieved January 16th, 2018). The target population were the key players of the 100 companies dealing with roofing products and steel beams and long products as per data from KAM database (retrieved January 16th, 2018).

### 3.4 Sample selection

The selection of sample is very crucial factor in research design. Appropriate sample size and good sample selection gave the study more weight while considering the available time and resources available. The size of the sample is determined by the margin of error and the confidence level. Assuming a confidence level of 95% and taking 10 as a margin of error, we get a sample size of 48 Steel companies. The sample size selected for this study is appropriate considering the time and resources available.

### 3.5 Data collection

Questionnaires was use to collect Primary data and were distributed to selected sample of the key players in the steel manufacturing industries in Kenya. With this method large amount of information was collected from many people in a short time and covers a wider geographic contact at minimal cost. The researcher used a semi structured questionnaire with both close and open ended questions. The Likert scale was used, the respondents were asked to put down their views on market penetration strategies and their organizational growth. Questionnaires was used for this study due to the ease of data and information collection and the standardized data analysis methods that makes it easy. The questionnaires were circulated and given to the target respondents.

The study also collected secondary data from websites reviews, journals, magazines, newspapers and other published sources. The secondary data obtained helped in getting more information to achieve the objective of the study.

### 3.6 Data analysis.

The data collected was analyzed to find out the influence of market penetration strategies on organizational growth of Steel firms in Kenya. Data analysis is defined as examining the information collected in the field and summarizing by deducing and making inferences as argued by Kombo and Tromp (2006), P. 117). Data collected from the field was analyzed from the results obtained from the questionnaire. Inference was therefore made based on the qualitative analysis. This involved identifying a common patternsfrom the responses and analyzing them to achieve the research objectives.

# CHAPTER FOUR

# DATA ANALYSIS, RESULTS AND DISCUSSIONS

## 4.1 Introduction

The study focused on the Influence of market penetration strategies on organizational growth of steel firms in Kenya. This chapter presents the research findings and analysis of data collected from the field. It also presents the discussions on the findings to establish the influence of Market penetration strategies on organizational growth of Steel manufacturing firms in Kenya. Data was collected through a questionnaire that was distributed to the target firms and personnel. This was done both electronically through email and physically for cases that didn't get email address. The target respondent were Sales and Marketing Managers.

## 4.2 Response Rate

A total of 48 questionnaires were distributed for data collection. However only 34 questionnaires were brought back representing a response rate of 71%. This is considered good for analysis in relation to Mugenda and Mugenda (2003) which stipulates that 50% response rate is adequate for data analysis and inferencing while a 60% is good and 70% rate is considered excellent.

### 4.3 Demographic Information

The demographic information collected gives the general information about the company. The results obtained is presented below.

#### 4.3.1 Distribution Firms by Type of company

**Table 4.1: Distribution of Type on Company**

| Type of Company | Respondents Frequency | Percentage (%) |
|---|---|---|
| Private Company | 24 | 71 |
| Public Company | 1 | 3 |
| Partnership | 5 | 15 |
| Owner-managed | 3 | 9 |
| Non-Owner managed | 1 | 3 |
| **TOTAL** | **34** | **100** |

(Source: Field Data 2018)

The study findings obtained shows that 74% of the steel firms in Kenya are privately owned companies and none is public. The results in table 4.1 also indicates that 15% of the companies are partnerships. This is an indication that the steel industry is growing and there is need to adopt market penetration strategies to counter completion and thus enhance organizational growth.

