

**Abstract:**

ABSTRACT The influence of Foreign Direct Investment on developing countries has become a source of controversy. Further, the rapid rise of Foreign Direct Investment in Africa has been a topic of discussion among activists, industrialists and scholars who have seen it as a threat to the domestic industries in the continent. In spite of this, no study has exhaustively tackled foreign direct investment as an operating strategy for firms in developing nations such as Kenya. This study explores the factors that influence Foreign Direct Investment as an operating strategy for firms in the cosmetics industry in Kenya. The results show that cosmetics firms in Kenya explore Foreign Direct Investment as an operating strategy to get ahead in the market as well as to take advantage of the opportunities available in the business environment.