EXPORT STRATEGY, MARKET ORIENTATION, MARKET DYNAMISM AND PERFORMANCE OF LARGE EXPORT MANUFACTURING FIRMS IN KENYA

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DECLARATION

This PhD thesis is my original work and has not been presented to any university for any award.

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This PhD thesis has been submitted for examination with our approval as the university supervisors.

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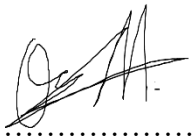
Sign……  Date……10/04/2023……

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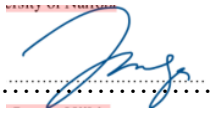
Sign……  Date ……10/04/2023……

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DEDICATION

I dedicate this thesis to my loving wife Jennifer Rerimoi Komen and our lovely children Assenath, Asmey, Elly, Ann and Limo for their prayers and support all through.

This thesis is also dedicated to my late father Mzee Chebet Kipkemei arap Sokome Arap Kabigoi (1920-1992), R.I.P, and my mother Mrs Miriam Targok Chebet who inspired me to love and pursue education.

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I wish to give glory and thanks to God whose salvation, Providence, Care and Guidance enabled me to complete this programme successfully..

I thank the University of Nairobi leadership, community and my colleagues for the opportunity they gave me to pursue my dream at the respected institution of higher learning.

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ABBREVIATIONS AND ACRONYMS

CEO	-Chief Executive Officer
CV	-Coefficient of Variation
DCT	- Dynamic Capability Theory
EPC	-Export Promotion Council
ES	-Export Strategy
FDI	-Foreign Direct Investment
FP	-Firm Performance
GDP	-Gross Domestic Product
GOK	-Government of Kenya
H-O	-Heckscher-Ohlin
IMF	- International Monetary Fund
KAM	-Kenya Association of Manufacturers
KNBS	-Kenya National Bureau of Statistics
KSH	- Kenya Shilling
LPC	-Least Preferred Coworker
MD	-Market Dynamism
MO	-Market Orientation
MTP	-Medium Term Plan
MSMEs	-Micro, Small, Medium,Enterprises
NIC	-Newly Industrialized Country
PESTEL	-Political, Economic, Social, Technological, Environmental, Legal

R&D	-Research and Development
SBSC	-Sustainable Balanced Scorecard
UK	-United Kingdom
US/A	-United States/of America
USD	-United States Dollar
SD	-Standard Deviation

ABSTRACT

The globalization of business combined with its internationalization has made it essential for companies to design and implement export market success strategies in order to compete successfully in settings that are highly competitive and often chaotic. The most common approach to entering a foreign market is exporting, which may also serve as a valuable learning experience on a global scale. It is advisable for enterprises who export their goods or services to thoroughly orient their operations by gathering export market knowledge. This is because exporting is a high-risk endeavor. The dynamic and disruptive nature of market settings in terms of tastes, demand, laws, and other factors makes export markets more difficult to navigate. This study set out to examine how market volatility can impact the connection between export strategy and firm performance for the biggest export manufacturing enterprises in Kenya. The effect of market orientation was also evaluated, along with its relationship to export strategy and firm performance. The Heckscher-Ohlin theory served as the foundation for this investigation, with backing from the Contingency Theory and the Dynamic Capability theory. The study used a positivist approach. The study was conducted as a cross-sectional survey. Sixty of Kenya's leading export-manufacturing companies were selected as the target audience. In this case, we used the export manufacturer as our unit of analysis. The main data came from a questionnaire that was administered to all participants. The CEOs and marketing directors of the firms under investigation all took part in this study as responders. We were able to get a 96% response rate. In addition to using both inferential and descriptive statistics, the study also included correlation and regression tests. The findings demonstrate that the overall performance of Kenya's leading export manufacturing enterprises is significantly impacted by direct exporting. The research demonstrates that using direct exporting as a company strategy improves export manufacturing performance. The findings also demonstrated that major exporting manufacturing firms' performance is related to both their export strategy and their market orientation. In addition, the findings indicate that market volatility dampens the link between export strategy and production volume for the world's top export producers. Export strategy, market orientation, and market dynamism all had a bigger impact on the success of significant export manufacturing firms than export strategy alone. This was determined by contrasting the combined impact of export strategy, market orientation, and market dynamism with the impact of each factor individually. The study's findings suggest that export manufacturing companies can improve their export performance by working more closely with relevant stakeholders and focusing on expanding their knowledge of foreign markets. The study's results suggest that managers of large exporting manufacturers should place a premium on communication and collaboration with key domestic and international market players. Managers of businesses must, therefore, constantly assess whether or not their results are improving. Without collecting and using the relevant data in advance, the effects of optimizing a company's performance may be unexpected, especially for those organizations operating in more volatile marketplaces. Organizational leaders are tasked with maintaining their company's competitive edge by boosting its responsiveness to changes in the market and its capacity to adapt to new circumstances. The findings of this research urged the use of longitudinal research methods and the inclusion of micro, small, and medium-sized businesses in future studies. One potential drawback of using a questionnaire to collect primary data is that it might be evaluated subjectively.The study's cross-sectional design precludes drawing any firm conclusions about the nature of the relationships between the variables. It is suggested that the service sector be the focus of future study, and that a longitudinal rather than cross-sectional methodology be used.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Exports play a crucial role in a country's economic and social growth, and this importance has been highlighted by the recent trend toward globalization of markets and internationalization of business. According to Zhao and Zou (2002), exporting continues to be an essential doorway for the internationalization and globalization of a corporation. According to Lin and Ho (2019), internationalization may minimize trade imbalances within nations, boost a firm's market share, and widen market prospects all while improving profitability and providing a competitive edge. Despite the enormous potential it represents, Kenya's export manufacturing industry is still unable to live up to its full potential. Products that seem to require little technical know how and capital hence easy to manufacture are imported thus making Kenya lose foreign exchange. Since independence, Kenya’s imports have continued to be far more than exports both in value and volume. (GOK, 2021; Word Bank 2021; Oiro, Wanjala, Ngugi & Lukalo, 2019). The maximization of earnings while simultaneously cutting down on expenses is the primary objective of any and all commercial enterprises. As a field of study, international business is predicated on the foundational premise that there are positive effects of internationalization both for individual companies and for the nation as a whole. Exporting is by far the most common method of breaking into the worldwide market; it is also the least expensive and most straightforward of all of the available options (Root, 1994).

Since exporting is a high-stakes economic endeavor, it is advisable for exporters to properly orient their companies by gathering all necessary information. Because of this dynamic and disruptive nature of market settings in terms of tastes, demand, laws, and other characteristics, export markets are notoriously difficult to navigate successfully. While it is possible to find an exporting firm that is targeting a market that does not have established commercial and diplomatic ties with the nation of origin, the vast majority of exporters take use of already commercial and diplomatic ties. Globally, the export manufacturing sector has become an area of much interest for business managers, scholars and policy makers in the 21st Century. Zou and Stan (1998) found that a well-defined approach for accessing foreign markets improves export performance. Export of manufactured products has been noted to spur economic growth and enhance employment creation for an exporting country.

Three hypotheses served as the basis for the research: The Heckscher-Ohlin (H-O) theory (Heckscher 1919; Heckscher & Ohlin 1919;1991) asserts that if two nations manufacture two different items for export using the same two factors of production (for instance, labor and capital), then each nation will export the product that makes the best use of the component that is most plentiful and inexpensive. Second, according to the Dynamic Capability theory (DCT) (Teece, Shuen, & Pisano, 1997), a successful business is one that can adapt swiftly and successfully to changes in its market. The third theory is the

Contingency theory (CT) which suggests that performance is the result of the match among a number of factors, including; culture, technology, skills and strategy (Woodward, 1958).

Exporters are known to be non- discriminative in the products they export; that is, they may not be the manufacturers of the products they export. It has been noted that the bulk of Kenya's exports come from the agricultural sector (GoK, 2018). This indicates that Kenya may have an edge in the production of agricultural goods due to the country's availability of one or more elements necessary for production. The majority of the goods that are created in and exported from Kenya are agricultural in nature. This is likely the case due to the richness of natural resources and other factors in Kenya, which has the potential to impact the pattern and volume of international commerce as well as the pricing and demand for export items. This affects profits. Manufacturing is Kenya's third-largest sector after transportation and communication and agriculture, according to KNBS data from 2021 (GOK, 2021).

According to the World Bank (2021), Kenya's manufactured exports have been fluctuating since the country gained its independence in 1963, with only little rises occurring over the course of the most recent five years. For example, between the years 2013 and 2019, as a proportion of total export value, manufactured products were as follows: 2013 (36.3%); 2015 (31.5%); 2016 (31.5%); 2017 (28.3%); 2018 (28.4%); and 2019 (30.8%).This somewhat reflects a stagnating manufacturing sector. In real terms, balance of payments declined from an excess of ksh.111.4 billion in 2019 to a negative

of ksh 152.5 billion in 2020 (GOK,2021). Despite the fact that it has the potential to contribute to the expansion of job opportunities and the development of GDP via the export of manufactured goods, Kenya's export manufacturing industry is not yet completely established (KAM, 2018). According to GOK (2021) the overall contribution in percentage terms of manufacturing to Kenya's economy (GDP) in recent years was; 9.3% (2016); 8.7% (2017); 8.4% (2018); 7.9% (2019); and 7.6% (2020).

The World Bank (2021)cites a lack of contemporary manufacturing capabilities and a dysfunctional business environment that hinders talent development as possible causes for Kenya's dismal export performance. This position is supported by Oiro,Wanjala,Ngugi and Lukalo (2019),. Uncompetitiveness of Kenyan goods is attributed in part to the high cost of energy power and the difficulties in securing cheap finance (KAM,2021). Considering the importance of manufacturing to Kenya's economy, in-depth research at the company and sector levels is necessary. Many of the manufacturing companies in Kenya have not yet begun exporting their wares, and as a result, they are losing out on the advantages that come with exporting. These causes include the high cost of electricity and financing, as well as the widespread availability of items that have been falsified. Because of this, Kenyan goods have lost some of their competitive edge (KAM, 2021). The manufacturing sector is vital to Kenya's objective of being a rich and internationally competitive nation by the year 2030 (GOK, 2008) since it employs so many people and has such strong forward and backward links for the economy.

The manufacturing sector of Kenya's economy produced a real gross value added marginal growth of 2.3 percent in the year 2020, which was lower than the revised increase of 2.5 percent recorded in 2019. The rate of expansion in 2017 was 3.1%, up from 2.1% in 2016. The value of Kenya's exports in 2017 was Kshs. 594.1 billion, while the value of its imports was Kshs. 1,725.6 billion, for a trade imbalance of Kshs. 1,131.5 billion in favor of imports (GOK 2018, 2021). Export development via value addition in export-oriented manufacturing is central to Kenya's national trade policy, the stated goal of which is to minimize the country's current account deficit (GOK, 2017). Kenya plans to become a NIC by the year 2030 (GOK, 2008), and one of the first steps toward this objective is building a manufacturing sector that is competitive on a global scale. KAM (2018) reports that the continued poor performance of the sector is related to high cost of production, low technology application and cheap manufactured imports, among other factors. The poor performance of the export manufacturing sector may be improved by industry- suitable export strategy and greater orientation towards specific export markets. The export market is very volatile, therefore the company's management must pay close attention to it to make the right decisions and take the right actions to keep up with the ever-changing international market. Export manufacturing enterprises in Kenya are anticipated to benefit from this.

1.1.1 Export Strategy

Studying dynamics and strategy is a common concentration for students majoring in international business. Exporting comes out as an important subject within the broader categories of dynamics and strategy (Griffith, Cavusgil, and Xuereb, 2007). Because

developing an export market is more about surviving than making a conscious decision (O'Cass & Julian, 2003), every business organization has to build strategies for surviving in the environment while simultaneously achieving a competitive edge in order to be successful. This is because the environment constantly brings new difficulties.

Many different conceptualizations of export strategy have been developed by academics. According to Karkkainen (2005), an export strategy is a business's set of institutional structures that facilitates the transfer of goods, services, personnel, and other assets to a foreign market. The goal of any successful export strategy, according to Bolo (2011), is to help a firm perform better than its competitors. Strategy, as stated by Namada (2017), is now more concerned with competing for a position in a future industry than with competing in an existing one. The former, although having the appearance of the single form of the later, conveys a greater meaning. It is a term that refers to the purposeful actions that a company makes with the explicit goal of establishing and retaining a competitive edge in a certain export market. On the other hand, export strategies as a construct is about entry modes or internalization. On its part export strategy is more specific on the particular and specific choice of exporting. This is crucial since export markets are never the same because of the dynamic rather than static environments in which they function. Export strategy must not be confused with the strategies for export market entry (entry modes) which include; Exporting, Franchising, Partnering, Licensing, Joint Ventures, Greenfield Investments or Turnkey Projects.