### 4.3.2 Distribution of Firms by Number of Years in Operation

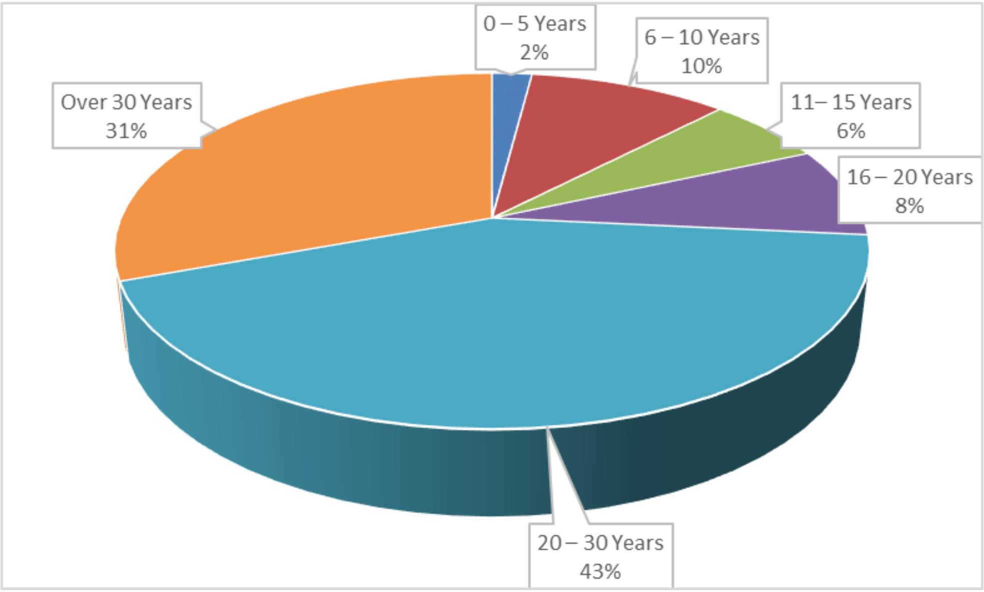


**Figure 1:1 Distribution of Firms by Number of Years in Operation**

Figure 4.3.2 above shows the distribution of the Number years the firms have been in operation. The researcher requested the respondent to give the duration of time the respective firm has been in operation. The findings as shown in Figure 4.3.2 above shows only 3% have been in operation between 0 to 5 years while 44% have been operating for over 30 years. The results of the findings shows that most of the firms have been operating for more than 20 years representing 62% of the total respondents. This implies that the companies have been growing and this could be a result of adopting strategies that enable them stay in the competitive environment.

### 4.3.3 Distribution of Respondents by Years of service

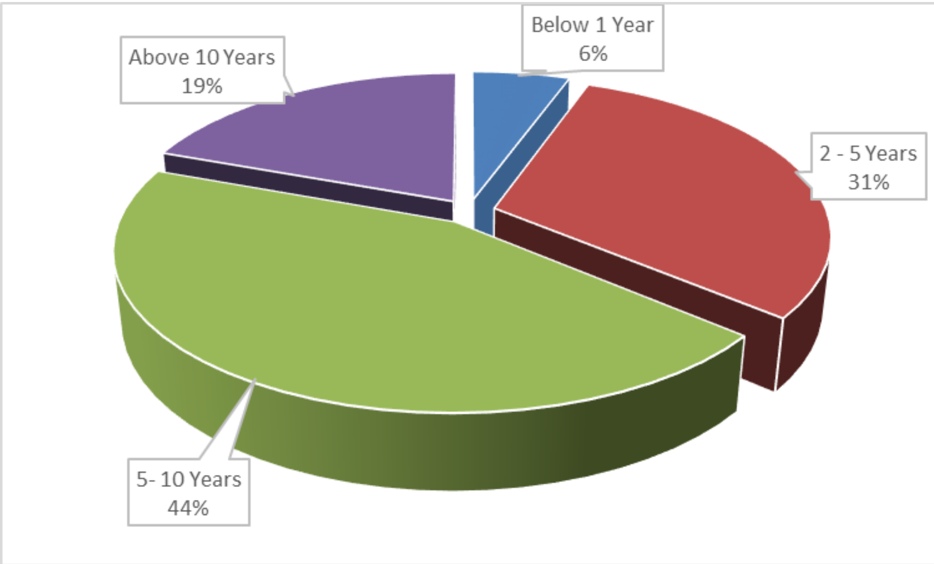


**Figure 4.2: Distribution of Respondents by Years of Service**

From the findings presented in Figure 4.3.3 it can be concluded that 76% of respondents have served in the respective firms for more than 5 years with 44% between 5 to 10 years and 19% above 10 years. This means that the respondents understood the concept of study and the firm's performance and strategies in adopted by the firm for growth and were in a good position to effectively answer the study questions.

