INFLUENCE OF MARKET ENTRY STRATEGIES ON PERFORMANCE OF FOREIGN FAST FOOD FIRMS IN NAIROBI COUNTY, KENYA

BY

NTHENGE DENNIS MULI

A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION, SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI

2019

DECLARATION

I, the undersigned hereby affirm that this research proposal is my original work and has not been previously presented in part or in totality to any other institution of learning for the award of any degree or examination.

Name: Nthenge Dennis Muli

Registration number: D61/87162/2016

Signed ………………………………… Date ……………………………

.

This Research proposal has been submitted with my approval as the University supervisor.

Signed ……………………… Date ………………………………….

Dr. Winnie Njeru

Lecturer

Department of Business Administration,

University of Nairobi.

ACKNOWLEDGEMENT

Thus far, is the lord God almighty, my Ebenezer who as seen me through the process, and provided all the resources that necessitated the completion of this project. To my supervisor, Dr. Winnie Njeru who guided this work end to end, am very grateful for your immense guidance all through. More appreciations goes to my colleagues, your immeasurable moral support during my study cannot be belabored .To my siblings, you always believed in me, thanks for your prayers and good wishes all through my academic period .

DEDICATION

I dedicate this research project to my loving parents for supporting me to come this far, and for being such a pillar and beacon towards my aspiration to finalize and accomplish this research project

TABLE OF CONTENTS

LIST OF TABLES

ABBREVIATIONS

BAV	Brand Asset Valuators
CBBE	Consumer Based Brand Equity
CBD	Central Business District
SMS	Short Message Service
SPSS	Statistical Package for the Social Sciences

ABSTRACT

Today's business environment is dynamic, complex and continually changing hence whichever market entry strategies global companies setting up in a country decide to use must be the most effective and efficient strategy. Fast food business is booming in Kenya attracting both international and local brands making Kenyan consumers to be more and more international. The middle class group in Kenya is growing and as result it attracts international investors to invest in fast food restaurants within the country. The objective of the study was to examine the influence of market entry strategy on performance of foreign fast food firms in Nairobi County Kenya. The study used descriptive cross-sectional survey. The population for this study was 15 foreign fast food firms in Nairobi Kenya. Primary data was used in which questionnaire was adopted. This study was based on primary data that was collected through the questionnaire method. The results revealed that strategic alliance, foreign direct investment and joint venture and franchising influence firm performance at moderate extent while licensing influence firm performance at great extent. The study concludes further that strategic alliance, foreign direct investment and joint venture and franchising influence firm performance at moderate extent. The study recommends that government should come up with laws and policies to ensure proper regulation and governance of the fast food industry in Kenya. This will lay down the guidelines to be followed by the players in the industry to create fair competition practices. The study suggested that other research studies should be done on other multinational companies that adopted market entry strategies and firm performance such as those in the FMCG and in oil sector.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Business organizations across the world are dealing with the challenge of shrinking markets due to increased competition from other established firms as well as new entrants into the industry. To survive this, the firms need to make a strategic move in order to maintain their market share as well as explore new markets. An organization may find that for some reasons, technological, regulatory or otherwise, it is necessary for the firm to focus on a wider geographical scope and get more involved in retail operations of its products and services (Naidoo, Donovan, Milner, 2016).Entry into new markets is a leading area that these firms can competitively explore in pursuit of prolonged performance. It is impractical for firms to drift away from new market entry (Ochola, 2015).

This study was anchored on two theories: Resource based view and Internationalization theory. Resource based view was founded by Wernefelt (1984). The Resource Based Theory refers about organizations having strategic resources for which one correctly utilized shall realize sustainable competitive advantages to their rivals. The theory assumes that deliberate managerial efforts are undertaken by firms, which are steered towards gaining a sustainable competitive advantage. Internationalization theory maintains that the approach employed by an organization to expand its business in the global markets can be assessed mainly through outward foreign direct investment (Kunday & Şengüler 2015).

According to the KNBS 2016 reports, fast food chain restaurants in Nairobi County have increased in the last 10-year period due to rise in household income, modern lifestyle and Nairobi being home to a community large expatriates in the United Nations offices and diplomatic missions. This rise in growth leads firms towards rigid marketing to attract and maintain a commanding market share of Nairobi's 3.8 M resident. The KNBS 2016 reports also asserts there is an increase in quality and service of accommodations and food service sectors in the Kenyan economy that have led to growth in job creation, massive food item importation and purchase of local food crops.

1.1.1 Market Entry Strategies

Market entry strategy is defined as arrangements plotted by an institution purposely to enter into a completely new market with its technology, products and human skills among other resources (shama, 2011). On the other hand, Rodriguez et al., (2005) define entry strategy as a company's business strategy pointing their preferred market, the timing of entry, and the method of entry; which eventually affects their short-term and long run performance. According to Erramili and Rao (2013) market entry strategy indicates two entry strategies: where firms do not necessarily setup physical operations in these new markets, and all else otherwise. Many firms use market entry strategy to achieve increased sales, business stability and brand awareness. From a general market entry perspective, these strategies include licensing, franchising, joint ventures, wholly –owned entry strategy, strategic alliances and partnerships.

Licensing equally involves a business owner paying some fees to a parent company to gain trademark rights and business processes knowledge in order to sell its products (Arasa& Gideon, 2015).In a joint venture strategy, the parent company enters into a partnership with the host company to form a third firm Aydenet al, (2018). As a result, the parent company gains operational control and knowledge of the foreign market. This arrangement generates shared technology and capital that are in abundance as a result of the partnership. Foreign direct investment (FDI) is to an entry method where firms prefer entering foreign markets through controlling ownership in a business enterprise. Three methods used by firms to achieve this include Greenfield strategy, which involves building new facilities, brownfield strategy which is buying assets in a foreign country, also referred to as the acquisition strategy and joint venture through partnerships (Pustay & Griffin, 2015).

Strategic alliances between firms occur when they are faced with a myriad of challenges and therefore come together to share resources to undertake mutually beneficial projects. Alliances may be non-equity or equity in form. Companies can cross-license their technology to each other in forming research and design partnerships. Alliances may also be joint ventures in manufacturing and marketing (Ball et al 2010). Specialized contracting refers to an agreement where a company contracts some of its work to another company that specializes in the work or activity in question. The outsourced work or functions are normally non-core to the company. Management contract on the other hand refers to an agreement where a company outsources technical.

1.1.2 Firm Performance

According to Richard, Yip, Johnson and Devinne (2009), firm performance is organization's ability to attain its mission through strong governance, sound management and persistent rededication to attainment of results. The initiative of firm performance enables the organization to adjust to increased levels of uncertainty, which hinder the attainment of its mission. This initiative seeks to help each organization in every sector of the economy, businesses, charitable organizations and government. The performance of an organization can be measured through examination of the activities it conducts so as to attain its goals. The most notable aspects that can be used to gauge the performance of an organization are the outputs and their effects (Valmohammadi & Servati, 2011).

Over time, the use of financial measures to measure firm performance has become obsolete and inadequate hence the backing of the use of non-financial measure (Kimani, 2014).Measuring performance in business is important for many reasons. Performance measurement provides the firm management with the insights of how they can improve the firm processes and people that are crucial to the firms‟ existence and in addition to that find out processes that are of value to the stakeholders and the customers as well and improve them. According to Koontz and Donnell (2003), most firms measure their performance to obtain information that will enable the management advance their financial and operational outcomes.

Firms which measure their performance are able to identify and improve both their internal functions and the resulting external outcomes and in so doing redesign their activities to become market leaders within the industry ((Henri, 2003). Measuring firm performance too enhances the firms‟ focus on the available resource optimization, reduction of costs and enhances quality service or product delivery.