Decision making in export operations, the enhancement of major export drivers, and the

establishment of relevant training programs for business teams are all essential components of an efficient export strategy, as outlined by Safari and Saleh (2020). This study delves at export strategy as more than just a means to break into new markets; it's also a tool that may help companies gain and keep an edge in the marketplace. The best strategy is chosen after careful study of the many options that can give the greatest competitive advantage in a global market. Three primary export tactics are identified by Wach (2014): direct exporting, indirect exporting, and cooperative exporting. If a corporation doesn't have a foreign agent or distributor, it may export directly via its own distribution channels, as described by Wach (2014). Indirect exports may be accomplished by any of the following: a company that handles exports and imports, a broker, a commission house, or an entity that does both. Piggybacking and export grouping, consolidation, or aggregation are the two routes via which cooperative exporting may take place.According to Yasar (2015), favorable benefits on enterprises' productivity are related with direct exporting more so than indirect or cooperative exporting. Wach's (2014) comprehensive approach to international trade entrance techniques employed direct, indirect, and cooperative exporting. Modern, thorough, and relevant to our research, this categorization.

1.1.2 Market Orientation

Market orientation is defined by Hult, Ketchen, David, and Slater (2005) as "the process by which an exporter gathers market intelligence relevant to its operations; designs and implements responses that focus on export customers, rivals, and other external factors of the export market that effect the exporter and its capacity to deliver better value to export

customers; and transmits such information to appropriate decision makers with relevant input." On the other hand, Shapiro (1988) defined market orientation as an all-encompassing method of decision-making that begins with data collection and ends with the actualization of chosen strategies.

Market orientation, as described by Narver and Slater (1990) and based on their study of domestic markets, consists of three separate but interconnected organizational behaviors: customers, rivals, and interdepartmental cooperation all get equal attention. Only research on the domestic market is covered here. To wit: (Narver & Slater, 1995) Market orientation was envisaged by the authors as a unidimensional construct made up of the three components with profitability and long-term focus in mind as the selection criteria. Specifically, "market orientation" refers to "the process of putting the marketing idea into action," as defined by Kohli and Jaworski (1990). According to their definition, "market orientation" is when a company as a whole learns about and prepares for changes in its target market. Cadogan, Diamantopoulos, and Mortanges (1999) define "market orientation" as providing policymakers with market intelligence information vital to an exporting firm's success. A market-oriented strategy must also develop and implement feedback on measures made in response to rivals, customers, and other peripheral international market actors that might hurt the company's competitiveness. It requires rapid thought and decisive action.

Market orientation is described by Murray, Gao, Kotabe, and Zhou (2007) as an organization's persistent focus on the export market's customers, rivals, and other factors. This is done in the hopes of gaining insight that may be used to boost the firm's worldwide competitiveness. According to El-Gohary, Edwards, Eid, and Huang (2013), the term "international orientation" may also be used to describe this idea. The market orientation construct is an export market strategy that is market-aligned, as stated by Acikdilli (2013). Kim-Soon, Mostafa, Mohammed, and Ahmad (2015) define market

orientation as the firm applying the marketing concept to the customer and competitors. In this particular research, we focused on the development of export intelligence, dissemination of information, responsiveness of intelligence, and coordination mechanism. Cadogan, Mortanges, and Diamantopoulos (1999) provided a conceptualization and measurement of market orientation, which this arrangement adheres to.

1.1.3 Market Dynamism

According to Vokurka and O'Leary-Kelly (2000) market dynamism is a situation referring to the degree or extent of turbulence in the market leading to a situation where the market environment and its actors are dynamic and unpredictable. Garg, Walters and Priem (2003) describe the construct as referring to the variations in the market environment and the level of uncertainty in goods to be supplied, demand for products and new technologies. It has also been defined by Akgul, Gozlu, and Tatoglu (2015) as the extent of disruption of demand for products, technological changes and frequency and uncertainty of variation in the market scene. (Winter, 2003; Akgul et al.,2015).

Market dynamism is one of the many subsets of environmental dynamism. It is part of the wider environmental (PESTEL) dynamism construct and refers to how much change a person believes there is in the market for a particular product in terms of the products range available, promotion required and consumer preferences (Bruner II, 2018). The dynamic nature of the marketplace necessitates that companies have the tactical flexibility to incorporate new ways of making their products. As a result of market

dynamism, competition changes, customer preference and attitude shift, the legal and political environments mutate and product prices fluctuate. In this regard, firms must become ambidextrous in terms of being simultaneously innovative and adaptive (Mutisya, KÓbonyo & Njihia, 2020)

The study had the following dimensions for market dynamism: Rate of change, environmental hostility and heterogeneity as applied by Cadogan, et al,. (1999). Cadogan et al. (2003) developed the market dynamism scale to assess market activity. The scale was initially proposed by Jaworski and Kohli (1993). The modified scale is relevant for this study because it expressly measures dynamism in a firm's export market (rather than home or other market) environment and therefore the scale recognizes hostility, rate of change and the variations common in a firm's export market.

1.1.4 Firm Performance

Exporting being a route to business advancement is key for manufacturers who seek innovative advantages to enable them attain export success (Cooper & Kleinschmidt, 1983). More export earnings will positively stimulate other associated industries and therefore more interest should be paid to export performance which consequently affects the overall firm performance. Firm performance is generally a collective output of a company's export sales, growth and profitability (Shoham, 1998). Firm performance is a description and measure of a firm's capacity to meet its goals by applying resources effectively and efficiently (Daft, 2000). Firm performance is a critical part for decision making in international business on issues like whether to export or not, whether to

increase or decrease export volumes or not, or to stop exporting altogether and when. According to Quaye, Sekyere, and Acheampong (2017), factors like government led export promotion, credit cost and its access greatly influence firm performance.

The measurement of the performance of a firm is complicated due to the fact that there are more factors at play for a firm to be adjudged to have performed well or not in exports. According to Carneiro, Rocha and Silva (2007), various indicators and dimensions are vital for gauging the success or failure of a firm in exports and, consequently, it is better and more practical to measure export performance using several indicators because the relationships between the variables and their respective strengths have to be determined individually and also collectively. According to Leonidou (2002), the measures may be broken down into two broad groups: financial measures and non-financial measures. The BSC tool developed by Kaplan and Norton (1992) is one way to integrate and enhance the two types of metrics.

The BSC measurement technique is supported by Richard, Guan, Pun and Tang (2004) who argued that firm performance encompasses financial, products, and market performances together with shareholders' return and continuous improvement. In an effort to further enhance the application of the BSC, some researchers note that because business is a crucial player of exports and firm performance, a forward-looking BSC system ought to consider a way to attain environmental and social objectives in addition to the traditional financial measures. This gave rise to the Sustainable Balanced Scorecard (SBSC) which is the improved version of the BSC (Rajiv, Hsihui and Mina,

2004; Balanced Scorecard Institute, 2012). This study has applied the SBSC metrics to measure firm performance but excluded specific direct financial measurement aspects due to difficulty in accessing the information from the respondents. The SBSC, however, factored in additional proxy measures of financial success, such as sales volumes and market share, that are accessible from secondary sources and within the respondents' sphere of expertise.

1.1.5 Large Export Manufacturing Firms in Kenya

The Kenya Association of Manufacturers (KAM report, 2019) estimates that out of a total of 189 significant manufacturing enterprises in Kenya in 2019, 60 were major exporters. Important characteristics of large export manufacturing firms include: the amount of staff, the size and value of assets, the amount of capital invested, and the amount of sales income (Kihara, Karanja, & Ogola, 2016: Mutisya, K'Obonyo, Ogolla, & Njihia, 2020). The decision to export or not lies with a firm’s senior managers and may be taken within a relatively short time period based on profit and cost considerations. This makes the distinction between a large export manufacturing firm and a large manufacturing firm temporal in nature because a large manufacturer can turn to become a large export manufacturer within a short time, even within a week, vice versa.

According to Thomas (2018), in the USA, large firms are those with over 500 employees while in Brazil large firms are those with export revenues above USD 700,000 per annum (Carneiro, Rocha & Silva 2007) and in Ghana large firms are those with over 30 employees (Twum, 2015). In Kenya, KAM/ Ogaro (personal communication September, 4, 2019) identifies large firms as those with an annual sales turnover of Kshs. 1 billion (about 10 million USD) and above. As a result, the definition of what constitutes a "large business" changes from nation to nation and throughout time. Most scholars have used either or both of the two methods to define the size of the entity, namely; size of the workforce and/ or sales turnover. The study will adopt the definition of large firms by the KAM (KAM, 2019).

The industrial industry in Kenya has great potential for boosting employment and earnings in the country. Actual value added in the industry grew by 0.2% in 2017, down from 2.1% in 2016, while in 2017, there was a 0.8% increase in the number of persons working in the industry, down from 1.8% the year before. Further, the sector employed over 303,000 persons in 2017 and accounted for 11.4 % of the total formal employment in Kenya (GOK, 2018) thus leaving a big room for improvement. The sectors growth remained stifled mainly due to poor performance of related sectors such as agriculture, financing and electricity supply and cost, together with cost of and access to credit which provide inputs for manufacturing activities. According to KAM (2017), the drive towards industrialization will not be achieved fully without the adoption of modern manufacturing technologies, business skills as well as the adoption of innovations and communications technologies.

1.2 Research Problem

Long-term export success requires that businesses align their export strategy and evaluate several facets of their operations. This will allow businesses to stay competitive in their respective markets. Information about the most effective approach to exporting is few and sometimes contradictory. Because of this, it is necessary to determine if one export strategy is preferable to another or whether one leads to greater overall success for the company. Carneiro et al. (2007) state that a company's success is a reflection of its activities in the export business and other organizational characteristics.

Organizational behavior, such as market orientation or activities, and the ever-changing market may both moderate export strategy's effect on business outcomes. The organizational behavior and activities that impact business performance have not been fully examined in the research that has been done so far. In the past, scholars have focused their attention on the topic of firm performance, but they have paid relatively little attention to activities related to market orientation, as well as the dynamic nature of both domestic and export markets and how these factors influence firm performance (Beleska & Spasova, 2009). According to Lee, Yin, Lee, Weng, and Peng (2014), only six out of fifty research that were assessed by them addressing company performance exclusively addressed the effect of the domestic market circumstances on firm performance at that time. In addition, the assessment of the firm performance construct for export manufacturing companies has typically depended only on financial indicators, leaving out non-financial data. This is because financial measures are easier to get. Because of this, the interpretation of company performance has become riddled with discrepancies, gaps, and misunderstanding.

Despite the enormous potential it has, the export manufacturing industry in Kenya is currently failing (KAM, 2018). There is a wealth of literature on the factors that affect business success, but surprisingly little on the interconnections among them or how they play out in the Kenyan context (Kihara et al., 2016; Mutisya et al., 2020). This is true despite a mountain of data collected on the subject of what makes a business successful. In addition, results from similar studies in the past have been mixed or even deceptive. The connection between export strategy and performance in the Kenyan context has not received nearly enough attention from academics. Not all exporting businesses are the same as manufacturing firms, a point overlooked by many research examining the issue of company performance. Inadequate capacity among Kenya's exporters makes it probable that the country's companies would export a lower amount of goods when compared to those of more established enterprises in industrialized nations. In addition, Kenyan firms may not be aware of the challenges of market dynamism and how the firms can adapt and orient towards getting ahead of the competition.

A thorough literature analysis on the export operations of enterprises from the viewpoint of developed nations was carried out by Carneiro et al., (2007), Beleska-Spasova (2009), and Balak and Zehir, (2018). Developed nations were the major focus of the research. For instance, Carneiro et al. (2011) studied the export efficiency of large Brazilian manufacturers. The research found, for example, that what constitutes a significant corporation in Brazil is different from what is meant in Kenya. By examining the relationships between export strategy, market orientation, market dynamism, and firm performance in Kenya's manufacturing sector, this study hopes to fill a vacuum in the

existing literature. Research conducted on Kenya's export performance has shown that the country's export manufacturing industry has had poor performance over a significant amount of time ((World Bank, 2012; KAM, 2018; Oiro et al., 2019)). Some of the causes for a company's poor performance in export manufacturing include a lack of variety of products and export markets as well as a lack of expertise in producing high-tech items (KAM, 2018). High electricity costs, lack of access to cheap finance, insufficient skills and capabilities to produce sophisticated goods, and a lack of diversification of products and export markets were other factors. The impact of export strategy on the performance of Kenya's top export manufacturing enterprises has not been examined in previous studies of this kind. Since exporting is crucial to a country's economic growth, this study will examine the preferred export strategy of Kenyan export manufacturing firms and the factors contributing to this choice. Further, there is little information on what Kenyan export manufacturing firms do as part of market orientation in the face of market dynamism.