### 4.3.4 Distribution of the Number of Employees in the Company

**Table 4.2: Distribution of Number of Employees**

| Number of Employees | Frequency | Percentage (%) |
|---|---|---|
| Below 100 | 12 | 35 |
| 100 - 500 | 18 | 53 |
| 501- 1000 | 3 | 9 |
| Above 1000 | 1 | 3 |
| **TOTAL** | **34** | **100** |

Source: Field Data 2018

The research findings shown in table 4.3.4 above indicate the distribution of employees head count in the company. 35% of the respondents depicted the firm size with below 100 staff while 53% of the companies have employees between 100 to 500. This implies that the firm sizes growing and it is one of the factors that determine organizational growth and expansion.

**4.3.5 Average Monthly Volume of steel**

**Table 4.3: Average Monthly Volume of steel**

| Average Monthly Volume of Steel | Respondents Frequency | Percentage (%) |
|---|---|---|
| a. Below 1000 MT | 2 | 6 |
| b. 1,000 MT - 5,000 MT | 21 | 62 |
| c. 5,001MT – 10,000MT | 6 | 18 |
| d. 10,001MT -15,000MT | 4 | 12 |
| e. Above 15,001MT | 1 | 3 |
| **TOTAL** | **34** | **100** |

The findings presented show that 62% of the companies have an a Average Monthly Volume of steel of 1,000 MT - 5,000 MT, 18% had an Average Monthly Volume of steel of 5,001MT – 10,000MT, 12% had an Average Monthly Volume of steel of 10,001MT - 15,000MT, 6% had an Average Monthly Volume of steel while 3% had an Average Monthly Volume of Above 15,001MT. This is an indication that the volumes were high and could be related to the marketing strategies adopted.

### 4.4 Market Penetration Strategies

Extent of adoption of market penetration strategies

**Table 4:4 Market Penetration Strategies**

| Extent of adoption of market penetration strategies | Mean | Std. Deviation |
|---|---|---|
| Strategic Alliance | 2.3345 | 0.6574 |
| Diversification | 4.1876 | 0.4685 |
| Creating Barriers to Entry | 3.3265 | 0.3654 |
| Marketing Promotion | 4.5673 | 0.4758 |
| Improving Products | 4.4873 | 0.5674 |
| Enhancing Distribution Channels | 4.5076 | 0.3376 |
| Pricing | 4.3765 | 0.4563 |
| Promotion and Advertising | 4.4987 | 0.5283 |

From table 4:4 above, the findings indicates that the respondents agreed that marketing promotion and enhancing distribution channels were methods used in steel companies to a wide extent as shown with means of 4.5673 and 4.5076 respectively. There was agreement by the respondents on the high use of Promotion and Advertising as shown with a mean of 4.4987 and companies improving products as shown with a mean of 4.4873. Pricing and Diversification were also found to be used as they were rated highly as depicted by mean of 4.3765 and 4.1876 respectively. The respondents moderately agreed that the companies created barriers of entry as shown with a mean of 3.3265 and there was strategic alliance was rated very low with a mean of 2.3345.

The findings indicated that there were other market penetration strategies adopted company. Some of them include digital marketing, niche marketing, knowing the risk and growth. Entering a new market can be tricky. Therefore, market and product understanding is very important for firms to perform well above expectations. This can be done effectively by properly communicating with your customers and becoming sensitive to their requirements and wants. Some companies try to be unique and think differently in their approach to the market. Some of the unique ways used are educating the customers and making purchase easy for their clients. The companies also offer provide customers with a number of key value-added services, such as convenient delivery options and training and marketing programs.

### 4.4.1 Competition in the Industry

**Table 4.5 Competition in the Industry**

| Competition in the Industry | Respondents Frequency | Percentage (%) |
| --- | --- | --- |
| Very high | 10 | 29 |
| high | 13 | 38 |
| Medium | 7 | 21 |
| Low | 4 | 12 |
| **TOTAL** | **34** | **100** |

The researcher sought to find out the extent of competition in the industry. The findings indicate there was high competition as indicated by 38% of the respondents, 29%

indicated there was very high competition while 12% indicated low competition. This indicates that there is good competition which is needed for a company to grow. Without completion a company might not be aggressive in their markets and this is not healthy for growth.