1.1.3 Foreign Fast Food Firms in Nairobi Kenya

The fast food industry is arguably one of the fastest rising industries in the world due to the increase in demand by the rising middle class. Kenya and Nairobi in particular has not been left behind and this is evident since there are several fast food restaurants that dot our city (Mugo, 2014). The emerging markets Asia and Africa are among particular places accounting for the increase in middle class and changes in household consumer behaviors. Debonairs and Steers Ltd which are South African firms were the first international fast food chains to start operations in Kenya in 1977 and are operated by Hoggers Ltd under a franchise contract (Kiura, 2017). Most of the foreign food businesses operating in Kenya offer door-to-door delivery to clients. This aspect together with a wide variety of foods and preference for international brands has endeared them to many Kenyans.

Most of the international brands start their operations in Nairobi before going into other towns across the country. The evolving lifestyle of Kenyans can be seen through the upsurge of shopping malls and recreational facilities in Nairobi and the other major towns; Mombasa, Kisumu and Eldoret (Mugo, 2014).

These malls create opportunities for the international franchises to open more outlets across the country as they provide rental space which meets the expected standards for the firms. The introduction of the devolved units of government as per constitution 2010 which are focusing on attracting investors also creates more opportunity for international foreign fast foods franchises. Therefore, it is expected that this market will continue growing.

1.2 Research Problem

Today's business environment is dynamic, complex and continually changing (Munyiri,2014) hence whichever market entry strategies global companies setting up in a country decide to use must be the most effective and efficient strategy. In undertaking entry into markets, firms seek to increase their customer base for improved economies of scale, exploit available profit opportunities, counter global competition and meet the need for international goods and services in the global arena (Li, 2018).

According to Dube (2015), Fast food business is booming in Kenya attracting both international and local brands making Kenyan consumers to be more and more international. The middle class group in Kenya is growing and as result it attracts international investors to invest in fast food restaurants within the country. According to Linda (2013), there exist stiff competition in fast food chains making foreign fast food firms to come up with various strategies on how to retain their loyal customers by observing their consumption patterns and trying to satisfy their needs.

Various studies have been done by researchers on the market entry strategies that are used by most multinational corporations to get into various foreign markets.

In China, Long (2015) researched on the use of social media as a market entry strategy for multinational companies. The research adopted a case study research design with a basis on the open system theory. The study found that china multinational companies used social media since it helps the key decision makers to gain more knowledge and ultimately boost their confidence when making critical on decision-making strategy. In Nigeria, Okokon & Adams (2014) did an appraisal of multinational companies' marketing strategies utilized in Nigeria. The study used descriptive and inferential statistics.

The research findings indicated that Nigeria multinational companies embraced marketing strategy through adjusting elements of marketing in products, promotion, price and place. This assisted in meeting competitions and local preferences. Kazi (2013) carried out a study on the challenges facing South African Breweries limited in executing foreign market entry strategies within the Kenyan market. The study established that the success of market entry strategies significantly depended on a defense strategy of the incumbent firms, market regulations and operations and customer loyalty.

Locally, Nyakundi (2016) conducted a research on the influence of Chinese foreign direct investment entry strategies on performance of firms in Kenya and came up with strategies such as strategic alliance, acquisitions exporting, assembly option and joint venture, manufacturing and turnkey operation. Further Cheptegei (2016) examined on foreign market entry strategies used by Coca Cola Kenya Limited. The study used a case study research design. From the findings, Coca Cola Company has come up with several entry strategies that aim at its profits and customer base. Empirical studies reviewed mostly focused on multinationals in different sectors, which operate under different business environments and hence the findings cannot be generalized.

Barasa (2013) conducted a study on market entry strategies utilized by pharmaceutical companies to enter into the Kenyan market. The study was based on the theory of Internationalization that seeks to explain why organizations expand internationally. The study used both descriptive and cross-sectional research designs. The results revealed that these companies were experiencing obstacles such as trademarks and copyrights, economic challenges, safety and counterfeiting challenges. Further Gichuki (2012) researched on the influence of multinational Chinese business entities competing with local firms within Kenya and established that the firms that are local had resulted in reducing prices thus profits were affected, expenses were increased due to advertisements and there was an improvement in quality thus a need to have more investments in research and development.

From various studies, it is evident that the earlier studies have not been exhaustive. This study therefore seeks to address a gap by establishing the influence of market entry strategies on performance of foreign fast food firms in in Nairobi County Kenya. The study will answer the following research question; the influence of market entry strategies on performance of foreign fast food firms in in Nairobi County Kenya?

1.3 Objective of the Study

The objective of the study was to determine the influence of market entry strategy on performance of foreign fast food firms in Nairobi County Kenya.

1.4 Value of the Study

This study contributed to the theory of Uppsala model by explaining the progression, expansion and acceleration of international business by firms. Moreover, it also contributed to resource based theory by highlighting the organizational resources which lead to creation of the valuable factor that enables the business organization to keep on growing transactions as well as attracting new investments. Business scholars and researchers will use the results of this study in the citation of literature and develop gaps for future study. The findings are likely to contribute to the existing body of knowledge regarding entry strategies for performance by shading light on the market entry strategies agreed to produce performance.

This study is also very important to the managers of the Foreign Fast food firms that have set up in Kenya. It provided a clear indication of what the right market entry strategies are to be adopted for success. Foreign Fast food firms wishing to venture into the Kenyan market will find this study extremely valuable, as it will indicate the different market entry strategies that are best for their success. The findings will enlighten strategic managers on the best practices of decision-making regarding expansion across borders. Consultants equally benefit from this study when developing recommendations along strategies of market entry and their associated level of performance and survival in international business.

Additionally, the study also benefit policymakers like Government and other agencies to form policies that will improve expansion of domestic firms into the foreign market. They endowed with knowledge about entry into foreign markets and the ways domestic firms would explore such strategies as beneficial opportunities for gaining competitive advantage.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The section entails the empirical review of literature on market entry strategy theoretical framework, performance of foreign fast food firms in Kenya and their relationship. The chapter further presents conceptual framework, critique of existing literature and research gap. A review of both empirical and theoretical literature.

2.2 Theoretical Framework

This study was be based on two theories namely, Internationalization theory and resource based view.

2.2.1 Internationalization Theory

Internationalization theory helps in analyzing the behavior of international businesses. It explains the reasons why multinational corporations exercise ownership over knowledge-based, intangible, and firm-specific advantages. Advantages associated with knowledge emanate from transactional cost economics in which externalities are resolved through organizational hierarchy that overcomes market failure (Meng, 2014). Firms prefer to do their businesses globally to gain from international exposure, experience, knowledge, market trends and expand its market. Such firms aim at producing superior products and services that can effectively meet the diverse needs of their customers through guaranteeing them quality, value addition and tax benefits. International business provides a platform where firms can conduct their businesses globally and realize their full potential; this enables the firm to market its products and services and to boost its sales. Internationalization theory asserts that research and development aids the firm in innovating new products or services that incorporate diverse needs and cultural diversity of customers across the work.

Therefore enables the firm to widen its scope of the market in the international arena (Gaur *et al.,* 2014).

The theory holds that the firms should outsource ideas and concepts through outsourcing services and products from international firms that have specialized in certain products or services. This allows the firm to gain international exposure in its products and service offering by producing products or services that meet international standards. This enables firms to compete in the local and international markets hence contribute to increased sales. Some scholars critique the above theory by arguing that private companies were overlooked making private firms to be too passive. Therefore, the theory was insufficient to explain the social phenomena. Some of the development of internationalization theory is that there has been a process of internationalization and there has been change in values and structure that characterizes an institution (Kunday & Senguler 2012). Mostly the internationalized processes that occur through change of incentives are being offered to have an impact on individual's interaction with the organization.