Holzmuller and Stottinger (1996); Beleska-Spasova (2009); Lopez-Gamero Molina-Azorin and Claver-Cortez (2009) note that most empirical studies on firm performance have ignored the role of mediating variables and argued that indeed export performance is influenced by organizational behavior and the firm’s external environment, among others. In previous research on export strategy and company success, sample population data were employed rather than census survey data, which offers a number of distinct benefits. In their analysis of US export market-oriented operations, Cadogan et al. (2003) established and evaluated hypotheses on the origins and implications of market

orientation. These presumptions applied to export-oriented U.S. programs aimed at foreign markets. They discovered that efforts focused on the market had a beneficial effect on the performance of the organization. They suggested that further research be done in the future to study the significance of market orientation in developing connections with export channels.

Akgul et al. (2015) analyzed 211 Turkish companies to determine the connections between operations strategy, environmental dynamism, and company performance. They established that market dynamism has significant and beneficial impact on the success of business. The resarchers collected primary data from a single respondent per firm thus exposing the findings to doubt because of potential response bias. While applying a theoretical model, Wagana and Kabare (2015) determined that the stagnation of Kenya's manufacturing sector is due to corporate governance challenges in the industry. This application of a theoretical model locked out more data which could have been collected and applied to draw better conclusion if conceptual framework was used. Using the sampling methods of convenience and snowballing, Quaye et al. (2017) concluded that enterprises might improve their export performance by taking part in targeted export promotion initiatives. This recommendation was made in another part of Ghana. The employment of these sampling approaches casts doubt on the sample's ability to be representative of the population, as well as on the absence or presence of sampling bias.

The majority of academics do not exactly agree on the precise quantifiable criteria of the concept (Jalali, 2012), despite the fact that they are in agreement on the broad definition and assessment of business performance. In addition, there does not seem to be a general

consensus on the relevance of other criteria that have been identified as determinants that impact the level of success achieved by exports. Furthermore, the vast majority of research on the correlations between the variables has been conducted in the context of developed nations, and typically there is less data on developing countries and, in particular, the Kenyan perspective. After that, the research attempted to respond to the following question: How important are market orientation and market dynamism in terms of the connection between export strategy and the success of Kenya's big export manufacturing firms?

1.3 Research Objectives

The study's overarching goal was to learn if market dynamics had an influence on the connection between export strategy and firm performance at major, export-oriented manufacturing enterprises in Kenya. The goals were as follows:

i. This research aims to examine how export strategy affects the bottom lines of Kenya's top export manufacturing firms.
ii. The leading export manufacturing enterprises in Kenya will be studied to ascertain how market orientation affects the relationship between export strategy and performance.
iii. The purpose of this research is to analyze how export strategy and performance are related at big export manufacturing enterprises in Kenya in the context of recent market instability.
iv. The research team behind this project set out to determine how export strategy, market orientation, and market dynamism affected the bottom lines of Kenya's top export manufacturing firms.

1.4 Value of the Study

This study provided additional weight to several hypotheses about the topic, including Heckscher-Ohlin theory, the Dynamic Capability theory and the Contingency theory of organization leadership. By incorporating export strategy into the H-O theory literature, it makes it possible to enrich theoretical propositions in disciplines like international business and organizational beahaviour. Due to the agricultural character of most Kenyan exports, the research provides further proof of the importance of the H-O theory in international business studies and the concept of internationalization of enterprises. Additionally, the research adds to the little export performance literature in developing countries like Kenya.

On policy, this research adds knowledge on export strategy for policy makers and implementers in Kenya's export manufacturing sector. It confirms that indeed export strategy significantly influences firm performance. The sector is critical for Kenya's improvement of employment rates and economic growth through foreign exchange inflows as a result of exporting manufactured products. The study findings will also enable legislators and regulators of the industry to act in order to maximize the opportunities and advantages that manufacturing and exporting offer to the country.

In practice, this study provides knowledge and understanding of market dynamism and how to manage it in international business as well as the export manufacturing businesses seeking ways to have the best export strategy. This will help them orient effectively towards export markets through innovations and adaptations while employing emerging technologies because the international market is in constant change.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section looks into both the theoretical and empirical overview of the foundation of the study with respect to knowledge relevant to the study. It looks at specific theories that relate to the study variables of export strategy, market orientation, market dynamism and their impact on the performance of Kenya's biggest export manufacturing enterprises. The chapter reviews previous literature on firm performance and specifically delves into the various scholarly discussions on the four variables and their empirical relationships. It then gives an overview of the literature, identifies knowledge gaps and provides the study's conceptual framework.

2.2 Theoretical Foundation

This research was anchored on the Heckscher-Ohlin theory (Heckscher, 1919; Heckscher, Ohlin, Flam & Flanders, 1991). The supporting theories were the Contingency theory (Woodward, 1958: Fiedler, 1967) and the Dynamic Capability theory (Teece, Pisano & Shuen, 1997).

2.2.1 The Heckscher-Ohlin Theory

Eli Heckscher (1919) and Bertil Ohlin (1933), both of the Stockholm School of Economics, were the ones who first suggested the theory, which they dubbed the Factor-Proportions-Factor Intensity hypothesis. This economic theory predicts that two fictitious nations would export the product that best uses their native, low-cost resource using two

made-up components of production, such as capital and labor. This theory predicts that this outcome would occur. Two components of production, labor and capital, are free to migrate inside a country but not beyond borders, according to this theory. In addition, the two nations have very different levels of consumption, despite the fact that their resources of labor and capital are distinct from one another. According to Salvatore and Barazesh (1990), the theory is now often referred to as the Heckscher-Ohlin theory or simply the H-O theory.

The H-O model inspired David Ricardo (1772-1823) to study other nations' comparative advantages, which helped international trade. According to David Ricardo's theory, international commerce occurs because of the limited mobility of capital. These disparities prompted the adoption of differential pricing, with exports from each country concentrated on those products for which it commanded a price advantage. Because of this, both countries and companies benefited from the trade agreement. Ricardo (1772-1823) could not provide an explanation for the fundamental variations in the productivity and quality of labor that existed across countries. These differences, in turn, led to differences in comparative costs, which in turn necessitated the engagement in international commerce. Because of these reasoning, a hypothesis or model known as the H-O model came into being. This model postulates that countries would specialize in the manufacturing of favorable commodities that need production components in which the country is abundantly endowed. The effect of this, according to the idea, is that such nations are likely to export such things that are produced inexpensively and, on the other hand, import such commodities whose production otherwise would need the poorly

endowed elements, meaning that it would be expensive, inefficient, and unappealing.

A comparative study by Clifton (1984) of nine countries' trade vis-a-vis world trade, determined that Korea and Kenya were labour abundant while the other seven nations (New Zealand, US, Australia, Japan, Ireland, UK and Israel) were capital intensive. An analysis of data showed that all the countries except UK, Kenya, and Korea exhibited trade flows consistent with the H-O theory. Clark and Kulkarni (2010) in a study of the trade between Singapore and Malaysia established that exports from Singapore were less capital intensive than projected by H-O. The capital to labour abundance ratio for Singapore was 297 while Malaysia's was 59. Malaysia exported more capital-intensive items to Singapore than expected. This refuted the consistency of the H-O theory.The H-O theory main prediction was successfully confirmed and applied by Ngugi(2016) who found that Kenya has an abundance of labour and land thus enabling the country export agricultural products such as tea, coffee and horticultural crops..

The H-O model has a flaw in that it oversimplifies its assumptions by only taking into account two nations, two goods, and two factors of production while assuming that the environment would remain the same. The flaw in the model may be traced back to this. The assumptions fail to take into account the really global character of international business or the fact that different people have different sets of information resources and skill sets, all of which are known to provide different people a leg up in a competitive setting. The hypothesis ignores transportation, scale, and external economies that impact manufacturing costs and pricing. In addition to this, the theory does not take into account the function that product differentiation has for producers.

Kenya's economy relies heavily on agriculture, hence most manufactured and exported goods have some connection to the industry (GOK, 2018). As a result, it is possible to draw the conclusion that Kenya has a competitive edge in some agricultural goods over other nations that engage in commerce with her. On the basis of the H–O hypothesis, the connection between the variables that were independent and those that were dependent was explained. Globalization, the internet, increasing mobility, and the dynamic, disruptive global corporate environment reinforce the idea. This argument is pertinent to the study since most businesses in Kenya are held privately, the economy has been liberalized to a large extent, and the government actively promotes and encourages the export of produced goods. In this study Kenya was treated as one country trading with the rest of the world which has been hypothetically considered as one country for the purpose of aligning it with the H-O theory. Similarly Ngugi 2016 while using the gravity model approach in her research on Kenya's trade flows with her five trading partners between 1994 and 2014 she found that trade volumes decreased with increasing geographical distance between Kenya and her trading partners.

2.2.2 Contingency Theory

Woodward (1958) and Fiedler (1967) are the originators of the contingency theory. The theory was improved upon later by other researchers after studying various leaders in different contexts. Based on this idea, the optimum approach to manage an organization or make a decision will vary from time to time, depending on both the external and internal factors at play. Dobak (2006) defines the contingency approach as the action of identifying and fostering positive linkages among context, leadership, and performance.

Different leadership styles may be more or less successful depending on the specific internal and external contexts, as well as the specific problem being addressed, according to this notion.The key thing is adaptation of style as dictated by circumstances.

The complexity of current business environments and globalization challenges calls for leadership to ensure that every organization's interests are in sync with that of staff because the contexts around them keep changing based on the elements of the market (Vidal,Reyner, Rodriguez & Vivar, 2017). The Contingency theory has been condemned by some scholars for its failure to present a model that is developed empirically and for its inability to provide specific reasons for leadership effectiveness in different situations (Northouse, 2007; Abba, Yahaya & Suleiman, 2018). The theory however focuses on matching leaders to relevant tasks and provides useful tool for the creation of leadership profiles for management changes or reorganization of management structure or supervisory level staff deployment. The contingency theory is applicable to this study since the argument that performance is subject to certain internal and external variables is what this study is pursuing. A contingency approach has also been proposed in situations where the influence of another intervening variable is at play (Vidar et al., 2017; Betts, 2011). The contingency model determined market dynamism and its effect on the dependent-independent relationship.

2.2.3 Dynamic Capability Theory

Three professors, Teece, Shuen, and Pisano (1997), are credited with the idea's inception and development. Internal and external competences may be integrated, created, and

rearranged in response to extremely unexpected settings, as characterized by these researchers as dynamic capabilities. To adapt to and thrive in an ever-changing market, businesses often make deliberate changes to their internal structures and operations. According to Griffith and Harvey (2001), it is vital for a company to become innovatively quick when time to market is a crucial factor, technical advances are fluid, and the competition and market situations are uncertain. Dynamic capabilities define how quickly and how much a corporation may re-deploy resources to meet strategic market demands (Calantone et al., 2006; Loukakou, Membe, 2012) There is ongoing discussion on whether or whether businesses are able to modify or standardize their goods for the market overseas, and if so, how they may do so. The dynamic capability theory predicts that firms that are able to innovate, integrate and adapt the organization resources on time will likely remain competitive in a rapidly changing business environment.

Winter (2003) contends that the theory is pertinent in situations in which there is a change in the environment, in which there is increasing global cooperation, in which goods have shorter life cycles, and in which there is fast improvement in technical innovation. Since cause and effect cannot be separated, the dynamic capacity hypothesis, according to Burisch and Wohlgemuth (2016), cannot directly affect empirical explanation. That's why dynamic capacity theory has no bearing on how we explain phenomena in the real world. Winter (2003) argues that an organization's performance may be inconsistently impacted by dynamic capabilities functioning in static environments. Dynamic capacity may not give an immediate competitive advantage for a company, as stated by Collis and Anand (2019). This is because it is crucial to think

about what the company does with the advantage at a given moment. The market orientation construct's significance in export strategy and business performance was examined using dynamic capacity theory.

In summary, the study was undertaken on the foundation of three theoretical approaches, namely; Heckscher-Ohlin theory, Contingency theory and the Dynamic capability theory. The investigation relied on the H-O hypothesis and backed by the other two ideas. The first objective and hypothesis were anchored on the H-O theory ; the second objective and hypothesis were based on the dynamic capability theory while the third objective and hypothesis were based on the contingency theory. The International Monetary Fund (I.M.F) researchers have used the H-O model to explain the export performance of firms (Ricci & Trionfelti, 2011).