### 4.4.2 Competitors' Actions Influence Chosen Strategy

**Table 4.6 Competitors' Actions Influence Chosen Strategy**

| Competitors' Actions Influence Chosen Strategy | Respondents Frequency | Percentage (%) |
|---|---|---|
| Yes | 23 | 68 |
| No | 11 | 32 |
| **TOTAL** | **34** | **100** |

Table 4.6 shows that the 68% agreed that competitors' actions influence chosen strategy. Firms in the steel industry study the competition in order to be able to predict their competitive actions, their competitiveness and responses that are likely to be taken by each of their competitors. The firm therefore uses competitive actions and implement to defend or harness its competitive advantages which will in turn help them to improve its market position and market growth. Competitive strategies are then taken to counter the effects of a competitor's competitiveness and actions.

### 4.4.3 Company's Size Affect Strategy

**Table 4.7: Company's Size Affect Strategy**

| Company's Size Affect Strategy | Respondents Frequency | Percentage (%) |
|---|---|---|
| Yes | 25 | 74 |
| No | 9 | 26 |
| **TOTAL** | **34** | **100** |

The findings indicate that company's size affect strategy as shown by 74% of the respondents. This is because most small companies focus on the external factors that inhibit growth while the larger companies focus more on the internal to those internal factors that affect the growth of the company. On both ends, the economy of scale dictate the kind of strategy to be implemented.

## 4.5 Organizational Growth

This section is focused on the organizational growth of the companies

**Annual Net profits**

**Table 4.8: Annual Net profits**

| Year | Below 101 Million | 101 to 501 Million | 501 Million to 1 billion | 1.01 billion to 5 billion | Above 5 billion |
|---|---|---|---|---|---|
| 2017 | 5 | 21 | 6 | 2 | 0 |
| 2016 | 6 | 16 | 9 | 3 | 0 |
| 2015 | 9 | 15 | 8 | 2 | 0 |
| 2014 | 15 | 13 | 5 | 1 | 0 |

| | | | | | |
|---|---|---|---|---|---|
| 2013 | 12 | 16 | 5 | 1 | 0 |

The annual net profit indicate growth in as the years progress with year 2014 having the lowest returns and year 2017 having the highest returns. This could be as a result of adoption of market penetration strategies.

**Average Monthly Volume of steel**

**Table 4.9: Average Monthly Volume of steel**

| **Period** | **Below 1000MT** | **1,000MT-5,000MT** | **5,001MT-10,000MT** | **10,001MT-15,000MT** | **Above 15,001MT** |
|---|---|---|---|---|---|
| 2017 | 4 | 20 | 7 | 2 | 1 |
| 2016 | 2 | 22 | 8 | 1 | 1 |
| 2015 | 8 | 19 | 5 | 1 | 1 |
| 2014 | 12 | 18 | 3 | 0 | 1 |
| 2013 | 15 | 16 | 3 | 0 | 0 |

The Average Monthly Volume of steel show that there has been increased growth in production which could have been because of the adoption of market penetration strategies by the companies and also an increased number of companies in the steel industry.

**Extent of organizational growth**

**Table 4.10: Organizational Growth**

| Organizational Growth | **Mean** | **Std. Deviation** |
|---|---|---|
| Market Share | 4.0453 | 0.5647 |
| Firm size | 3.8764 | 0.3650 |
| production capacity | 4.0379 | 0.5330 |
| sales volume | 4.3573 | 0.6384 |
| new market | 4.1024 | 0.6340 |
| Joint ventures and alliance | 2.9862 | 0.4435 |
| customer satisfaction | 4.3456 | 0.3243 |
| Increased profits and revenues | 4.0404 | 0.5667 |

The findings indicate that sales volume had the highest level of success as shown with a mean of 4.3573, followed by customer satisfaction which was rated with a mean of 4.3456. The level of success on Market Share, Increased profits and revenues, production capacity and new markets were also rated highly success as shown with means above 4. Firm size was high success with a low mean of 3.8764 and Joint ventures and alliance was moderate success with a mean of 2.9862. This is an indication that market strategies have high success effect on the factors of organizational growth.