2.2.2 Resource Based View

Introduced by Barney (1991), Resource Based theory focused organizations attention to internal resources, strategically realigning those resources with view of obtaining competitive advantage to its rival firms. According to Barley, strategic resources of the firm for which have the potential to strategically place the organization at a competitive advantage against its rivals must be rare, valuable, imperfectly imitable and not substitutable. The theory suggests that organizations must come up with unique means of having competitive edge. However, the Resource Based Theory plays a significant approach to an effective strategy function.

The resource based theory involves the documentation of resources that are unique in an organization and then making decisions of where to allocate the resources in order to earn the highest return for the company. The theory also proposes that firm's performance is often determined by availability of its resources and this will considerably lead to a firm's effectiveness and performance (Hiriyappa, 2009). Resources include assets, information, knowledge and organizational processes as well as the attributes that are useful to an organization in implementation of strategies in order to improve effectiveness, efficiency, awareness, quality of products and the image. Where these resources are well utilized, the company will in the end achieve and maintain a competitive advantage.

Critics of the theory argue that the theory fails to consider factors surrounding resources, that is, an assumption that they simple exist (Butler, 2001). Butler argues that the theory fails to address how the resources acquire key capabilities required or rather developed to enable the organization attain its competitive advantage. Nevertheless, the theory assumes that an organization can be profitable amidst competitive environment (Butler, 2001).

2.3 Empirical Studies and Knowledge Gaps

Akenga and Olang' (2017) examined effect of mergers on organization performance. The study adopted a census approach in which all the six banks that underwent mergers and acquisitions between 2010 and 2017 were considered. The study found that this phenomenon has a positive impact on shareholders' wealth and the general asset value of merged or acquiring banks. Conceptual gap exists as this study focus on the effect of M&A on financial performance; contextual gap arise since it focuses on commercial banks in Kenya, it adopted a census approach and on secondary data.

On the other hand, Yanan, Hamza and Basit (2016) finds that mergers and acquisition strategy improves a firm's profitability and grows its market share. According to the study, the value of stakeholders also improves. A conceptual gap exists as this study's focus is on the impact of M&A on financial performance. A contextual gap also exists because the study was in the United States while this study has Kenya as its context.

In India, Imbach et al. (2015) researched on the market entry challenges for Swiss companies. Using a survey research design, the study obtained data from 45 practitioners from India Competence Center. The results indicated that the challenges facing market entry for Swiss companies to India include workforce management, market requirements, corruption triangle and legal requirements. In Mexico, Khan (2015) researched on the major challenges facing multinational enterprises operating in emerging markets and found that these challenges include risk management, organizational management, national culture, social factors and regulatory framework. Similarly, Freeman & Reid (2006) revealed that the main constraints included, establishment of reliable distributors, development of partnerships, communication, the inability of the management to identify psychic and geographical distance.

Hollensen (2014) identifies buying power, market seasons and fluctuations and product –fits as perspectives that firms must consider and research on before making entry into any foreign market. In addition, infrastructure such as roads and airports contribute greatly to transportation costs and logistics matrices (Jeannet &Hennessey, 2004).To possible manage these factors and establish themselves in a new market, a strategy that weighs all factors and consideration and finds adequacy in executing the internationalization idea is required. The strategies making their choice pool are; licensing, Strategic alliance, foreign Direct Investment, franchising, joint ventures.

All these strategies differ from each other in terms of their return effects, control and risk.

Locally, in ICEA and lion group, Omondi (2016) carried out a study on the association between merger and acquisition strategy and competitive advantage. The study utilized a descriptive research design. The results indicated that ICEA Lion group achieved a competitive advantage by merge and acquisition strategy. This is because the adoption of the strategy led to an increase in sales, an improvement in profit margin, increase in human capital resource and better ways of controlling cost. Similarly, Sogo (2015) carried out a study on foreign market entry strategies and gaining of competitive advantage among selected commercial banks within Kenya. Using a cross-section descriptive survey method the study found out that adoption of market entry strategies such as direct investment, joint ventures and acquisitions commercial banks in Kenya were improving their competitive advantage. However, challenges in competitive technology, legal environment, income distribution and political instability, fluctuation of foreign exchange, business regulations and taxation had a negative effect on competitive advantage.

Barasa (2013) revealed that these companies were experiencing obstacles such as trademarks and copyrights, economic challenges, safety and counterfeiting challenges. On the other hand, Kazi (2013) found that the success of market entry strategies significantly depended on a defense strategies of the incumbent firms, market regulations and operations and customer loyalty. The main challenges that were facing South African Breweries limited included local regulations, stiff competition, aggressive counter attack reactions and market dominance of East African Breweries Limited.

Koech (2012) carried out a study on foreign market entry strategies utilized by Kenya Seed Company limited and the main challenges faced. A case study research design limits the study to Uganda, Tanzania and Rwanda. The results revealed that in implementing its market entry strategies, the Kenya Seed Company was facing challenges such as unfavorable regulations, currency fluctuations and sale of fake products. Gichinga (2012) examined the challenges facing the implementation of market entry strategies in East Africa countries. This was a case study focusing on Ernst & Young. The study found that in Uganda and Kenya, the company used acquisition strategy while in Burundi and Rwanda, the company made use of the exporting strategy.

Mathenge (2011) carried out a study on achievement of competitive advantage using mergers and acquisitions strategy. The study used qualitative data, which was obtained by use of an interview guide. The results indicated that through the utilization of mergers and acquisition the company managed to increase distribution networks, improved market share, economies of scale and profitability. Makori (2006) carried out a study the main challenges that Africa airlines experienced when selecting international market entry strategies. Using a descriptive research design, the study utilized 37 members of the International Air Transport Association. The study established that the challenges that the firms were facing are lack of human capital, financial resources and poor assessment of the general risks of each of the entry modes.

According to Den Butter, & de Groot, (2014) Licensing strategy has the following advantages: less risky, it is suitable for companies who do not have knowledge or resources to expand internationally, doesn't involve investing a lot of money i.e. it is not capital intensive, greater ability to meet client's needs, increased potential for utilizing positioning advantage, limitations of trade barriers are avoided, there is availability of data about the local market which can easily be accessed. Alliances are established with an aim of furthering members' interests. Alliances are usually established with suppliers, customers, governments, financial institutions, contractors and engineers among others. Strategic alliance helps in sharing technology and enhances global mobility. In most cases, alliances are used alongside another globalization strategy.

The strategy is based on three different types of implementation platforms (Jeannet& Hennessey, 2004). Franchising is another entry strategy similar to licensing but is based on broader field (it not only grants rights to use a company name like licensing but also offer centralized marketing activities). It is a contract between franchiser granting right to a franchisee to use trademarks and product. The strategy is a hybrid market entry strategy integrating licensing and partnership strategies (Mutambah, 2012).

According to Pinto,(2013) this strategy offer full control in the operations and better service delivery to consumers as well as adequately informed about competitive environment, and the broad market. However, FDI need a deeper commitment to target market and greater amount of resources. FDIs can be in form of Greenfield investment or acquisition. Greenfields is where there is full control over facilities, management and marketing. Acquisition is where a foreign company acquires a local company; this allows for direct market access, high market knowledge, absorption of local personnel hence reduced recruitment costs (Suzy, 2017).

2.4 Summary of Literature and Knowledge Gaps

This chapter covered the literature review of the study that comprises of the theoretical foundation, market entry strategies used by multinational corporations and empirical studies on market entry strategies and performance. The study highlights two key theories, which are resource-based theory and Internationalization theory. From the literature reviewed, majority of the empirical works seem to support that fact that in general, market entry strategies influence performance positively. From the summary of empirical works although in general, market entry strategies positively influences performance of an organization.

A number of gaps emanates from the reviewed literature. First, there have been several studies on market entry strategies in fast food sector but some of these were carried out in other parts of the world. The environment in the USA and other regions of the world are so different from Kenya and the findings cannot be applied in this context without further studies. The local studies focused on aspects other than how market entry strategies impact performance of the firm.