2.3 Empirical Review

2.3.1 Export Strategy and Firm Performance

An empirical research conducted in Canada by Cooper and Kleinschmidt (1983) using a sample of 142 global electronic technology enterprises supported the concept that better success in exports is based on the export strategy that is employed, the kinds of markets that are picked, and the product strategies that are utilized. It has been hypothesized that the performance of a company may be broken down into two categories: the strategic and the economic categories. A comparative analysis of Singaporean and Australian companies was carried out by Choo and Mazzarol (2001), who discovered more evidence that various entrance strategies had varying effects on the overall success of the companies. They suggested using bigger samples from more fields to build trust in their results. According to research by Rasheed (2005), direct exporting is the most effective method for growing export sales when domestic demand is rising faster than anticipated. They also claimed that the export strategy's coordination with local and foreign environmental variables mitigates the heterogeneity in business performance.

Papadopoulos and Martin (2010) gathered information from 140 exporting businesses in the Navarro region of Spain. This study investigated if foreign growth enhanced financial performance. There was a greater correlation between economic performance (part of export performance) and firm performance than between economic performance and strategic performance. This indicates that executives evaluate export performance based on monetary factors rather than other criteria. After surveying 420 Tunisian exporting firms, Khemakhem (2010) found that direct export is best for firms entering international

markets where their products don't need to be modified or adapted and where they don't need after-sales support.

Export strategy does effect export performance, as shown by an analysis of survey data from 75 non-oil Iranian enterprises conducted by Sadaghiani, Dehgan, and Zand (2011), which indicated that the entrance strategy was responsible for explaining 48% of the difference in export performance. Their investigation originated from an expected relationship between export tactic and production. According to the findings, further research is needed to determine the role that external factors have in determining a company's level of success. Based on the research presented above, we contend that the selection of an entrance strategy has a substantial and direct impact on the overall success of the company.

2.3.2 Export Strategy, Market Orientation and Firm Performance

Due to globalization, open international markets, and the severity of the foreign trade deficit, many countries have a foreign trade deficit (Katsikeas, Samiee, and Theodosiou, 2006), prompting academics to study the relationship between market orientation and corporate success. Cadogan, Kuivalainen, and Sundqvist (2009) found a positive linear relationship between market orientation and corporate performance in 783 Finnish firms. But an excessive emphasis on the market might be counterproductive. Similar findings were reached by a team of Indonesian researchers (Julian et al., 2014) after they analyzed 877 export market operations. Market orientation, they maintained, was at most a mitigating influence and not a direct cause of the observed phenomena. Market

orientation mitigated organizational culture's impact on Kenya's microfinance institutions, particularly in more established businesses, according to Owino (2015). Research by Ahimbisiwe, Ntayi, and Ngoma (2013) on 56 businesses in Uganda's fruit export sector found that firms' knowledge of export markets was directly related to their capacity to innovate and adapt to consumers' demands and preferences. These results stem from the reality that a combination of market orientation and innovation has a significant and beneficial effect on business outcomes.

Kim-Soon, Mostafa, Mohammed, and Ahmad (2015) surveyed 223 Malaysian firms whose main market is the Arab world. Their study shows that focusing on growing into new export markets enhances short- and long-term success. It is vital to have a market orientation in order to gradually serve the demands of clients, as well as to create and sustain core capabilities via intentional activities that will assist in achieving success in exporting. These are promotional efforts that have been determined to have a beneficial affect, as evidenced by a research on Ghanaian export enterprises conducted by Quaye et al, (2017). The study was conducted on Ghanaian export businesses. The methods of convenience and snowball sampling were used in the research project to choose respondents. Multiple regression enabled export promotion-firm performance estimation. Study results indicated that export promotion contributed to the growth and success of businesses.

Acikdilli (2013) found, using survey data from 393 Turkish manufacturing organizations, that export market orientation considerably improved Turkish firms' export market

performance. The researcher agreed that corporate success might also be impacted by other aspects, such as the volatility and dynamism of the market, and as a result, they suggested doing further study on the topic. According to the findings of Njeru (2013)'s study, market orientation is a factor that impacts company performance among tour companies in Kenya. Using a RBV and a random sample of 147 managers from Kenyan manufacturing businesses, Lagat, Chepkwony, and Kotut (2012) discovered a positive linear connection between market orientation and firm performance. In particular, they noted the significance of this correlation. A regression analysis was conducted to learn more about how the notions of market orientation and corporate success are related to one another.Firms' success or failure is significantly affected by their surroundings, the research found. The research found that market orientation influenced the export strategy-performance relationship.

2.3.3 Export Strategy, Market Dynamism and Firm Performance

Characteristics of export markets differ in many ways from those of the domestic market and this can be attributed to social, political and economic dynamics (Cavusgil & Zou, 1994). Garg, Walters and Priem (2003) conducted a survey of 107 company CEOs in the USA and the results indicated that firms that paid more attention to the dynamism of the external environment and acted appropriately performed better than those which did not.

Zehir and Balak (2018) found in a survey of 327 Turkish company employees that market dynamism and business success are strongly correlated and that good environmental factors mediate that link. Calantone, Kim, Schmidt and Cavusgil (2006) did a three

country-USA, Japan and Korea- comparative study using representative samples of 239 (USA), 205 (Japan) and 145 (Korea) managers respectively. Their approach included both internal and external influences on business results. The research showed that company performance improved across all three nations when product adaptation was used as a mediator. Considering the increased external market dynamism that necessitates ongoing adaptation and innovation, this is of particular importance.

Mutisya, Kæbonyo, Ogolla, and Njihia (2020) discovered that organizational ambidexterity, the capacity to explore and exploit, positively and statistically significantly affected export performance. This can only be possible through adaptation as well as innovation and technological flexibility. Dynamic Capability theory guided the census survey of 107 big Kenyan manufacturing businesses.

The research suggests that market dynamism moderates the export strategy-firm performance relationship.

2.3.4 Export Strategy, Market Orientation, Market Dynamism and Firm Performance

Since pricing, quality, cultural, and political factors of the export market fluctuate and are certain to effect a firm's performance, export environments require for adaptation both at the product and industry levels (Cavusgil, Schmidt, Kim, & Calantone, 2006). Among 783 Cadogan et al. (2009) found a reverse U-shaped relationship between market orientation and performance in Finnish enterprises. As exporting firms become more globalized and markets become more dynamic, market orientation behavior loses value.

Business managers should therefore aim at managing market orientation to produce the best results. Lee, Yin, Weng and Peng (2014) posit that intense competition at the home market may push firms to seek opportunities abroad as foreign markets enable them to avoid such home competition.

Market volatility has a significant and direct impact on corporate performance, according to research by Akgul, Tatoglu, and Gozlu (2015). According to a longitudinal study of domestic demand and export data by Esteves and Rua (2015), the two variables have an asymmetrical relationship: if domestic demand rises, an export firm may not leave the foreign market because it has already invested in its presence there and may want to stay to recoup its initial investment. In addition, the production cost at home determines whether to export and to which markets the firm can export. Kihara, Karanja, and Ogola (2016) did not distinguish between big businesses and large export manufacturing firms in their research on Kenyan large manufacturing enterprises. From the literature reviewed it was proposed that export strategy, market orientation and market dynamism affect firm success.

2.4 Summary of Knowledge Gaps

The literature reviewed revealed limited information on the links among export strategy, market orientation, market dynamism and firm performance. Moreover, majority of the literature are based on either developed countries' or Multinational Corporations (MNCs) perspectives. Examples of the literature reviewed relating to developed countries are on the US (Rasheed, 2004) and Finland (Cadogan et al., 2009). In instances where a study related to a developing country or Kenya in particular, the variables or the methodology

or the context varied. For instance: Indonesia (Kim-Soon et al., 2015); Ghana (Quaye et al., (2017); and Kenya (Wagana & Kabare, 2015; Kihara et al., 2016; Mutisya et al., 2020). Previous research concentrated on major Kenyan manufacturing enterprises without considering export. Previous investigations have shown minimal, inconclusive, or mixed results. This study is undertaken on the assumption that the choice of the export strategy significantly affects a firm's performance (Cooper & Kleinschmidt, 1983). Firms which choose and implement specific export strategy are likely to be successful in their export businesses than those that do not. Market dynamics may also moderate the export strategy-firm performance relationship (Morgan, Katsikeas & Vorhies, 2012).

According to the literature, export strategy, market dynamism, market orientation, and performance of major export manufacturing enterprises in Kenya are interrelated. Previous studies on the relationships among the variables did not provide comprehensive and reliable measurement of the firm performance variable. Additionally, extant studies on these aspects are either at multi-country (involving many countries) or country level. Table 2.1 provides a literature review of this research's connections, knowledge gaps, and how those gaps were addressed by this investigation.

Table 2.1: Summary of Knowledge Gaps

Researches (s)	Study	Key findings	Gaps	How the study filled thegaps
Kihara et al., (2016)	The success of big Kenyan industrial companies is influenced (to a variable degree) by their organizational structures	Large Kenyan manufacturing enterprises are significantly impacted in terms of their levels of productivity by the organizational structures they use.	The study based in Kenya left both contextual and conceptual gaps. It has n t looked into the manufacturers of export products and did not fully operationalize the performance construct. Relied only on objective(Financial) measurement.	This study looks at the manufacturers who are also exporter of their products. The study adopted more comprehensive approach to measurement of the export performance construct by applying the Sustainable BSC (SBSC).
Akgul et al., (2015)	An examination of Turkish manufacturing companies using a case study to link operational strategy, environmental change, and company performance	There is a strong and substantial link that exists between the dynamism of the environment and the success of the company. A variance-based SEM strategy that is also known as the Partial Least Squares method was used in the testing of the study framework.	The study was narrow in focus and therefore limited generalization of findings to other countries. The study was based on a sample and not a census	The study looked at large export manufacturers in Kenya across sectors. It is a census and applied the multiplr regression approach to fit the empirical data to the conceptual model.

Kim-soon et al., (2015)	The performance of export markets is improved by understanding of MO and organizational factors.	Market orientation and organizational knowledge have a positive effect on export market performance	The research looks at a sample of 223 Malaysian firms that export to the Arab world. The study treated MO as an independent variable	The study was a census survey across industry from a Kenyan perspective. The study treated Market orientation as a mediating variable.
Mutisya et al.(2020)	Businesses that can effectively switch gears in response to shifting market conditions and seize emerging possibilities are said to be "ambidextrous.".	Adaptable businesses can seize new possibilities as they arise, since the market constantly shifts and evolves..	Businesses that can effectively switch gears in response to shifting market conditions and seize emerging opportunities are said to be ambidextrous.	Companies with many strengths may adapt more quickly to market shifts and seize emerging possibilities.
Ahimbisiwe, Ntayi,&Ngoma (2013)	The orientation of Ugandan fruit exporting companies toward the market and their performance	Productivity gains are strongly correlated with an organization's market orientation and its openness to new ideas.	There is a direct and positive relationship between market orientation and innovation in terms of output.	Productivity gains may be achieved via a combination of market focus and innovation.