### 4.6 Market Penetration Strategies on Organizational Growth

The regression analysis mainly focusses on how the average value of one particular random variable selected is distributed as the independent variables randomly selected takes or given different values. The model of regression gives the relationships and is specifically used and adopted to connect the average values of y for various values of the x-variables. The regression model formulae is summarize below:

$y = \beta_0 + (\beta_{1\,x} X_{1)}) + ẹ$

**Where:**

y represents Procurement Performance

$\beta_0$ represents Constant Term

$\beta_1$ represents Beta coefficients

$X_1$ = Devolved procurement functions management

**Table 4.11: Strength of the model**

**Model Summary**

| Model | R | R Square | Adjusted R Square | Standard Error of the Estimate |
|---|---|---|---|---|
| dimension0 1 | .862[a] | 0.845 | 0.833 | 0.02302 |

a. Predictors: (Constant), Oorganizational Growth

Source: filed study (2018)

From the analysis done in table 4.11 the coefficient of determination R2 which represents the rate of variation of the dependent variable mentioned noted by rate of change of the independent variable) is equal to 0.843, meaning organizational growth of 15.7% is unexplained. The P - value of 0.02302 (below 0.05) means that market penetration strategies influences organizational growth, therefore it is significant at the 5% level of significance.

**Table 4.12: ANOVA**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regresion | 5.8396 | 3 | 1.323 | 16.201 | .000[a] |
| | Residual | 3.2220 | 30 | .077 | | |
| | Total | 9.0616 | 33 | | | |

a. Predicting variable: (Constant), market penetration strategies

b. Dependent Variable: organizational growth

ANOVA findings (P- value of 0.00) in table 4.12 shows there exist correlation between the predicting variable (market penetration strategies) and response variable (organizational growth).

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 6.223 | .745 | | 8.566 | .000 |
| | market penetration strategies | .462 | .093 | .449 | 4.239 | .000 |

**Table 4.13: Coefficients of Determination**

**a. Dependent Variable: organizational growth**

The simplified equation for multiple linear regression becomes:

$Y = 6.223 + 0.462X_1$

The study found that market penetration strategies have significant influence on organizational growth. The findings in Table 4.13 indicated that organizational growth would be at 6. 223 holding market penetration strategies constant at zero. The study established that market penetration strategies employed by the steel manufacturing companies enhance increased organizational growth

## 4.7 Discussion

This section focusses on the research findings from the data collected from the study with respect to the objectives. The key objective of this study is to determine the influence on market penetration strategies on organizational growth of steel industries in Kenya. The finding indicate that market penetration strategies influence organizational growth of firms in the steel industry.

The market penetration strategy depends on the firm's size, key objectives, available resources and industry position. All these determines firms' competitiveness and the competitive position it occupies. The various strategies can be realized by playing around with the marketing mix elements such as, product, price and promotion as argued by Ohmae (2000). To force out competitor, restructuring mature markets needs to be implemented. This requires well calculated promotional activities coupled with pricing strategies with the intention to present the market unattractive for the competition as they continue operating in (Ohmae, 2000). The study found that the companies in the steel industry used a mixture of strategies which included marketing promotion and enhancing distribution channels promotion and advertising pricing and diversification.

The study found that competitors actions influence market penetration strategy. This is in line with study by Lynch (2009) argued that the for market penetration strategies to be fruitful, market understanding and its competitors' action is required. To achieve this, they have to come up with tactics such as value addition to the current product being offered, diversification, introducing loyalty schemes and making modification to the product that can aid to promote more frequent usage. To secure dominance in growth industry and markets, which is concern with occupying a superior and better position in the prevailing market. Market dominance can be categorized into four main categories. Market leadership in one category which shows dominance. Secondly the market challengers, market followers and market nichers are the other categories. Market leaders are always dominant players in their respective industry.