Empirical studies reviewed mostly focused on multinationals in different sectors, which operate under different business environments and hence the findings cannot be generalized. Different studies conducted on marketing entry strategies used and the challenges they face have used a case study research design while others have used quantitative research, which is different from the approach in this study. The local studies focused on aspects other than how foreign market entry strategies impact performance of the firm. Therefore there exists a knowledge gap which this study seeks to fill.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This section gives a discourse of the blueprint of the study methodology that was utilized as a part of the research. It centers on the design of the study, techniques for the data analysis and arrives at a conclusion with the collection and data presentation strategies that was utilized as a part of this study.

3.2 Research Design

Research design is a detailed description of the procedure employed by the researcher in an attempt to answer various research questions (Cooper & Schindler, 2006). The best approach for carrying out this study was through a descriptive cross-sectional survey. The descriptive exploratory study will be in form of a census survey, as all the foreign fast food firms in Kenya will be targeted. A census is a complete enumeration of all items in the population and was preferred since the population of this study is small (Appendix II).

This strategy involves selecting of several targeted cases on which an intensive analysis was conducted. This aids in recognizing other possible ways for solving the research questions dependent on the present study situation. This thus brings out the theme, by formulating questions to be answered (Bryman & Bell, 2011). Descriptive survey design is appropriate as it considers different sections of the study (Laurel, 2011). The design will also allow the investigator to gather in depth information regarding the population being studied. This is consistent with Olusolaet al. (2013) that a descriptive survey design is suitable in answering questions of who, what, where, when and how.

3.3 Population of the Study

Population is the larger group from which a sample is taken and it should capture variability to allow more reliability to the study, (Kombo & Tromp 2006). A target population refers to every member who is either in a real group or a hypothetical group of individuals, items or subjects from where the researcher has the intention of obtaining conclusions that are general in the variables under study (Cooper & Schindler, 2006). Similarly, Mugenda and Mugenda, (2003) define the target population as a study should contain observable attributes to allow generalization of the results

The population for this study will be 15 foreign fast food firms in Nairobi as indicated by Tourism Regulatory Authority, 2019.It will be the intention of the researcher to collect data from the entire population across the country. In the context of this study, the researcher will target the foreign fast food firms in Nairobi.

3.4 Data Collection

The researcher settled on the questionnaire because it’s more economical method, less time consuming and data collected was free from the researcher’s bias. The structured questionnaire had close-ended and open-ended questions. It consisted of more structured responses which brought out more tangible recommendations. Likert agreement scales are suitable when measuring perception. The ratings on various attributes are tested using the closed ended questions which help in the reduction of responses that are related so as to obtain responses that are more varied. The researcher to the respondents personally administers the research instruments. The researcher will issue out one questionnaire per firm to Managers of the foreign fast food.

3.5 Data Analysis

The data collected through questionnaires was checked for accuracy and completeness. It was edited, classified and tabulated before carrying out descriptive analysis. Descriptive analysis focused on working out measures of central tendency and dispersion measures. The researcher calculated the mean for the data and ranked factors that a firm considered in choosing the foreign market entry strategy. The data collected through questionnaires was checked for accuracy and completeness. The data to be collected through questionnaires was checked for accuracy and completeness. It was edited, classified and tabulated before carrying out descriptive analysis. Descriptive analysis focus on working out measures of central tendency and dispersion measures. The researcher calculated the mean for the data in order to rank factors that a firm considers in choosing the market entry strategy.

Standard deviation is the most widely used measure of dispersion. It is used to measure the amount of variation of a set data of values. In this study, standard deviation has been used to establish the variation of a particular firm's data from the industry average. The result of this analysis was presented using tables and charts. In order to perform all these analysis, the Statistical Package for Social Sciences (SPSS) software was utilized.

CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND DISCUSSION

4.1 Introduction

The section contains an analysis of data used and deliberates research results on the effect of market entry strategies on performance foreign fast food firms in Nairobi county Kenya.

4.2 Response Rate

The response rate of the study was 80% as 12 out of 15 questionnaires were completed successfully and returned for data analysis. The results are inconsistent with Mugenda and Mugenda (2013) affirmation showing rates greater than 50% is satisfactory in the analysis. Babbie (2010) also claims that a 60% return rate is decent and a 70% return rate as excellent. Findings were adequate to analyze the data. This is a sufficient response rate and therefore the researcher proceeded with the data analysis.

4.3 General Information

This section is concerned with the general information of both the firm and the respondent. The information helps in understanding the background of the organization and the respondents under review. It sought details on the gender, position in the organization, name of organization, length of operations in Kenya, length of service in the organization.

4.3.1 Gender of the Respondents

Participants were able to give information about their gender as shown on table 4.1

Table 4.1: Gender of the Respondents

Class	Frequency	Percentage
Male	7	58.3
Female	5	41.7
Total	12	100

Source: Research Finding (2019)

The findings show that majority of the respondents were male at 58.3% and female were 41.7%.This implies that most of the managers in foreign fast food firms in Nairobi are male. This agrees with Aleke (2013) who asserted that most foreign restaurant in Nairobi are managed by male because of their domination in managerial positions which is not a good thing considering the need for equity and may imply that foreign fast food firms are biased as regards to management.

4.3.2 Length of Continuous Service

This represents the duration that the respondents had worked in the foreign fast food firms. It is expected that with a high length of continuous service, the respondents were able to answer the questions faithfully from a knowledge background and will also be privy to the market entry strategies .The result is represented in Table 4.2.

Table 4.2 Length of Continuous Service

Years	Frequency	Percentage
1-2 years	2	16.6
3-5 years	3	25.0
6-10 years	6	50.0
More than 10 years	1	8.3
Total	**12**	**100.0**

Source: Research Finding (2019)

The results from Table 4.2 indicates that majority of the respondents 50.0% had worked for foreign fast food firms for between 6 – 10 years, and 25.0% of the respondents indicated that they have worked for foreign fast food firms a period between 3-5 years. In addition, the study also found that 16.6% of the respondents have worked for foreign fast food firms a period of 1-2 years and lastly more than 10 years was 8.3%.

This implies that over 50% of the respondents had worked for foreign fast food firms for over 6 years and all other factors remaining constant, they are deemed to be versed with the happenings in the foreign fast food firms concerning the research subject area. Employees who have been in the organization for long were able to give more valid information about the firm.

This implies that most of the respondents in the organization had worked for a long duration of more than 6 years, and hence they had rich information on market entry strategies. This is consistent to Nyakundi (2016) that most managers in foreign fast food industries have stayed in one industry more than seven years.

4.3.3 Number of Country in Operation

The study sought to establish the number of countries in which the foreign fast food firms operates. The respondents were requested to indicate the number of country in which there firm operates. The outcome of the analysis of the responses is shown table 4.3

Table 4.3: Number of Country in Operation

Countries	Frequency	Percentage
Less than 5	1	8.3
6-10	3	25.0
Over 10	8	66.7
Total	**12**	**100**

Source: Research Finding (2019)

Majority of the foreign fast food firms operates in over 10 countries as shown by 66.7% while between 6-10, countries were 25.0% and lastly less than five were 8.3%. This implies that most of the foreign fast food firms operate above 10 countries indicating the growth and expansion rate in the industry.

Foreign fast food firms will operates in many counties due to the market demand. The findings are consistent to Munyiri (2014) that firms will open stores in many countries as much as possible due to globalization and stiff competition.

4.4 Market Entry Strategy

There has been a revolution in the business world over the years aided by the technological advancement. The world has become a global village and many business organizations are seeking to set operations in foreign markets away from the countries where they are incorporated. The choice of a market entry strategy is a key management decision and is formed by the company's objectives, international competitiveness and resource capability. This study focused on market entry strategies of foreign fast food firms in Nairobi Kenya. The respondents were asked to give their view on market entry strategies that consist of licensing, strategic alliance, joint venture, franchising and foreign direct investment.