Julian et al.,(2014)	The empirical connection between market orientation and success in export businesses is shown here.	The research was conducted in Indonesia, and it found that having an orientation toward the market had a moderating influence on performance.	Relies on cross-sectional data from a mail survey of877 manufacturing and exporting firms in Indonesia and applied multiple regression analysis	The study used drop-pick-later-questionnaire method to collect data to enhance reliability and return rate. It was a census survey to enhance generalizability. Hierarchical regression was applied to reveal the effect of market orientation on firm performance.
Beleska-Spasova (2009)	Evidence gathered from British exporters about the factors that influence export strategy and performance	The most important elements in determining whether or not an organization will export are those that are distinctive to the organization itself.	The study on British exporters focused on resource factors in the firm. It ignored relational resources, for instance, promotional campaigns are ignored by the study and further, the influence of the external/ dynamic environments. No clarity inmeasurement of the firm Performance dimensions.	The study looked at the relational resources together with influence of the domesticand external environment with a focus on improvement of export performance measurement tools. The study applied stepwise regression to reveal the effect of MD on firm performance

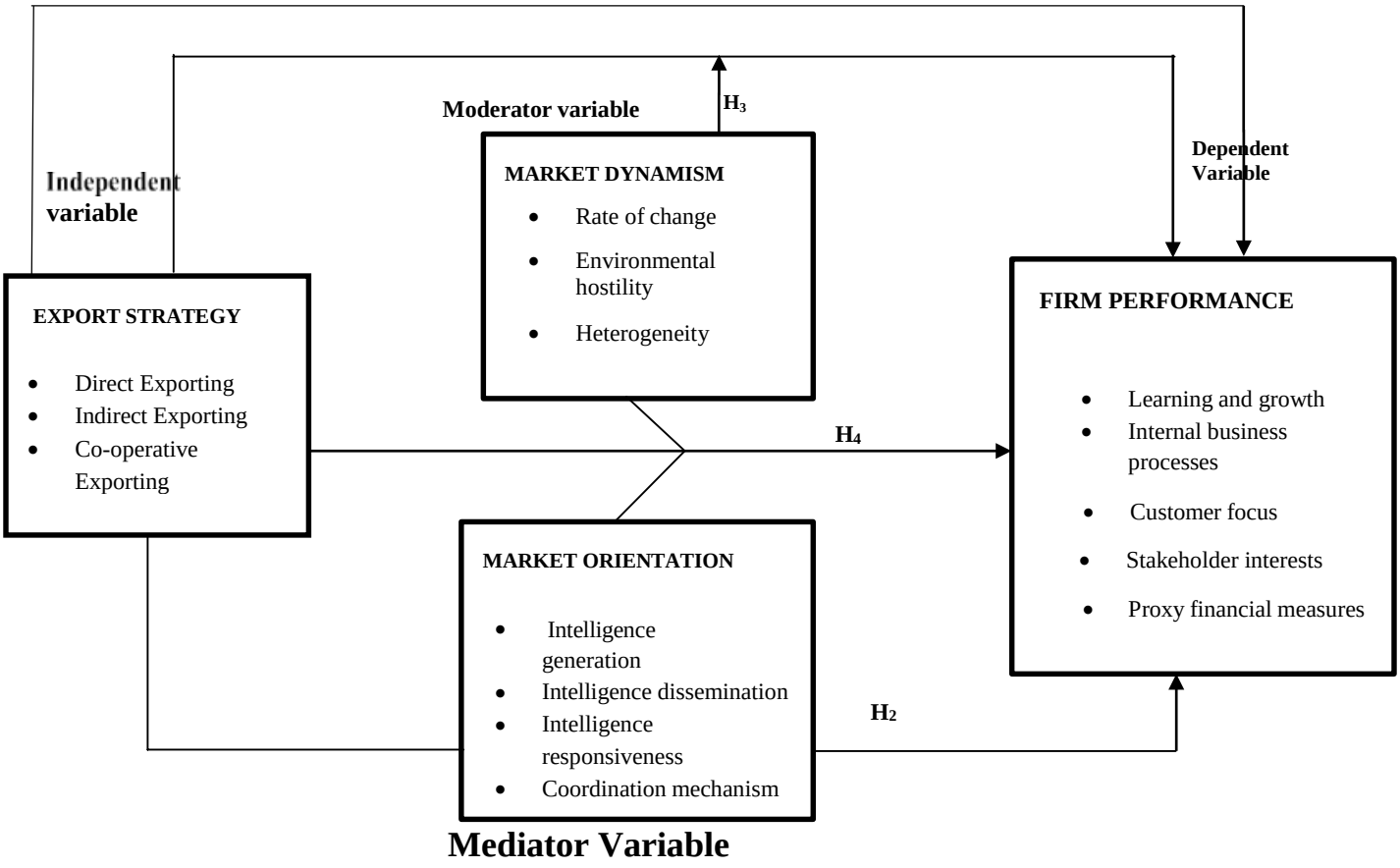
Lagat et al.. (2012)	The importance of market orientation in terms of a company's success in Kenya's industrial sector	According to the findings of the research, a market orientation is positively correlated with company performance in a linear fashion.	Study used a randomly selected sample of 147 managers each one representing one manufacturing firm.	The big export manufacturing companies in Kenya were the primary focus of this particular investigation. A census survey with a cross-sectional design was used for this investigation. The huge manufacturing company that exported goods served as the unit of study.
Cooper &Klenschmidt, (1985)	The influence of export strategy on the overall success of export sales	Export revenue and growth are both significantly impacted by the product tactics used as well as the sorts of international markets pursued.	The study is focused on the exporter alone using aglobal sample of world marketers of high technology electronic firms. This was a bit narrow in scope	The study looked at largeexport manufacturers in Kenya across sectors. It had a wider scope.

Source: Author, 2023

2.5 Conceptual Framework

In a graphical representation known as a model, the conceptual framework establishes relationships between the essential elements of the research. Figure 2.1 provides a visual summary of this.

Figure 2.1: Conceptual Model



Source: Author, (2023)

The export strategy was treated as an independent variable in this research, with company success serving as the dependent variable. There were three main parts to an export strategy: direct exporting, indirect exporting, and cooperative exporting. The Sustainable Balanced Scorecard (SBSC) was used to assess the business's progress; it included sections for measuring the company's progress in areas such as training and development, internal operations, customer satisfaction, stakeholder engagement, and proxy financial measure. Market orientation was evaluated using the four-part framework of intelligence-gathering, dissemination, response, and coordination. Market orientation is conceived of as the mediator variable. The idea of market dynamism, which is assessed by the pace of change as well as antagonism and heterogeneity, is considered to be the moderating variable.

2.6 Research Hypotheses

In pursuit of the above propositions it is hypothesized that:

H01. Large export manufacturing enterprises in Kenya have found that export strategy has no meaningful impact on their overall company performance.

H02. Large export manufacturing companies in Kenya's absence of any substantial influence of market orientation's mediating role on the link between export strategy and firm performance.

H03. Large export manufacturing firms in Kenya have shown that market volatility does not significantly moderate the relationship between export strategy and company performance.

H04. The combined impact of export strategy, market dynamism, and market orientation

did not substantially differ from the sum total of their separate effects on the firm performance of big export manufacturing businesses in Kenya.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The research philosophy, research design, study population, data collection methodologies, reliability and validity testing, as well as diagnostic tests and data analysis are all covered in this chapter. Operationalization and measurement of the study variables was provided as well as analytical models. The study was based on a Kenyan perspective and specifically on the large export manufacturing sector. The research focus was cross sectional-based on a single time period as opposed to a longitudinal study.

3.2 Research Philosophy

Social science research has two main philosophical orientations which guide scientific inquiry, namely; positivism and phenomenology (Saunders, Lewis, & Thornhill, 2007). The positivist school of thinking, as described by Hussey and Hussey (1997), was founded on the idea that research into human behavior should follow the same methods as those used in the natural sciences. This is the central tenet of positivism. On the other hand, phenomenology is a branch of the scientific study of events that is founded on the observations and experiences of the researcher as well as the participant or participants.

According to Saunders et al., (2007), the researchers opted for a positivist technique rather than a realistic or epistemological one, which would have prioritized theory formation, since their emphasis was on examining preexisting conceptions. Research was conducted with the intention of gathering verifiable and objective information on the

study variables via questionnaire responses. After that, the researchers tested their hypothesis by observing the connections between the variables. To validate or disprove past empirical research on the relationships between the studied variables, the study was carried out unbiasedly with no favoritism shown to the researcher or the subjects.

3.3 Research Design

A cross-sectional methodology informed the development of the survey. This is a very specific kind of research being done right now. Those who are eligible to take part in such a research are chosen in accordance with a predetermined set of criteria (Setia, 2016). The research was of a descriptive character, and its methodology consisted of an ex-post facto design with the variables being observed (Kothari & Garg, 2014). Cross-sectional design adopts the deductive approach which explains causal relationships among variables. The design was applied by Twum (2015) and Namada (2017) to deduce hypotheses and draw conclusions.

Lagat, Chepkwony, and Kotut (2012) employed cross-sectional research to evaluate how context affects market orientation and corporate performance. According to them, the design made sure all the necessary information related to the study's central question and positivist research theory was collected. The cross-sectional methodology also let them assess how much of a role external factors play in the correlation between market orientation and business performance. This study's findings suggest that a cross-sectional survey methodology is the best approach for achieving the aims of the investigation.The population was assumed to be modest, therefore a census was conducted instead, which made the task more doable and cost less.The subject of sudy was also critical for decision

making for various stakeholders and therefore a census survey was considered necessary (Kothari & Garg, 2014)

3.4 Population

The sixty largest export manufacturing companies in Kenya made up the study's population. This research examined the largest export manufacturing company. Both the EPC registration (GoK, 2018) and the KAM(KAM, 2018) registry have compiled a list of Kenya's 60 largest export-oriented manufacturing companies.

The people who participated in the study came from 17 different sub-sectors, including those dealing with tea, coffee, clothing, tobacco, plastic products, leather goods and shoes, timber, wood and furniture, building, mining, and construction, the chemical industry and related fields, legume vegetables and seed products dried, products for medical use, metal and related industries, meat and meat products, milk and milk products, as well as mass-market products. The classification was done using data from a survey conducted by the Kenya National Bureau of Statistics (GOK, 2019). The census method was utilized for the research since the population was not very large and could thus be easily managed.The objectives and the main subject of the survey are quite critical for stakeholders.

3.5 Data Collection

The questionnaire served as a key source of information collecting. The study aimed to

collect responses from the CEOs and marketing directors of the 60 participating firms. Consequently, there were 116 total respondents; two people from each business, minus four people who had previously participated in a pilot research involving two companies. Having two respondents per firm enhanced accuracy and objectivity of the data by guarding it against risks like where one respondent tries to make the firm look good. The questionnaire was administered by research assistants. Data collection was undertaken using a Likert-type scale with five points that ranged from 1- 5; 1 being the lowest degree of measures while 5 was the highest degree of measure.

The structured questionnaire was subdivided into five parts; A, B, C, D, E. Part A focused on the firm's profile; B asked questions on export strategy; part C asked questions on market orientation; D focused on market dynamism; while E sought information on firm performance. The drop and pick later method allowed respondents to ask questions about the research or questionnaire. To enhance the completion and return rate an email or text message reminder was sent regularly until satisfactory return rate was achieved. The questionnaire was tested on two businesses from the research population in a pilot study, and any flaws were fixed. Various models and indicators to be applied in operationalizing the variables are depicted in the next table, table 3.1.

Table 3.1: Summary of operationalization of study variables

Variable	Operational dimensions	Measurement Scale	Questionnaire Part	Supporting Literature
Export Strategy (ES)	• Direct Exporting • Indirect Exporting • Co-operative Exporting	Ordinal Scale Likert - type Scale	B	Root, (1994) Sadaghiani etal., (2011). Wach, (2014)
Market Orientation (MO)	• Intelligence responsiveness • Intelligencedissemination • . • Export intelligence generation • Coordination mechanism	Ordinal Scale Likert-type Scale	C	Cadogan etal., (1999). Murray et al.,2007 Kim-Soon etal., 2015.
Market Dynamism. (MD)	• Rate of change • Hostility • Heterogeneity	Ordinal Scale Likert-type Scale	D	Jaworski &Kohli, (1993)Cadogan et al., (2002) Winter, 2003 Agkul et al., (2015)
Firm Performance (FP)	• Learning and growth • Intenal business processes • Customer focus • Stakeholder interests • Proxy financial measures	Ordinal Scale Likert- type Scale	E	Kaplan & Norton,(1997) SBSCI, (2012, 2018)

Source: Author, 2023

3.6 Reliability Tests

Reliability test is a method of evaluating the quality of the measurement procedure used to collect data under a variety of conditions (Nunally, 1978). It is a measure of the extent to which similar outcomes are obtained using similar procedures by other researchers at other times, that is, consistency (Nunally,1978). Collected data was first subjected to reliability test to ascertain whether responses can be used in data analysis. According to Kothari and Garg(2014), a reliability research just needs a sample size of 5–10% of the population.

The research used Cronbach's alpha, a reliability measure that ranges from 0 to 1, with results of 0.6 to 0.7 indicating poor acceptance (Hair, Black, Anderson & Babin, 2010). If Cronbach's alpha is over 0.9 it could imply that some questions are redundant since they are likely asking same thing differently yet leading to similar answers. If Cronbach's alpha is 0.5 or below, the issues may be overly linked. The research took minimum coefficient of 0.7 to ensure satisfactory reliability.

3.7 Validity Tests

Validity refers to how well a researcher's data accurately reflect the study variables. Validity is of various types, namely;: construct, content, concurrent, convergent and predictive validity (Babbie, 2010). Pilot testing helped researchers spot problems with the questionnaire before they moved on to assessing the content validity of the instrument and making any required revisions. Pilot research businesses were excluded from the final study due to assessment and response biases. Validity was determined and analyzed

for both constructs and content in this research.