The study findings show that from one firm to the other they recognized that market penetration strategies is their only way of ensuring that they achieved better organizational growth. According to Thompson, Strickland and Gamble (2012) for organizations to be market leaders they need to adopt various defensive actions. One of the actions is to create high barriers of entry. This can be achieved through the organizations ensuring that they use large amounts of their resources on advertising.

# CHAPTER FIVE

# SUMMARY, CONCLUSION AND RECOMMENDATION

## 5.1 Introduction

This chapter outlines the summarized findings about the market penetration strategies and how it affects the organizational growth. The objective of this study was to find out the influence of market penetration strategies on organizational growth of steel firms in Kenya. The summary of the findings are presented in this chapter. This is based on the data collected and analyzed and enables the researcher to make conclusions and recommendation.

## 5.2 Summary

The study findings indicate that marketing promotion and enhancing distribution channels were methods used in steel companies to enhance organizational growth. It was found that there was high use of promotion and advertising as well as companies improving products. Pricing and Diversification were also found to be used highly. Creating of barriers of entry was not used much in the steel manufacturing companies as well as strategic alliance. The study found other market penetration strategies adopted company which digital marketing, niche marketing, knowing the risk and growth.

The study found that it is it is important to understand the market and the product for firms to perform well and above expectations. This can be done effectively by properly communicating with their customers and becoming caring for needs. The study found that some companies try to be unique and think differently in their approach to the market. Some of the unique ways used are educating the customers and making purchase easy for their clients. The companies also provide customers with a number of key value-added services, such as convenient delivery options and training and marketing programs. The study found that the industry is characterized by high completion which is necessary for growth. The companies were found to be changing their strategy based on competitor's actions

## 5.3 Conclusion

In conclusion market penetration strategies have a relationship with organizational growth as the findings indicates whereby strategies such as market promotion, Enhancing Distribution Channels, Improving Products and Pricing were used in the steel manufacturing industry. The penetration strategies are highly effective in any organisation as growth is dependent on them. This reflected in the market share attained by some steel manufacturing companies, increased profits and increased production. The dynamics of competition is mainly concerned with the ever changing competitive behavior being adopted by fighting for the same market to gain competitive advantage. Some characteristics of the market influence the specific actions and responses that companies adopt while competing for space in a particular market and sustenance of their business.

## 5.4 Limitations of the study

The study was based on steel industry and results and findings is specific to steel industry. Similarly, within the same industry, there are different subsections and segments dealing. This included steel roofing companies and Long tube and steel firms. This therefore means that the results cannot be generalized for other industries and segments. Secondly some of the companies under study did not have historical data with which comparison can be made. The researcher had limited access to important company information but this did not have any effect on the results. This is due to the nature of firm as most of the organization are privately owned and thus unwilling to share information but with the confirmation of assurance of confidentiality they provided the information. There was also lack of response from some of the companies as the respondents did not return the given questionnaires.

Lastly the researcher had limitation on availability of funds to facilitate travelling, purchase of stationery, printing and binding expenses. The research was also time consuming and very involving due to the nature of research, data collection, interpreting and analyzing data. To ensure the project was completed on time, the researcher sought for study leave from the employee to be able to complete the research in time.

### 5.5 Recommendation

The research findings obtained from the data collected in the field on market penetration strategies, the study recommended that steel manufacturing companies should continually and regularly carry out market research to seek to understand the prevailing market trends and gain understanding as they seek to identify their strengths, weaknesses and maximize on the opportunities and avoid threats. The findings of the study will therefore help companies establish whether their strategy is abreast with the firms Vision and mission and also realigned their objectives to be realistic and achievable.

Market penetration strategies requires deployment of the resources in high proportion and therefore the need for human capital inform of skilled personnel who needs to be proactive in initiating marketing programs. They can be motivated through continuous training and exposure to enhance their efficiency. The introduction of new, modern and innovative technology is essential for a company to keep abreast with prevailing market and environmental trends and have a sustainable competitive advantage. Competition provides an enabling environment for growth and continuous improvement. From the study findings, it recommends that product value additions, process and product modification, establishing effective distribution channels, pricing strategy and effective product promotion and marketing activities coupled with management of liquidity ratio and other resources are critical in enhancing and sustaining the organizational growth and growing the market share in the steel industry.