4.4.1 Licensing

Licensing is an understanding agreed upon by two firms in which the licensor allows the licensee to operate on patents, brand name and other proprietary assets. Various statements on Licensing required the respondent to indicate to what extent they agreed with statement identified by the researcher in regard to licensing on firm performance on a Likert scale of 1-5. The analysis is indicated in Table 4.4.

Table 4.4: Licensing

Licensing	N	Mean	SD
Access to quality services of the firms	12	4.63	.487
Assist to protect intellectual property against cancellation	12	4.60	.493
Trade name of the firm was acquired from the parent firm	12	4.57	.502
In licensing there is norms that are followed	12	4.54	.543
Overall		**4.59**	**0.636**

Source: Research Finding (2019)

The results in Table 4.4 established that most of the respondents agreed that access to quality services of the firms with mean of 4.63 and SD of 0.487. The research found out that assist to protect intellectual property against cancellation as shown by a mean of 4.60 with SD of 0.493. Trade name of the firm was acquired from the parent firm with mean as shown by a mean of 4.57 and SD .502 and lastly In licensing there is norms that are followed as shown by a mean of 4.54 and S.D of .543.Lastly, the overall mean was at great extent of 4.59 and S.D of 0.636. This implies that foreign fast food firms adopt licensing due to access to quality services and it protects the intellectual property of the firm against cancellation. The results are in support of Khadka and Akande, (2017) who states that the license enables firm to operate effectively and cut on the operational cost and increase on organization profits.

4.4.2 Strategic Alliance

Strategic alliance is a long-term relationship established between two or more organizations based on mutual respect and trust for each other. The researcher asked the respondents to indicate to what extent they agreed with the statement identified about strategic alliance on firm performance on a scale of 1-5. The results are as presented in table 4.5

Table 4.5: Strategic Alliance

Strategic Alliance	**N**	**Mean**	**SD**
The firm usually shares profits and resources with the partner firm.	12	4.30	.631
Strategic alliance helps the firm to obtain sustainability in the competitive business	12	4.42	.658
Strategic alliance results in higher levels of absolute growth for the firm	12	3.70	.597
Entering into strategic alliances with local partners facilitated the setting of our firm	12	4.50	.643
Overall		**4.42**	**0.636**

Source: Research Finding (2019)

The findings show that most of the respondents agree that entering into strategic alliances with local partners facilitated the setting of our firm as shown with a mean of 4.50 and SD of 0.643. On the other hand, Strategic alliance helps the firm to obtain sustainability in the competitive business with a mean of 4.42 and S.D of .658. Strategic alliances are established with an aim of furthering members' interests. Alliance is usually established with suppliers, customers, governments, financial institutions, contractors and engineers among others (Chen & Messner, 2009).

The findings showed majority of the firm usually shares profits and resources with the partner firm with mean of 4.30 and S.D of .631 and lastly strategic alliance results in higher levels of absolute growth for the firm with a mean of 3.70 and S.D of .597.The overall mean was at moderate extent with a mean of 4.42 of S.D of .636.This implies that most foreign fast food firms enter into strategic alliance with local partners to facilitate the setting of our firm business. This findings are consistent to Jeannet and Hennessey, (2004) that strategic alliance helps in sharing technology and enhance global mobility.

4.4.3 Joint Venture

Joint ventures are partnerships between two firms to operate and run an independent entity jointly in a precise/target market place. Two parties combine knowledge in a new legal entity owned jointly. Various statements on Licensing required the respondent to indicate to what extent they agreed with statement identified by the researcher about joint venture on firm performance on a Likert scale of 1-5. The analysis are indicated in table 4.6.

Table 4.6: Joint Venture

Joint Venture	**N**	**Mean**	**SD**
Joint venture requires less cost of investment	12	3.84	.688
enables the firm to establish new markets without providing products and services which would be	12	4.21	.713
Joint venture strategy leads to enhanced global service networks for the firm.	12	3.89	.737
Joint venture strategy increases market share for the firm	12	4.53	.513
Overall		**4.45**	**0.666**

Source: Research Finding (2019)

The results revealed that respondents strongly agreed that joint venture strategy increases market share for the firm as shown by a mean of 4.53 with standard deviation of 0.513.Similarly, enables the firm to establish new markets without providing products and services which would be unprofitable if operated alone as shown by a mean of 4.21 and standard deviation of .713. On the other hand, Joint venture strategy leads to enhanced global service networks for the firm as shown by a mean of 3.89 with some standard deviation of 0.737. Most respondents agree that joint venture requires less cost of investment in foreign as shown by a mean of 3.84 with a standard deviation of 0.688. Lastly, the overall mean of joint venture was 4.45 at moderate extent implying that joint venture strategy increases market share and establishes new markets without providing products and services for the firm.

This agrees with Wu (2015) that joint venture market entrance menace and reward sharing, expertise sharing and joint product improvement.

4.4.4 Franchising

Franchising is a business relationship in which the franchisor (owner of product or service) allows other organizations or individuals (the franchisees) to use the franchisor's brand name and other systems of operations for a certain period in return for a fee. Various statements on Licensing required the respondent to indicate to what extent they agreed with statement identified by the researcher about franchising joint venture on firm performance on a Likert scale of 1-5. The analysis are indicated in Table 4.7.

Table 4.7: Franchising

Franchising	N	Mean	SD
The brand is well known for its good relationship with franchisees.	12	4.43	4.96
Strategy of franchise subcontracting supports sustainability of firms.	12	4.26	.733
Our firm preferred franchise subcontracting than a free ownership model.	12	4.11	.809
Strategy of franchise subcontracting assures firms survival against competition in this town.	12	4.00	.816
Overall	**12**	**4.24**	**0.566**

Source: Research Finding (2019)

The results revealed that respondents strongly agreed that the brand is well known for its good relationship with franchisees as shown by a mean of 4.43 with standard deviation of 4.96. Similarly, Strategy of franchise subcontracting supports sustainability of firms as shown by a mean of 4.26 and standard deviation of .733. On the other hand, our firm preferred franchise subcontracting than a free ownership model as shown by a mean of 4.11 with some standard deviation of 0.809. Most respondents agree that strategy of franchise subcontracting assures firms survival against competition in this town as shown by a mean of 4.00 with a standard deviation of 0.816. Lastly, the overall mean of franchising was 4.24 at moderate extent implying that franchising strategy results into good relationship between two firms and result into recognition of firms. According to McAuley (2001), franchising has enabled many firms to build internationally recognized brands around the world.

4.4.5 Foreign direct Investment

Foreign direct investment strategy is where firm establishes a stand-alone firm operating independently in a foreign country. Various statements on foreign direct investment required the respondent to indicate to what extent they agreed with statement identified by the researcher in regard to foreign direct investment on firm performance on a Likert scale of 1-5. The analysis are indicated in Table 4.7.

Table 4.8: Foreign Direct Investment

Foreign Direct Investment	**N**	**Mean**	**SD**
Avenue that my firm adopted in entering the Kenyan market.	12	3.05	.705
To what extend does Foreign direct investment affect exchange rates**.**	12	3.11	.809
Through foreign direct investment the firm has being able to get expert	12	4.42	.756
Foreign investors have increased a workforce's productivity since the establishment of the firm.	12	4.44	.767
Overall	**12**	**3.94**	**0.766**

Source: Research Finding (2019)

The results revealed that respondents strongly agreed that foreign investors have increased a workforce's productivity since the establishment of the firm as shown by a mean of 4.44 with standard deviation of .767. Similarly, through foreign direct investment the firm has being able to get additional expertise, technology and products as shown by a mean of 4.42 and standard deviation of .756. On the other hand, foreign direct investment was the avenue that my firm adopted in entering the

Kenyan market as shown by a mean of 3.05 with some standard deviation of 0.705. Lastly, the overall mean of foreign direct investment was 3.94 at moderate extent implying that the firms that adopt foreign direct investment get additional expertise, technology and products. This finding agree with pinto (2013) that firms that adopt foreign direct investment are able to get deeper commitment to target market and greater amount of resources.