To test for construct validity, factor analysis using principal construct analysis (PCA) was utilized. The construct validity of a research instrument is a measure of how well it captures the phenomena of interest. Contrarily, content validity considers the accuracy of the measurement process (Mugenda & Mugenda, 2003) and the breadth of the instrument's coverage of the constructs it's designed to assess (Yagmaei, 2003). Content validity was tested using the Content Validity Index (CVI) obtained through subject matter experts. A CVI index of 0.7 or 70 per cent was acceptable. The measuring instrument was made available to domain experts, who were then asked for their thoughts on the questionnaire's suitability in gauging each construct.

3.8 Diagnostic Tests

Data from the study population should directly link to the independent and dependent variables according to the assumption of linearity. According to Osborne and Waters (2002), it is necessary to test for linearity since there is a high probability of non-linear relationships in the social sciences. Testing for linearity was done using graphical representations with scatter plots. Multicollinearity may occur with an unacceptably high levels of correlation between the variables. To minimize this, the VIF test was conducted to determine the tolerance level. Multicollinearity exists when the VIF is larger than 10 and below 0.2 tolerance value.

According to Park (2008), normally distributed variables have kurtosis and skewness close to zero and mean near median. The study established normality of each variable

using Smirnov Kolmogorov test. The data is said to be normally distributed if the p-value is > 0.05. Descriptive statistics were conducted to obtain; the means, the medians and standard deviations, kurtosis and skewness in order to describe the normality of the data. Levene's variance homogeneity test was used to evaluate the residual data for homoscedasticity at $P \geq 0.05$ significance level. The level of relationship between the variables was analyzed using the Pearson product moment correlation test. Perfect negative correlation is -1.00, while absolute positive correlation is 1.00, according to Mukaka (2012).

3.9 Data Analysis

The researcher cleaned, coded, edited, and analyzed the surveys after receiving them from the field. Descriptive and inferential statistics were employed in this investigation. The mean, percentages, standard deviation, and coefficient of variation were used in descriptive statistics. The methods of regression and correlation were used for inferential analysis. It was determined using correlation analysis which hypothesized variables were linked and in what ways. To establish the link between variables, we used regression analysis methods such basic linear regression and stepwise regression.

A simple linear regression analysis was used to examine how entry strategy affected large Kenyan export manufacturing businesses' (H1) overall performance. Stepwise regression was used to determine market orientation's moderating effect on large Kenyan export manufacturing firms' (H2) entry strategy-performance relationship. Hierarchical regression analysis examined how market volatility affects export strategies and results of

large Kenyan export manufacturing firms (H3). The numbers showed that severe price fluctuations were mitigated by a dynamic market. With the use of multivariate regression, we were able to assess how much of an effect export strategy, market orientation, and market dynamism had on the performance of big Kenyan export businesses (H4). This was done so that more light might be shed on the research issue. Summaries of hypothesis-testing data may be found in Table 3.1.

Table 3.2: Summary of Analytical Models and Test of Hypotheses

Objective	**Hypothesis**	**Analytical Model**	**Test Results/ Interpretation**
Find out how the success of significant export manufacturing enterprises in Kenya is affected by their export strategy (ES).	**$H_{.1}$:** There is no discernible impact of export strategy on the operational performance of Kenya's major export manufacturing companies.	Simple linear regression analysis FP= $\beta_0+\beta_1 ES+\mathcal{E}$. Where; ES= $(x_1+x_2+ x_3)/3$.where; ES=Composite Score for export strategy X_1=Direct Exporting scoreX_2=Indirect Exporting score X_3=Co-operative Exporting score β_1, are coefficients $\beta_{0=}$ Constant $\mathcal{E}$ = error term	F-Test determines the overall significance of the model The overall model is deemed significant if the R^2 value is significant If t-value is > 1.96 then individual variables are significant.
The primary objective of this study is to determine the impact that market orientation (MO) has on the connection between export strategy and firm performance.	**H_2:** There is little evidence to suggest that market orientation plays a substantial role in mediating the connection between export strategy and firm performance.	Stepwise regression model was used where the following 4 steps was performed; Step 1: FP = $\beta_0+\beta_1 ES+ \mathcal{E}$ Step 2: MO=$\beta_0+ {}_1 ES+ \mathcal{E}$ Step 3: FP = $\beta_0+ \beta_1 MO+ \mathcal{E}$ Step 4: FP = $\beta_0+ \beta_1 ES +\beta_2 MO+ \mathcal{E}$. Where; ES=Composite Score for export strategy	Step 1-3 should be significant at 5% In step 4, ES should be insignificant at 5% for MO to be a mediating variable.

		MO= composite score for MO FP =composite score for firm performance β_0= constant (Intercept $\beta_{1\&}\beta_2$= regression coefficients $\mathcal{E}$ = error term	
Find out whether the link between corporate success and export strategy is moderated by market dynamism (MD).	**H_3**: There is little evidence to suggest that market dynamics have a substantial moderating role in the relationship between export strategy and company performance.	Hierarchical Regression model proposed by Baron & Kenny (1986) Step 1: FP= β_0+ β_1ES+ ε Step 2: FP = β_0+ β_1ES+ β_1MD+ ε Step 3: FP = β_0+ β_1ES+ β_2MD+ β_3ES*MD + ε. Where; ES=Composite Score for export strategy MD= composite score for MD FP = composite score for performance ES*MD = Interaction term β_0= constant (Intercept) $\beta_{1...}\beta_3$= regression coefficients $\mathcal{E}$ = error term	Change in R^2 to assess change in export performance which is due to its relationship with market dynamism. t-test to determine significance of individual variables F-Test determines the overall significance of the regression Model P value to determine statistical significance If the p value for interaction term (ES*MD) is significant i.e <0.05, then moderation is supported.
Find out whether the influence of export strategy on company performance is bigger than the impact of market orientation and market dynamism taken together.	**H_4**: The combined effect of Export strategy, MO and MD on FP does not significantly vary from the individual effects on firm performance	Individual effect FP= β_0+ES+$\mathcal{E}$. Joint effect: Multi-variate regression analysis. FP= β_0+ β_1ES_c+ β_2MO+ β_3MD+ $\mathcal{E}$ Where: FP=Firm Performance as a result of the joint variables ES=Composite Score for entry strategy MO=composite score for export market orientation MD=Composite score for market dynamism β0=Constant β1, β2, β3, are coefficients $\mathcal{E}$ = error term	F-Test determines the overall significance of the model If R^2 value is significant then the overall model is significant If t-value is > then variables are individually significant. If R^2 is positive and significant, then the overall model is significant. If theS-value is >P value then the variables are individually significant F-test determines the significance of the entire model jointly and independently. R^2 shows the extent to which variations in the dependent variable FP are explained by the independent variable ES.

			If the R^2 for the joint model is greater than the R^2 of the individual model, then it was concluded that the combined effect of ES, MO and MD on FP is greater than the effect of ES on FP.

Source: Author, 2023

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND INTEPRETATIONS

4.1 Introduction

This chapter provides in-depth research results gleaned from replies in the field. The data was examined in light of the study's overarching goal, its subgoals, and its hypotheses. The chapter covers the respondent's general profile information and outcomes of the research questions. Tables, figures and explanatory notes were used in presenting the outcomes.

The purpose of this research was to ascertain whether large, export-oriented manufacturing firms in Kenya had different levels of success depending on how aggressively they pursued international markets. The demographic information, data on how the findings were presented, and analysis of the study's aims were all examined using descriptive and inferential statistics gleaned from the questionnaires.

4.2 Response Rate

The research utilized descriptive cross-sectional survey research design. The study targeted company CEOs and heads of marketing from sixty (60) firms. The response rate results from the administration of the questionnaire are given in Table 4.1.

Table 4.1: Response Rate

Response Rate	Frequency	Percentage
Returned	56	96.55%
Not Returned	2	3.45%
Total	58	100

Source: Primary data, (2023)

Table 4.1 displays the results from the 58 businesses that were issued the questionnaire and the 56 that replied with completed forms. A complete response is defined as two responses from the company in this study's context. In cases when just one answer was received, that response was counted as a non-response since it was considered to be insufficient. A response rate of 96.55 percent was achieved as a result of this. A response rate of 80% is adequate to be representative of the community and shows an effective data gathering approach, as stated by Saunders, Thornhill, and Lewis (2016). Thus, the study's response rate was considered adequate.

4.3 Test of Reliability

Zikmund, Babin, Carr, and Griffin (2013) define dependability as the degree to which measurement findings are error-free and provide consistent results when a comparable research using the same technique is undertaken. All of the statements in the questionnaire were given a Cronbach alpha value, which is a correlation coefficient that compares two different data sets. According to Field (2013), results that fall anywhere between 0.4 and 0.7 are considered to have a typical level of consistency, whilst scores that are higher than 0.7 are considered to have a high level of consistency. For the

purpose of this investigation, dependability was determined with the use of Cronbach's alpha formula, and SPSS was utilized for the analysis. Table 4.2 presents the results of the reliability analysis.

Table 4.2: Reliability Test

No	Variables	Items	Cronbach Alpha	Remark
	Export Strategy			
1	Reasons for Choice	11	0.969	Reliable
2	Future Export Strategy	7	0.905	Reliable
3	Organization of Primary Export	6	0.932	Reliable
	Market Orientation			
1	Market Orientation	10	0.971	Reliable
2	Export intelligence generation	8	0.923	Reliable
3	Intelligence Dissemination	8	0.945	Reliable
4	Intelligence Responsiveness	8	0.966	Reliable
5	Coordinating mechanism	8	0.886	Reliable
	Market Dynamism			
1	Market Dynamism	14	0.976	Reliable
2	Hostility	6	0.929	Reliable
3	Heterogeneity	6	0.899	Reliable
	Firm Performance			
1	Financial sustainability	4	0.921	Reliable
2	Learning and growth	3	0.980	Reliable
3	Internal business processes	6	0.876	Reliable
4	Stakeholder interests	3	0.980	Reliable
5	Customer Focus	3	0.875	Reliable

Source: Primary data, (2023)

The fact that all of the constructs recorded Cronbach's alpha values that were more than 0.7, as shown in the data presented in Table 4.2, indicates that the instrument was sufficiently trustworthy for measurement and is thus acceptable. Because each of the constructs that were assessed had Cronbach's alpha values that were higher than 0.7, it was determined that all of the constructs were trustworthy and acceptable.

4.4 Test of Validity

Testing the validity of a research instrument is done to show how well it probes the phenomena it is designed to measure, as stated by Kothari (2004). Acceptable and adequate data are prerequisites for moving further with inferential statistics, which includes factor analysis, regression analysis, and other statistical tests. The Keyser Meyer Olkin (KMO) test of sphericity was used for the research as described by (Dikko, 2016). In addition, a factor analysis was performed for the research to check for any linked variables so that redundant data could be eliminated. This was done so that a more precise interpretation of the study's findings would be possible. Determining the components also assisted in the process of analyzing the structure of the interrelationships that existed.

4.4.1 Construct Validity

The Kaiser-Meyer-Olkin (KMO) test determines whether data are acceptable for factor analysis. The test checks whether the model and its variables are acceptable for sampling. In order for the statements to be true, the KMO value must be more than 0.4, and the P-value of sphericity must be less than 0.05. Only then can it be said that the tests measure what they claim to measure. An overview of the results may be found in table 4.3.

Table 4.3: Construct Validity

Variable	KMO Value	Sphericitv
Export Strategy	0.532	0.000
Market Orientation	0.625	0.002
Market Dynamism	0.583	0.002
Firm Performance	0.680	0.000

Source: Primary data, (2023)

When both the KMO value and the P-value of sphericity are more than 0.4 and the P-value of sphericity is less than 0.05, the statements are valid, and the measurements produce the results they promise to provide. Export strategy, market orientation, market dynamism, and firm performance all had KMO values more than 0.4, and the Barlette's test of sphericity was less than 0.05, thus we may assume that the statements are true. The equipment is accurate in measuring what it claims to be accurate in measuring.

4.4.2 Factor Analysis for Export Strategy

An examination of the impact of several factors was carried out on the export strategy statements. Cooper and Schindler (2011) propose using variables with a factor loading value of 0.7 as a cutoff for relevance. However, some researchers argue that a threshold of 0.4 for the factor loading value is more appropriate. In a similar vein, Tabachnick and Fidell (2007) explored the categorization of factor loading as follows: 0.32 for "poor," 0.45 for "fair," 0.55 for "good," 0.63 for "very good," and 0.7 for "excellent." In the course of the research, a factor analysis was carried out to investigate potential instances of correlation or duplication in the data. In addition, it is helpful to outline the

components and conduct an analysis of the nature of the links between them. An aggregate was performed for the two pilot firms, and Table 4.4 presents the factor loading for the export strategy.