The study recommends that since the behavior of the competitors is a major factor affecting companies, companies should be constantly evaluating the actions of the existing competitors. This can be done through market research and checking new players in the market. Similarly, companies should be reviewing and changing their strategy, since the competitors are also coping them. Companies should think ahead in order to get the most advantage from their strategy changes.

The researcher further recommends that adopting market penetration strategies are critical for organizational growth and the particular chosen strategies will complimentary to the other in one way or another and therefore should incorporate in the company's marketing plan for the firm to remain competitive and grow market share through market penetration thus achieving organizational growth.

### 5.6 Suggestion for further research

The study used a cross sectional survey design which is prescriptive and presents the possibility of an error and subjectivity for instance when a researcher designs questions that are prescriptive and predetermined. Future researcher should consider adopting a longitudinal research design to depict the patterns of variables overtime in order to learn about the relationships of cause and effect.

The study recommends that further research should be done on the other company's different industry so as to get comprehensive information on how the other industries use market penetration strategies for organizational growth.

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# APPENDICES

## Appendix I: Data Collection Letter

## Appendix II: Questionnaire

This Questionnaire is made for data collection from Steel Manufacturing firms in Kenya on the market penetration Strategies and organizational growth of these firms. The Data will be used for academic purposes only. Your participation is key to the success of this study. Your response will be treated with utmost confidentiality. Kindly participate in the study

**Instructions:** please read the instruction and answer the questions as appropriate as possible. Kindly fill in the spaces provided

### SECTION A: GENERAL INFORMATION

Company and respondent

1. Please give Name of the company-

   ________________________________________

2. What are key operations of the company-

   ___________________________________

3. Specify the type of company

   a. Private company ( )
   b. Public company ( )
   c. Partnership ( )
   d. Owner-managed ( )
   e. Non-owner managed ( )

4. What is the number of years your company has been in operation

   a. 0 – 5 Years ( )
   b. 6 – 10 Years ( )

c. 11– 15 Years ( )

d. 16 – 20 Years ( )

e. 20 – 30 Years ( )

f. Over 30 Years ( )

5. What is the average Monthly volume of steel of your company in MT (metric tonnes)?

    a. Below 1000 MT ( )

    b. 1,000 MT - 5,000 MT ( )

    c. 5,001MT – 10,000MT ( )

    d. 10,001MT -15,000MT ( )

    e. Above 15,001MT ( )

6. What is your current Job Title____________________________________________

7. Department.

    ________________________________________________________________.

8. How long have you worked in the company

    a. Below 1 year [ ]

    b. 2 – 5 years [ ]

    c. 5 – 10 years [ ]

    d. Above 10 years [ ]

9. What is the number of employees in your company

    a. Below 100 ( )

    b. 100 - 500 ( )

c. 501 - 1000 (  )

d. Above 1000 (  )

**SECTION B: MARKET PENETRATION STRATEGIES**

10. Below are market penetration strategies adopted by Steel Firms. Please indicate the extent to which your organization has adopted the use of these strategies on a scale of 1 to 5 with 1 – No extent, 2- small extent, 3 – Neutral, 4 – large extent and 5- Very Large Extent

| | | Extent of Adoption | | | | |
|---|---|---|---|---|---|---|
| | **Strategy** | **1** | **2** | **3** | **4** | **5** |
| i | Strategic Alliance | | | | | |
| ii | Diversification | | | | | |
| iii | Creating Barriers to Entry | | | | | |
| iv | Marketing Promotion | | | | | |
| v | Improving Products | | | | | |
| vi | Enhancing Distribution Channels | | | | | |
| vii | Pricing | | | | | |
| viii | Promotion and Advertising | | | | | |

11. What other market Penetration strategies has your company adopted

a. ______________________________

b. ______________________________

c. ______________________________

d. ______________________________

12. How would you describe the competition in the industry?

______________________________________________________________________

______________________________________________________________________

______________________________________________________________________

13. Do your competitors' actions influence your chosen strategy? _______

In what way?