4.5 Firm Performance

Firm performance refers to the fulfillment of the intended mission of the organization, which is obtained through good management, persistent efforts and superior governance in order to achieve goals. The study was able to adopt balance scorecard to measure performance using the following indicators financial, customer, internal process and organization capacity

Table 4.9: Firm Performance

Financial	**N**	**Mean**	**SD**
Sales growth for the last 3 years	12	4.63	0.487
Increased profit for the last three years .	12	4.60	0.493
The firm return of investment has been increasing over the last three years	12	4.57	0.498
Mean	**12**	**4.56**	**0.498**

Customer		**Mean**	**SD**
Increased referral reflects customer satisfaction.	12	4.57	0.554
Customer retention is key for growth of the firm	12	4.56	0.528

Continuity improvement in customer loyalty due to better services	12	4.56	0.555
Mean	**12**	**4.54**	**0.551**

Internal Process		**Mean**	**SD**
There has being efficiency in operation management of the firm	12	4.54	0.582
There has being reduction of administration cost.	12	4.53	0.583
The firm has been releasing innovative and differentiated services over a period of time.	12	4.53	0.557
Mean	**12**	**4.49**	**0.586**

Organization Capacity		**Mean**	**SD**
The firm allocates funds for employee training.	12	4.50	0.532
There is personal and career growth and development of employees in the firm	12	4.41	0.625
The employees have a positive attitude and deliver excellent customer service.	12	4.44	0.581
Mean	**12**	**4.50**	**0.567**
Aggregate Mean	**12**	**4.53**	**0.543**

Source: Research Finding (2019)

An aggregate mean of 4.53(*SD*= 0.543) was realised indicating that the firm performance of fast food firms in Nairobi County, Kenya has greatly improved over the years. The most improved performance parameters were financial at a mean of

4.56 and S.D 0.498 followed by customer at a mean of 4.54 and S.D of 0.551, organization capacity at a mean of 4.50 S.D of .567 and lastly internal process with a mean of 4.49 and S.D of 0.586. This implies that financial measure is an important factor for firm performance. The findings contradict Kimani (2014) who argued that over time the use of financial measures to measure firm performance has become obsolete and inadequate hence the backing of the use of non-financial measure.

4.6 Correlation Analysis

The outcome of the analysis is highlighted in Table 4.9

Table 4.10 Correlation Analysis

	Licensing	**Strategic Alliance**	**Joint Alliance**	**Franchising**	**FDI**	**Performance**
Licensing	1					
Strategic Alliance	.301**	1				
Joint Alliance	.199*	.340**	1			
Franchising	.267**	.612**	.533**	1		
FDI	.253**	.110	.270**	.447**	1	
Performance	.255**	.054*	.290**	.230**	.215*	1

Source: Research Finding (2019)

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

*. Correlation is significant at the 0.05 level (1-tailed).

From the above table 4.5.1, there is positive correlation between joint venture and firm performance at person's correlation coefficient of r=0.290 and significance level of 0.000. On the other hand, licensing has positive relationship between licensing and firm performance at r=0.255 and significance level of 0.000. Similarly, franchising has positive relationship with firm performance at Pearson's correlation coefficient of 0.230 and level of coefficient being 0.000. Foreign direct investment has positive

relationship with firm performance at a person's correlation coefficient of 0.200 and level of coefficient of 0.000.Finially, strategic alliance has no relationship with firm performance at a person's correlation p-value of 0.54 hence not significant.

4.7 Discussion of the Findings

The general objective was to examine influence of market entry strategies on performance of foreign fast food firms in Nairobi County. The results revealed that most of the managers in the organization had worked for a long duration of more than 6 years and were male. This is in support of Nyakundi (2016) that most managers in foreign fast food industries have stayed in one industry more than seven years and were male. Most of the foreign fast food operates in more than 10 countries, in support of Munyiri (2014) that firms will open stores in many countries as much as possible due to globalization and stiff competition.

The study further revealed that licensing influence firm performance at great extent. From the response access to quality services of the firms, assist to protect intellectual property against cancellation and trade name of the firm were the major factors contributing to licensing. This is in support of Den Butter, & de Groot, (2014) that licensing strategy is less risky, it is suitable for companies who do not have knowledge or resources to expand internationally, doesn't involve investing a lot of money.

Strategic alliance and franchising were at moderate extent. From the response, entering into strategic alliances with local partners facilitates the setting of the firm and with local partners facilitated, the setting of the firm business in Kenya were the major factors. The findings disagree with Nguyen, (2017) that the success of a joint venture ordinarily rests on the nature of the agreement between the partnering companies regarding what to share. On the other hand, for franchising to work, the brand should be well known for its good relationship with franchisees and subcontracting supports sustainability of firms. According to McAuley (2001), franchising has enabled many firms to build internationally recognized brands around the world.

The study further revealed that joint venture and foreign direct investment influence firm performance at moderate extent. Joint venture strategy increases market share for the firm and enables the firm to establish new markets without providing products and services, which would be unprofitable if operated. This is in support of Bilir, (2014) that a company benefits from the experience of the host company in economic and political environments when there is joint venture. On the other hand, foreign direct investment increases a workforce's productivity and firm to get additional expertise, technology and products. This is in support Pinto,(2013) that Foreign direct investment offer full control in the operations and better service delivery to consumers as well as adequately informed about competitive environment, and the broad market.

The view by most sampled respondents surveyed that market entry strategies significantly influence firm performance and therefore it agrees with internationalization theory and resource based theory. Internationalization theory argue that firms prefer to do their businesses globally to gain from international exposure, experience, knowledge, market trends and expand its market. Similarly resource based view, suggests that organizations must come up with unique means of having competitive edge. The theory plays a significant approach to an effective market entry strategy function (Hamel, 2012)

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The section focuses on outcomes obtained from analyzing data as well as the conclusions reached. It also includes the endorsements and propositions for more research on the topic. The researcher set out to determine the establish influence of market entry strategies on performance among foreign fast food firms in Nairobi County Kenya. From the results of data analysis, the researcher will be able to give their view as to whether this objective has been met or not.

5.2 Summary

The objective of the study was to examine influence of market entry strategies on performance of foreign fast food firms in Nairobi County. A descriptive survey design was applied to address the research problem and meet the objectives set by the researcher. The study was anchored on internationalization theory and resource based theory. Data was collected using a questionnaire from 12 respondents. Further, the data was analyzed using SPSS version 20 and the data was analyzed using descriptive and inferential analysis. Measures of central tendency were used to describe the data while correlation analysis was used to determine the relationship between variables.

The results revealed that most of the managers in the organization had worked for a long duration of more than 6 years and were male and most of the foreign fast food operates in more than 10 countries. The results also revealed that strategic alliance, foreign direct investment and joint venture and franchising influence firm performance at moderate extent while licensing influence firm performance at great extent.

5.3 Conclusion

The findings from the study led the researcher to conclude licensing influence firm performance at great extent. The following attributed this; access to quality services of the firms, assist to protect intellectual property against cancellation and trade name of the firm were the major factors contributing to licensing. This is in support of Den Butter, & de Groot, (2014) that licensing strategy is less risky, it is suitable for companies who do not have knowledge or resources to expand internationally, doesn't involve investing a lot of money.