Table 4.4: Factor Loading for Export Strategy

Export Strategy	Extraction
Avoid unnecessary costs	0.989
Gain greater control	0.980
Enhance interaction with clients	0.989
To understand better the market place	0.885
It gives greater flexibility in decision making	0.885
Minimize risks	0.980
Less investment required	0.980
To enable special concentration on manufacturing	0.790
To gain technical guidance from intermediaries of our firm	0.918
To enjoy spreading of costs	0.918
To gain from synergy	0.918
Future Export Strategy	
To use direct exporting	0.740
To use indirect exporting	0.708
To use cooperative exporting	0.840
To abandon exporting altogether	0.869
To increase exporting quantity through the current method	0.748
To continue exporting using current method	0.864
To shift completely from exporting to another entry mode	0.928
Organization of Primary Export	
It is under the domestic marketing department	0.987
It is under a fully-fledged export department	0.987
It is under overseas agents	0.960
It is managed by company employees based in export markets	0.987
It is run by overseas agents/subsidiaries or joint ventures	0.991
It is run by other local intermediaries	0.859

Source: Primary data , (2023)

Results on Table 4.4 show that all the statements on Export Strategy, Future Export Strategy and Organization of Primary Export had factor loading values greater than 0.5. thus acceptable and therefore all the sub variables were utilized.

4.4.3 Factor Analysis for Market Orientation

The statements that were filed under "market orientation" went through a process of factor analysis. A factor loading of 0.45 is considered to be an accurate estimate of real world data, as stated by Tabachnick and Fidell (2007). An aggregate was performed for the two pilot businesses, and the factor loading for Market Orientation is shown in Table 4.5 below.

Table 4.5: Factor Loading for Market Orientation

Market Orientation	**Factor Loading**
Our firm undertakes export intelligence generation	0.785
Our firm disseminates intelligence gathered on export matters	0.861
Our firm is responsive to export intelligence gathered	0.938
Our firm is strongly innovative in its products	0.549
Our company is responsive to the requirements of both the market and the customers.	0.705
Our firm engages in active export promotion	0.616
Our firm collaborates with government export promotion entities.	0.709
All our export staff have access to the internet	0.795
Our firm has an internet website	0.594
Our firm motivates / rewards staff coming with new ideas and innovations regarding our business.	0.647
Export intelligence generation	
On a regular basis, we do an analysis of the potential effects that modifications to our export environment could have on the economy, regulations, and technologies.	0.667
When we want to determine the level of quality of our products and services, we talk to the actual customers who will be using them.	0.607
We are able to detect shifts in the product preferences of our customers located	0.640

in other countries in a very timely manner.

Our firm generates rich information related to trends (i.e. demand, competitors) technological development, regulation politics and economy)	0.610
We consistently create information that is both credible and relevant to the operations of our rivals in the international marketplaces.	0.815
Our dedication and direction in the direction of satisfying the needs of our export customers is continuously evaluated.	0.545
Occasionally our present and future export clients and market places are visited by our officials from the appropriate departments.	0.867
We frequently and carefully assess and respond to export client satisfaction levels	0.865
Intelligence Dissemination	
At a minimum of once every three months, we convene regular departmental meetings in order to discuss new changes (such as regulatory and technical) in the markets where we export our goods.	0.578
Our company's marketing team often meets with representatives from various departments to explore the future requirements of our export customers. (e.g. exports, newsletter contents)	0.940
Documents (such as exports and newsletters) containing information that is pertinent to our company's export clients are sent on a regular basis by our company.	0.528
Concerning the expansion of the organization's export markets, the company's export department and production department maintain continual contact with one another.	0.506
It is quite easy for our divisions to communicate and exchange important information with one another about our export rivals and the export market.	0.734
Export staff transmit client preferences information periodically to other functional departments or divisions.	0.575
Crucial information regarding export customers is available to every player including shops.	0.548
Export strengths and methods of exporting competition are routinely discussed in top management	0.615
Intelligence Responsiveness	
It doesn't take long to make a decision on how to react to changes in the prices of competitors in the export market.	0.890
We keep an eye out for any shifts in the product or service requirements of our international customers.	0.638
Regularly, we assess the progress of our product development endeavors to make sure	

relevance to what export customers need	0.565
Our product standardization strategy for export is informed by comprehensive customer research	0.934
Different departments meet occasionally to develop response strategies to emerging trends in the our foreign business environment for instance technology, regulation, politics)	0.831
The products sold to foreign markets are dictated by real market demands.	0.787
Complaints from clients are responded to quickly and comprehensively by our company.	0.926
We respond swiftly to fundamental changes in our export business Environment.	0.753
Coordinating Mechanism	
When it comes to the company's exports, there is collaboration across the different divisions.	0.947
Transactions and activities related to business are coordinated in the service of achieving a shared objective.	0.826
Conflict might be seen across different departments of our company.	0.738
The export efforts of our companies are hampered by dominant players from other sibling departments. Activities	0.822
The sales team works in close coordination with the other workers of the organization to solve post-sale concerns.	0.948
Conflicts that arise across different departments are rapidly and pleasantly handled via our conflict and dispute resolution system and committee.	0.771
Export activities are at times disrupted by the activities of our departments	0.900
There exists strong collaborative working arrangements between export and production personnel	0.831

Source: Primary data, (2023)

According to the results that can be found in Table 4.5, each of the statements about market orientation, export intelligence creation, distribution of intelligence, intelligence responsiveness, and coordination mechanism had factor loading values that were larger than 0.5; as a result, no indication was removed.

4.4.4 Factor Analysis for Market Dynamism

Statements on the dynamic nature of the market were subjected to factor analysis. A factor loading of 0.45 is considered to be a good estimate of real world data, according to Tabachnick and Fidell (2007). An aggregate was done for the two pilot enterprises, and Table 4.6 presents the factor loading for market dynamism in that aggregate.

Table 4.6: Factor Loading for Market Dynamism

Market Dynamism	Factor Loading
Our firm monitors economic policies of our export market at all times	0.976
Our firm is sensitive to legislative and legal decisions in the export Market	0.973
Our firm is sensitive to political events in either the domestic or export Market	0.973
The domestic market issues affect our export decisions	0.923
Our firm is aware of and mitigates the environmental hostility/turbulence	0.923
Rate of change in the products demanded in the export market is high.	0.976
The psychic & physical distance of the market determines whether to export or not	0.976
Our export customer's product preferences change consistently over Time	0.630
Our export market environment / condition changes frequently	0.956
Our competitors change their behaviour frequently	0.956
Our export customers are always on the look for new products	0.956
Our export customers are in constant search for stable product Preferences	0.956
Our export market regulations and standards change within short notice periods.	0.928
Our firm develops effective pricing tactics to remain competitive in hostile environments	0.956

Hostility	
Our competitors use hostile methods to gain and hold the market	0.875
Foreign government regulations are against our products	0.521
Our company is aware of and acts to ward off competitor hostility	0.900
Our firm collaborates with export market domiciled firms to reduce Hostility	0.534
We strive to create and nurture niche market before venturing into a wider market	0.853
Our firm develops effective pricing tactics to remain competitive in hostile environments.	0.663
Heterogeneity	
The demands of our new export clients tend to differ from those of the older clients.	0.882
When compared to the rules, norms, and regulations that govern our home market, those that govern our export market are distinct.	0.961
Our company exports products that are differentiated to meet various market needs	0.997
Our company is always revising our merchandise to accommodate the shifting demands of international markets.	0.953
Our firm has a strong and active R & D department	0.953
Our company adopts technological innovation on products and our Processes	0.884

Source: Primary data, (2023)

Table 4.6's results demonstrate that all of the assertions about market dynamism, antagonism, and heterogeneity had factor loading values that were larger than 0.5, indicating that these claims were accepted and that none of the indicators were removed as a result.

4.4.5 Factor Analysis for Firm Performance

The company's performance disclosures were factor-analyzed. Tabachnick and Fidell (2007) found that factor loadings of 0.45 accurately capture real-world data. The two pilot organizations were summarized in table 4.7.

Table 4.7: Factor Loading for Firm Performance

Firm Performance	
Financial sustainability	
	Factor Loading
Over the course of the previous five years, we have seen a consistent increase in our overall sales.	0.974
Over the course of the previous five years, our percentage of the market has increased.	0.900
Our overseas sales have overtaken domestic sales	0.900
Over the course of the previous five years, our profit margin has seen tremendous growth.	0.503
Learning and growth	
Our employees get consistent training to help them learn new abilities and gain new ideas.	0.616
Over the course of the last five years, our spending on experts has become more affordable.	0.709
Over the course of the previous five years, the reputation of our brand of goods has grown.	0.795
Internal business processes	
Over the course of the previous five years, our goods have been refined in response to feedback received from customers.	0.708
In the previous five years, our company has grown output while simultaneously reducing the number of redundant positions.	0.840
In the previous five years, our company has made significant strides in enhancing its marketing and export promotion operations.	0.869

Over the course of the last five years, our manufacturing methods have become more dependent on more advanced technologies.	0.748
Internet access and use for business purposes is available to all of our staff members.	0.864
Our research and development division is quite capable.	0.737
Stakeholder interests	
Employees that contribute to the development of new ideas that lead to improvements in our goods are rewarded by our firm.	0.766
Our company encourages morality as well as responsible governance.	0.850
Through the mitigation and management of environmental contamination, our business demonstrates its concern for the natural world.	0.813
Customer Focus	
A corporate social responsibility (CSR) strategy is in place and being carried out by our organization.	0.695
When compared to how they felt about our wares five years ago, our customers now have a more positive outlook.	0.726
Following the completion of a transaction, our company provides our clients with follow-up and support.	0.993

Source: Primary data, (2023)

In Table 4.7, all assertions addressing financial sustainability, internal company processes, learning and development, stakeholder interests, and customer focus had factor loading values more than 0.5. As a result, all of these statements were approved, and none of the dimensions were eliminated.

4.5 Demographic Characteristics

Information about the export companies' most fundamental characteristics, such as; age of company, number of employees, duration of export and the exporting regions.

4.5.1 Age of Company

The purpose of this research was to determine how long Kenyan significant manufacturing enterprises that exported their goods had been in operation. The purpose was to establish their duration in the manufacturing sector. Table 4.8 below presents the findings.

Table 4.8: Age of Company

Age of Company(Years)	Frequency	Percentage %
Under 5 years	5	9.3
5-10 years	11	19.4
11-20 years	12	22.2
21-30 years	19	34.3
31-40 years	3	4.6
Over 41 years	6	10.2

Source: Primary data, (2023)

Table 4.8 reveals that among the largest export manufacturers, 34.3% have been in business for 21-30 years, followed by 22.2% with 11-20 years of experience. The fewest number of exporting firms are aged between 31-40 years at 4.6%.

4.5.2 Number of Employees per Firm

The study examined employee size among Kenyan large export manufacturing firms. The purpose was to establish the size of the permanent workforce used in different large export manufacturing firms in Kenya. The output is exhibited in Table 4.9.

Table 4.9: Number of Employees

No. of Employees	Frequency	Percent %
Under 11	1	1.1
11-50	6	10.2
51-100	18	32.4
101-150	13	23.9
151-200	12	22.2
201-250	4	6.5
251 and over	2	3.7
Total	56	100

Source: Primary data, (2023)

From the analysis as depicted in Table 4.9, majority of the large export manufacturing entities had a permanent workforce range of 51-100 employees at 32.4%. The export manufacturing firms with 11-50 employees were 10.2%. The least range of number of employees per firm was below 11 employees at 1.1%.

4.5.3 Length of Time in Export Business

The study aimed at establishing the duration of exporting existence of the large export manufacturing firms in the Kenya that exported its products. The purpose was to establish their duration in the export manufacturing subsector. Table 4.10 exhibits the outcomes.

Table 4.10: Duration of exporting

Export Duration	Frequency	Percent %
Under 5 years	3	5.6
5- 6 years	5	9.3
7-8 years	18	31.5
9-10 years	13	23.1
Above 10 Years	17	30.6
Total	56	100

Source: Primary data, (2023)

From Table 4.10 majority of the large export manufacturing firms had exported for 7-8 years and represented 31.5% followed by those with above 10 years at 30.6%. The least duration of exporting by the large export manufacturing firms was below 5 years at 5.6 %.

4.5.4 Export Regions

The purpose of this research was to identify the markets where Kenya's major export manufacturers sell their wares. The purpose was to establish their common export regions for the local products. Table 4.11 indicates the output.