______________________________________________________________________

______________________________________________________________________

______________________________________________________________________

14. Does the company's size affect your strategy? ______ If yes, how? (Large/small company)

______________________________________________________________________

______________________________________________________________________

______________________________________________________________________

**SECTION C: ORGANIZATIONAL GROWTH**

15. Kindly indicate the level of your organizational performance for the last 5 years as per the mentioned variables by ticking ✓ the appropriate box applicable to your firm.

**(a) Annual Net profits**

| Year | Below 500 Million | 501 million to 1 billion | 1.1 billion to 5 billion | 5.1 billion to 10 billion | Above 10 billion |
|---|---|---|---|---|---|
| 2017 | | | | | |
| 2016 | | | | | |
| 2015 | | | | | |
| 2014 | | | | | |
| 2013 | | | | | |

**(b) Average Monthly Volume of steel of your company in MT (metric tonnes) per year for the last 5 years with base**

| Period | Below 1000MT | 1,000MT-5,000MT | 5,001MT-10,000MT | 10,001MT-15,000MT | Above 15,001MT |
|---|---|---|---|---|---|
| 2017 | | | | | |
| 2016 | | | | | |
| 2015 | | | | | |
| 2014 | | | | | |
| 2013 | | | | | |

### (c) Market Share

16. What % of your market share?

a. Below 20% [ ]

b. 21% – 40% [ ]

c. 41% – 60% [ ]

d. 61% - 80% [ ]

e. Above 80% [ ]

17. Below are growth indicators, please indicate the level of success of your firm on a scale of 1 to 5 with one being minimal success and 5 significant success (tick ✓ )

| | | Level of Success | | | | |
|---|---|---|---|---|---|---|
| | **Growth Indicator** | **1** | **2** | **3** | **4** | **5** |
| i | Market Share | | | | | |
| ii | Firm size | | | | | |
| iii | Production Capacity | | | | | |
| iv | Sales volume | | | | | |
| v | New Markets | | | | | |
| vi | Joint Ventures and alliance | | | | | |
| vii | Customer satisfaction | | | | | |
| viii | Increase Profits and revenue | | | | | |

List others factors that affect your industry growth

a. ______________

b. ______________

c. ______________

d. ______________

e. ______________

f. _____________

**Appendix III: List of Steel Manufacturing Firms in Kenya.**

1. Devki Steel Mills Limited

2. Apex Steel Limited – Rolling Mill Division

3. Tarmal Wire Products

4. Kenya united Steel Limited

5. Kenya steel Fabricators limited

6. Steel structures Limited

7. ASL Gravure Limited

8. ASP Company Limited

9. Insteel Limited

10. Infinite safety

11. Mabati Rolling Mills

12. Morris & Company Limited

13. Accurate Steel Mills Limited

14. Rolmil Kenya Limited

15. Tononoka Steel Limited

16. Emco Steel Works Kenya Limited

17. Kenya General Industries Limited

18. Standard Rolling Mills Limited

19. Athi Steel Ltd

20. Hardsteel Products Ltd

21. Haut International (K) Ltd

22. Hever Technical Services
23. Iron Masters Steel Fabricators Ltd
24. Iron Ornaments Ltd
25. ISL Kenya Ltd
26. Jarrow Road Metal Enterprise
27. Jiani Eng. Services Ltd
28. Kens Metal Industries
29. Dipco Fabricators & Signs Co
30. Doshi Enterprises Ltd
31. Edgeline Steel Limited
32. Fine Engineering Works Ltd
33. Flamingo Steel & Hardware Ltd
34. East africa Foundry Works Ltd
35. Frera Engineering Co
36. Fresh Enterprises Ltd
37. Garage & Industry Ltd
38. Plansteel Engineering Co Ltd
39. Richfield Engineering Ltd
40. Kens Metal Industries Ltd
41. Rokim General Engineering
42. TuffSteel Ltd
43. Ropa Engineering Company Ltd

44. Royal Crown Fabricators Ltd
45. Steel Makers
46. Top Steel Kenya Ltd
47. Span Structures Ltd
48. Stainless Steel Products in Kenya

Source: www.businesslist.co.ke and KAM Database