The study concludes further that strategic alliance, foreign direct investment and joint venture and franchising influence firm performance at moderate extent. This was attributed by entering into strategic alliances with local partners facilitates the setting of the firm and with local partners facilitated the setting of the firm business in Kenya were the major factors. The findings disagree with Nguyen, (2017) that the success of a joint venture ordinarily rests on the nature of the agreement between the partnering companies regarding what to share. According to McAuley (2001), franchising has enabled many firms to build internationally recognized brands around the world.

The resource-based view maintains that a firm gains competitive advantage primarily from the resources it has developed over time. According to the relational perspective, such resources can be obtained through alliances and inter-firm networks leading to better performance than if the firm was operating as a stand-alone. This study established that firms that adopt market entry strategies gain competitive edge over their rivals by offering quality service to the customers as well as ensuring proper quality of the products. The results also indicate that the performance of the firms has improved through resources obtained from the various market entry strategies.

The researcher can therefore conclude that market entry strategy has an impact on the overall performance of the foreign fast food firms.

5.4 Recommendations

There is high competition in the fast food industry, which is dominated by both local and international players. Without proper regulation, the foreign firms are likely to push the local entrepreneurs out of business. The researcher recommends that government should come up with laws and policies to ensure proper regulation and governance of the fast food industry in Kenya. This will lay down the guidelines to be followed by the players in the industry to create fair competition practices. A proper regulated sector would attract more organizations and individuals into the industry.

Based on the conclusion that licensing, strategic alliance, joint venture, franchising, and foreign direct investment strategy each influences the organization performance of foreign fast food firms in Nairobi County positively and significantly, the study recommends that the other foreign fast food firms outside Nairobi should consider implement the same strategies.

The management of the firms was to ensure that they conduct proper market survey in order to understand changing customer needs. As indicated by the findings in the study, customers patronized the outlets based on the quality of services. Firms were to ensure that high level of quality at all times in order to remain competitive was maintained.

5.5 Limitations of the study

Some of the employees felt as if they were being investigated and hence were hesitant to fill the questionnaires. The researcher however worked at winning their confidence by ensuring the participants that their confidentiality would be upheld. The letter of authorization to collect data that was provided by the learning institution also helped to ease some of this fear.

Getting the right target respondents to participate in the study was another challenge experienced. The researcher targeted the managers in 15 foreign fast food firms to fill the questionnaires. Given the technique employed for administering the questionnaire was drop and pick, unintended respondents filled some questionnaires. Frequent follow-ups were done to ensure that the right respondents provided the responses to the study. In some instances, other questionnaires had to be availed again to ensure that the right respondents provided the information.

Time aspect of carrying out the data collection was another challenge. The researcher had to complete the research in a specific period and sometimes this was not favorable to the availability of the respondents. Given this challenge, the researcher created time to ensure that follow ups were done to ensure that the questionnaires were returned back within the acceptable time frame.

5.6 Recommendation for Further Studies

This study was undertaken to assess the influence of market entry strategies on firm performance on foreign fast food firms in Nairobi Kenya. The study recommends replication in other organizations within the country to facilitate generalization of the research findings. The study also recommends that research to be done on the challenges of adopting market entry strategies among foreign fast food firms in Kenya.

The study was limited in its capacity to sample respondents from other regions of the country due to time and financial constraints. Therefore, it is recommended that the study be carried out in other counties to be able to capture elements that may be unique to certain consumers in the varied contexts that are represented by different geographical regions.

This study was done on the foreign market entry strategies and firm performance of foreign fast food firms in Kenya. Generalizations of the findings of these studies to other foreign fast food that adopt market entry strategies on their effect on firm performance were not possible.

Therefore, the study suggested that other research studies should be done on other multinational companies that adopted market entry strategies and firm performance such as those in the FMCG and in oil sector. This study did not restrict itself to any particular segment or industry. Therefore, there was room for future studies to be carried out on multinational companies within specific industries with operation in the Kenyan market.

REFERENCES

Achola M.A., (2016). Franchising as a Market Entry Strategy by Kentucky Fried Chicken into Kenya, Unpublished MBA Thesis, University of Nairobi.

Arasa, R., & Gideon, L. N. The influence of international market entry strategies on firm financial performance, 2015.

Ayden, Y., Demirbag, M., & Tatoglu, E. (2018). Market Entry Strategies of Turkish MNEs. In Turkish Multinationals(pp. 127-168). Palgrave Macmillan, Cham.

Baena V., (2012). Master Franchising as Foreign Entry Mode: Evidences from the Spanish Franchise System, ISRN Economics 2012, Pp. 1-8.

Ball, D. A., Geringer, M. J., Minor, & S. M., McNett, J.M. (2010). International business, the challenge of global competition(12thEd.). McGraw-Hill Inc. NY, 10020.

Barney, J. B. (2001). Resource-based theories of competitive advantage: A ten-year retrospective on the resource-based view. *Journal of Management*, *27*(6), 643.

Bilir, L. K. (2014). Patent laws, product life-cycle lengths, and multinational activity. American Economic Review,104(7), 1979-2013.

Boscor, D.(2015).Sources of competitive advantage in the field of higher education. Case Study: Transilvania University of Brasov. Economic Sciences JournalVol. 8 (57)

Burt, S., Johansson, U., & Dawson, J. (2017). Dissecting embeddedness in international retailing.Journal of Economic Geography,17(3), 685-707.

Dawei, G. (2008). Internationalization and entry strategy of enterprises, a case study of Chinese firm: Huawei, Dissertation in Marketing, Credit point level.

Egu, M. E. (2014). The strategic importance of regional economic integration to multinational companies (MNCs): A study of South African MNCs' operations.

Forggesen,M.(2008).Theories of multinational firms.Massachusetts, USA: Edgar publishing limited.

Gikundi, R. K. (2015). Effects of speed of internationalization on performance of listed indigenous financial services companies in Kenya (Doctoral dissertation, Doctoral dissertation, School Of Business, University of Nairobi).

Henri, R. (2015). Pure versus hybrid competitive strategies in the forest sector: Performance implications. Forest Policy and Economics, 54(7), 51-57”

Ho, M.H. and Wang, F. (2015), “Unpacking knowledge transfer and learning paradoxes in international strategic alliances:contextual differences matter”, International Business Review, Vol. 24 No. 2, pp. 287-297.

Hollesenn, S. (2007.).Global marketing (4th ed.).New Jersey, USA:Pearson educationlimited.

Jarvis, D .(2003).International business risk. Cambridge, UK: University of Cambridge.

Johanson, J., & Mattsson, L.-G. (2011), Internationalization in industrial systems –a network approach, strategies in global competition in banks, in Buckley, P.J. and Ghauri, P.N. (Eds), The Internationalization of the Firm: A Reader, Academic Press, London, 303-22.

Joseph, m. K. (2013). “Market entry strategies pursued by Pepsicola company in entering the soft drink industry in Kenya (Doctoral dissertation, school of business, University of Nairobi”).

Kimani E. (2014). “Marketing Strategies and Performance of Kenya Revenue Authority.Unpublished Project. University of Nairobi”

Kombo, D.K. & Tromp, D.L. A. (2006). Proposal and Thesis Writing. Nairobi: Pauline Publications.

Kothari C.R., (2004), Research Methodology: Methods & Techniques,2nd Revised Edition, New Age International Publishers

Kotler, P., & Keller, K. L. (2015). Marketing Management: Global edition (15th ed.). Upper

Kunday.,O &Senguler,E .(2015).Internationalisation for small and medium enterprises;Istanbul ,Turkey: Elseiver.

Li, J. (2018). Foreign entry and survival: “Effects of strategic choices on performance in international markets. Strategic management journal, 16(5), 333-351”

Lu, J. W., & Beamish, P. W. (2004). “International diversification and firm performance: The S-curve hypothesis. Academy of management journal, 47(4), 598-609”.

Mugo, C. (2014) Fast food Boom in Kenya Double-Edge Sword. Business Daily Africa

Mumbua N., (2016). Factors affecting the Performance of Franchises in the Fast Food Industry in Kenya, Unpublished MBA Thesis, University of Nairobi”

Munyiri, M. M. (2014). “Market entry strategies used by multinational corporations to enter into Kenyan market(Doctoral dissertation, Doctoral dissertation, University of Nairobi)”.

Mutascu, M.,& Murgea,A. (2017). Globalization and Financial Performances in FrenchCosmetic Industry.

Naidoo, V., Donovan, J., Milner, T., & Topple, C. (2016). Entry Modes as a Component of International Marketing Strategy: A Mixed-Method Analysis of Higher Education Services. In International Marketing of Higher Education(pp. 47-82). Palgrave Macmillan, New York."

Ngendo, G.(2012).Entry strategies used by multinational auditing firms in Kenya, Unpublished MBA Project, University of Nairobi

Ocholla S. (2015).Foreign market entry strategies adopted by paint manufacturers in Kenya.Unpublished MBA Project, University of Nairobi

Peinado, F., & Barber, S. (2013). Liability of foreignness: Concepts, constructs,

Pinto, P. M. (2013). "Partisan investment in the global economy: Why the left loves foreign direct investment and FDI loves the left. Cambridge University Press."

Rugamann, A. (2009). International business (5th ed.). Pearson's

Schade, V. (2014). The inclusion of aviation in the European Emission Trading Scheme: Analyzing the scope of impact on the aviation industry. Anchor Academic Publishing (aap_verlag).

Suzy, B. C. M. (2017). Entry Modes in Frontier Markets: the Case of the French Retail Banking Industry.

Tomassen, S. (2004). Internationalisation for small and medium enterprises;Istanbul ,Turkey: Elseiver.

Valmohammadi, C. & Servati, A. (2011). "Performance measurement system implementation using balanced scorecard and statistical methods. International Journal of Productivity and Performance Management, 60(5), 493-511".

Wanja, L. (2015). Strategic Management practices Applied by Fast Food Franchise in Nairobi City County,Nairobi, KE: MBA Thesis University of Nairobi

APPENDICES

Appendix I: Research Questionnaire

This is a questionnaire for an academic study on influence of market entry strategies on performance of foreign fast food firms in Nairobi Kenya. Kindly give the appropriate responses to the following questions.

Section A; General Information

1) Name..

2) Gender ( ) Male ( ) Female

3) Name of Organization..

4) Position in the Organization...

5) How long have you worked in this firm (Please tick)

1-2 Years ( ) 3 –5 Years ( ) 6–10 Years ( ) More than 10 Years ( )

6). How many countries does your firm operate in?

a) Less than 5 Countries ( ) b) 6 –10 countries ( ) c) Over 10 countries ( )

7) Which is the country of Origin for the organization? ....

SECCTIONB: MARKET ENTRY STARTEGIES

LICENCING

To what extent do you agree with the following attributes on licensing exhibited by your firm? Using a scale of 1 - 5, tick the appropriate answer from the alternatives provided. 1 = strongly disagree, 2 = Disagree, 3 = Uncertain, 4 = Agree and 5 = strongly agree

Component	1	2	3	4	5
Licensing enhances access to quality services of the firm					
The licensing of the firm assists to protect intellectual property against cancellation.					
The trade name of the firm was acquired from the parent firm.					
In licensing there is norms that are followed					

STRATEGIC ALLIANCE

To what extent do you agree with the following attributes on strategic alliance exhibited by your firm? Using a scale of 1 - 5, tick the appropriate answer from the alternatives provided. 1 = strongly disagree, 2 = Disagree, 3 = Uncertain, 4 = Agree and 5 = strongly agree

Component	1	2	3	4	5
The firm usually shares profits and resources with the partner firm.					
Startegic alliance helps the firm to obtain sustainability in the competitive business arena					

Strategic alliance results in higher levels of absolute growth for the firm					
Entering into strategic alliances with local partners facilitated the setting of our firm business in Kenya.					

JOINT VENTURE

To what extent do you agree with the following attributes on joint venture exhibited by your firm? Using a scale of 1 - 5, tick the appropriate answer from the alternatives provided. 1 = strongly disagree, 2 = Disagree, 3 = Uncertain, 4 = Agree and 5 = strongly agree

Component	1	2	3	4	5
Joint venture requires less cost of investment in foreign country.					
Joint venture strategy enables the firm to establish new markets without providing products and services which would be unprofitable if operated alone.					
Joint venture strategy leads to enhanced global service networks for the firm.					
Joint venture strategy increases market share for the firm					

FRANCHISING

To what extent do you agree with the following attributes on franchising exhibited by your firm? Using a scale of 1 - 5, tick the appropriate answer from the alternatives provided. 1 = strongly disagree, 2 = Disagree, 3 = Uncertain, 4 = Agree and 5 = strongly agree

Component	**1**	**2**	**3**	**4**	**5**
The brand is well known for its good relationship with franchisees.					
Strategy of franchise subcontracting supports sustainability of firms.					
Our firm preferred franchise subcontracting than a free					

ownership model.					
Strategy of franchise subcontracting assures firms survival against competition in this town.					

FOREIGN DIRECT INVESTMENT

To what extent do you agree with the following attributes on foreign direct investment exhibited by your firm? Using a scale of 1 - 5, tick the appropriate answer from the alternatives provided. 1 = strongly disagree, 2 = Disagree, 3 = Uncertain, 4 = Agree and 5 = strongly agree

Component	**1**	**2**	**3**	**4**	**5**
Foreign Direct Investment was the avenue that my firm adopted in entering the Kenyan market.					
To what extend does Foreign direct investment affect exchange rates**.**					
Through foreign direct investment the firm has being able to get additional expert..					
Foreign investors have increased a workforce's productivity since the establishment of the firm.					

SECTION C. FIRM PERFORMANCE

Balance scorecard will be adapted to measure firm performance. Using a scale of 1 - 5, tick the appropriate answer from the alternatives provided. 1 = strongly disagree, 2 = Disagree, 3 = Uncertain, 4 = Agree and 5 = strongly agree

Financial	**1**	**2**	**3**	**4**	**5**
Sales growth for the last 3 years					
Increased profit for the last three years .					
The firm return of investment has been increasing over the last three years					
Customer	**1**	**2**	**3**	**4**	**5**
Increased referral reflects customer satisfaction.					
Customer retention is key for growth of the firm					

Continuity improvement in customer loyalty due to better services					
Internal Process	**1**	**2**	**3**	**4**	**5**
There has being efficiency in operation management of the firm.					
There has being reduction of administration cost.					
The firm has been releasing innovative and differentiated services over a period of time.					
Organization Capacity	**1**	**2**	**3**	**4**	**5**
The firm allocates funds for employee training.					
There is personal and career growth and development of employees in the firm.					
The employees have a positive attitude and deliver excellent customer service.					

Thank you for taking your time to fill this questionnaire

Appendix II: List of Foreign fast food In Nairobi Kenya

	Franchise Name	Country of Origin	Year Operations Started in Kenya
1	Adega Restaurants	South Africa	2014
2	Burger King	USA	2016
3	Caramel Restaurant	UAE	2014
4	Cold Stone Creamery	USA	2014
5	Debonairs Pizza	South Africa	1998
6	Domino’s Pizza	USA	2014
7	Gallitos	South Africa	2006
8	Kentucky Fried Chicken	USA	2011
9	Ocean Basket	South Africa	2014
10	Pizza Hut	USA	2016
11	Pizza Inn	Zimbabwe	1998
12	Snack Attack	UAE	2014
13	Steers	South Africa	1997
14	Subway Limited	USA	2013
15	Teriyaki Japan	Japan	2015

Source: Tourism Regulatory Authority (2019)