Table 4.11: Export Regions

Region	Frequency	Percent %
Europe	14	25
North America	12	22.2
Asia Pacific	9	15.7
Africa	20	35.2
Other	1	1.9
Total	56	1003

Source: Primary data, (2023)

The output shows majority of large export manufacturing entities exported their products to the region of Africa and represented 35.2% followed by Europe at 25%. The other regions such as Central America, Russia and Oceania regions were the least export destinations at 1.9 %.

4.6 Descriptive Statistics

This section includes descriptive analysis for export strategy, market orientation, market dynamics, and business performance. Descriptive statistics provide for a deeper understanding of the data's composition. This part of the report gave the findings in the form of means and standard deviations.

4.6.1 Measures of Export Strategy

The categorizations of direct exporting, indirect exporting, and cooperative exporting were used as the sub-constructs that quantified export strategy. These categorizations were mostly derived from Wach's (2014) combination of entrance strategy dimensions. It was requested of the participants that they respond to particular questions provided by identifying the degree to which export strategy affects business performance. The replies were scored using a Likert-type scale with five points, with one being very weak, two

representing weak, three representing moderately strong, four representing strong, and five representing very powerful. The totals for the categories'very weak' and 'weak' were added together. While the results for moderate strong were broken down and discussed separately, the ratings for great extent, very strong, and strong were added together and then averaged. On a scale that ranged from one to 10, the average score for weak was between 0 and 2.4. The score of moderately strong is comparable to a average score that falls somewhere between 2.5 and 3.4. The scores, which ranged from strong to very strong, were used to construct a average score in the range of 3.5 to 5.0. The export strategy scale had three dimensions, and the subscale was made up of eleven different components. Respondents were asked for their thoughts on the aforementioned sub-constructs, and the results of their scores may be seen in Table 4.12.

Table 4.12: Means and Standard Deviations for Measures of Export Strategy

Export Strategy	Mean	Std. Dev	CV (%)
Direct Exporting			
Avoid unnecessary costs	3.62	1.091	30
Gain greater control	3.66	1.254	34
Enhance interaction with clients	3.76	1.143	30
To understand better the market place	3.48	1.370	39
It gives greater flexibility in decision making	3.68	1.109	30
Overall mean	3.64	1.1934	33
Indirect Exporting			
Minimize hazards	3.64	1.172	32
Less investment needed	3.73	1.157	31
In order to provide a particular emphasis on manufacturing	3.77	1.038	28
In order to get expert advice on technical matters from intermediaries affiliated with our company	3.74	1.097	29
The overall average	3.72	1.116	30
Co-operative Exporting			
To benefit from the lowering of overall expenses	3.76	1.067	28
To benefit from synergy	3.72	1.183	32
The overall average	3.74	1.125	30

Grand Mean	3.69	1.153	31

Source: Primary data, (2023)

An export strategy is the set of procedures a business follows to facilitate the transfer of its assets, personnel, and management to a foreign market. Direct exporting, indirect exporting, and cooperative exporting are the three types of export strategies identified by Wach (2014). According to Wach (2014), direct exporting may be accomplished via one of the following channels: Central office on a global scale, overseas representative or distributor, or one's own own distribution network.

There is a strong signal from the examination of the direct exporting subscale: increase client interaction (average = 3.76, S.D = 1.143); Quite a bit; a lot of the way towards more command (average = 3.66, SD = 1.254).Gaining familiarity with the marketplace was seen as the least important (average = 3.48, SD = 1.170).

Indirect exporting may be done via intermediaries including export management firms, brokers, commission houses, and organizations. Indirect exporting subscale analysis strongly suggests the following: consulting our company's intermediaries for technical advice (average = 3.74, SD = 1.097); requiring fewer capital expenditures (average = 3.73, SD = 1.157); and focusing more on the production stage (average = 3.7=SD = 1.038).

The coefficients of variation were assigned grades of 0–25 (excellent), 26–50% (good), 51–75% (fair), and 76–100% (bad) for this investigation. The average score for export strategy indicators of business success was 3.69, with a CV of 31%. According to the findings of the CV, which were 30%, the variance is consequently modest and hence satisfactory.

4.6.2 Measures of Market Orientation

Using the criteria laid forth by Kohli and Jaworski (1990) and Cadogan et al. (1999) on market orientation, we evaluated a company's market orientation based on its export intelligence creation, dissemination, reaction, and coordination mechanisms.

Respondents were asked to score their agreement with the premise that market orientation improves firm performance. Responses were given on a scale similar to the Likert one, from 1 to 5, where 1 meant "totally disagree," 2 meant "disagree," 3 meant "moderate," 4 meant "agree," and 5 meant "totally agree." The moderate findings were analyzed independently from the agreement and high agreement averages. Both the'strongly disagree' and 'disagree' ratings were averaged out. The range of possible responses for 'disagree' was from 0 to 2.4. The range of possible points for'moderate' was from 2.5 to 3.4, but the range of possible points for 'agree' was from 3.5 to 5.0. The scale had three items, and the subscale had eleven different sub-constructs that made up its components. Respondents were asked for their thoughts on the aforementioned sub-constructs, and the results of their ratings are shown in Table 4.13.

Table 4.13: Means and Standard Deviations for Market Orientation

Market Orientation	Mean	Std. Dev	CV (%)
Our firm undertakes export intelligence generation	3.71	1.25	34
Our firm disseminates intelligence gathered on export Matters	3.26	1.22	37
Our firm is responsive to export intelligence gathered	3.66	1.12	31
Our firm is strongly innovative in its products	3.55	1.2	34
Our firm adapts to the customer and market needs	3.57	1.1	31
Our firm engages in active export promotion	3.51	1.18	34
Our firm collaborates with government export Promotion entities.	3.62	1.24	34
All our export staff have access to the internet	3.63	1.2	33
Our firm has an internet website	3.69	1.27	34
Our firm motivates / rewards staff coming with new Ideas and innovations regarding our business.	3.44	1.31	38
Mean	3.56	1.21	34

Source: Primary data, (2023)

Analysis of market orientation shows, as shown in Table 4.13, that: strongly, export intelligence generation is being undertaken (average = 3.71, S.D (SD) = 1.25; strongly innovative in its products (average =3.55, SD=1.20); the firm adapts to the customer and lastly, motivates / rewards staff coming with new ideas and innovations regarding our business (average =3.44, SD 1.31). The overall average score for the indicators of market orientation on firm performance was 3.56, and the overall coefficient of variation (CV) was equal to 34 percent of the total. The findings of the CV showed that the variation was just 34%, which indicated that it was low and hence satisfactory. Table 4.14 displays the outcomes for export intelligence development, distribution, response, and coordination.

Table 4.14: Means and Standard Deviations for Market Orientation Constructs

Export intelligence generation	Mean	Std. D	CV %
We routinely conduct studies on the potential repercussions of changes in the export environment. We also make it a priority to regularly survey the individuals who will be utilizing our goods and services in order to gauge how well they are meeting their needs.	3.73	1.11	30
We are able to quickly adapt if there is a shift in the product preferences of our customers who are situated in other nations.	3.84	1.09	28
A significant amount of information about current fashions is produced by our company.	3.71	1.12	30
We consistently produce accurate and timely information that is relevant to the operations taking place in our export market.	3.69	1.00	27
Our degree of focus and dedication to meeting the requirements of our international clients is something that is continuously assessed by our company.	3.67	1.15	31
Our managers from the appropriate function divisions travel often to meet with both our existing export customers and potential customers and markets.	3.79	1.21	32
We monitor the levels of satisfaction of our export customers on a regular and systematic basis, and we take their feedback into consideration.	3.74	1.07	29
We do periodic research into the potential effects of changes in the export environment. We also regularly visit the people who will be using our products or services in order to get feedback on how well they are doing.	3.67	1.08	29
Mean	**3.73**	**1.10**	**30**
Intelligence Dissemination			
Every three months, our departments get together for their regular meetings to discuss new developments and developing trends in the international marketplaces where we operate.	3.55	1.16	33
In our company, members of the marketing team interact with employees from different departments to discuss the upcoming requirements of international clientele.	3.66	1.07	29
Our firm periodically circulates documents on information relevant to export customers	3.69	1.16	31
The export and manufacturing departments engage in constant communication on matters pertaining export market development	3.67	1.17	32
Departments freely exchange crucial data regarding our export rivals and the export market.	3.76	1.09	29
Employees in charge of exports routinely update higher-ups on customer feedback.	3.87	1.01	26
Export clients' essential data is available down to the unit level.	3.85	1.08	28
Management routinely discusses export rivals' strengths and plans.	3.79	1.22	32

Mean	**3.73**	**1.12**	**30**
Intelligence Responsiveness			
We are able to adapt quickly and effectively to the pricing fluctuations of our competitors in the export market.	3.73	1.16	31
	Mean	**Std. D**	**CV %**
We pay attention to how our clients' service and product requirements evolve over time.	3.76	1.04	28
We conduct regular reviews of our product development projects to ensure that they are still relevant to the needs of our export clients.	3.71	1.04	28
The standardization approach that we use for our export goods is driven by extensive research on customers.	3.75	1.09	29
Occasionally, representatives from all of the departments get together to discuss how best to react to the shifting landscape of international commerce.	3.74	0.96	26
On the basis of the actual requirements of such markets, we produce goods for export.	3.67	1.19	32
Concerning client concerns, we respond quickly and decisively.	3.69	1.12	30
We are nimble in our responses to the significant shifts that are taking place in the economic climate.	3.86	1.13	29
Mean	3.74	1.09	29
Coordinating mechanism			
When it comes to our international trade, there is collaboration taking place across a number of our divisions.	3.93	1.13	29
The many parts of the company work together toward the achievement of a single goal.	3.79	1.15	30
Within our company, different departments often find themselves at odds with one another.	3.73	1.07	29
Activities relating to exporting the company's products are helped along by key members of other departments that are sister organizations.	3.76	1.07	28
The sales team works in close coordination with the other workers of the company to address post-sale concerns.	3.76	1.01	27
Our conflict and dispute resolution system and committee are responsible for the speedy and amicable settlement of problems across departments. Disruptions to export operations are remedied by the work of our various departments.	3.80	1.14	30
The manufacturing and export divisions work together to accomplish their goals.	3.78	1.12	30
When it comes to our international trade, there is collaboration taking place across a number of our divisions.	3.67	1.14	31
Mean	**3.78**	**1.10**	**29**
Grand Mean	**3.74**	**1.10**	**30**

Source: Primary data, (2023)

Table 4.14 presents the data from a research on the generation of export intelligence, which strongly imply that they go directly to the customers to gauge the quality of goods and services (average = 3.84, S.D = 1.09). Other noteworthy scores are the frequency with which managers from relevant function departments visit both existing and potential export clients and markets (average = 3.74, S.D = 1.07). The development of export intelligence got an overall average score of 3.75 and an overall CV of 30%.

According to the results, the following is the most likely scenario for how intelligence is dispersed: export specialists share client-related data with other teams somewhat often (average = 3.87), Finally, export businesses arrange quarterly department meetings to discuss market trends and changes (average = 3.55, S..D = 1.16). The total CV for intelligence sharing was 30%, with a average score of 3.73.

The intelligence responsiveness results showed that export organizations are very quick to adapt to business environment changes (average = 3.86, S.D = 1.13). The findings suggested, at the very least, that the companies develop goods for export markets in accordance with the actual requirements of such markets (average = 3.67, S.D= 1.19). The total average score for intelligence responsiveness was 3.74, and the overall coefficient of variation was 29 percent.

According to the data we gathered, our export business benefits greatly from cross-departmental cooperation (average = 3.93, S.D = 1.13), with the production and export departments working together (average = 3.67, S.D = 1.14) at the very least. There was a

average score of 3.78 for the coordinating mechanism and a CV of around 29%. Average=3.74, SD=1.10, CV=30.

4.6.3 Measures of Market Dynamism

Using Jaworski and Kohli's (1993) market dynamism index as inspiration, Cadogan et al. (2003) created the market dynamism measuring scale. The modified scale is especially pertinent to the current analysis since it takes into consideration the usual levels of antagonism, pace of change, and heterogeneity observed in export markets rather than the home market environment.

It was requested of the respondents that they provide feedback on particular assertions that were provided, indicating the degree to which they agreed that market dynamism affected the success of firms. On a scale similar to the Likert one, responses were provided on a scale ranging from 1 to 5, with 1 denoting "totally disagree," 2 denoting "disagree," 3 denoting "moderate," 4 denoting "agree," and 5 denoting "totally agree." The results for'moderate' were explained separately, whilst the scores for 'agree' and'strongly agree' were totaled together. The scores for 'disagree' and'strongly disagree' were combined. It was determined that a average score of 0 to 2.4 was equal to disagreeing with something. The range of scores that were considered to be'moderate' was from 2.5 to 3.4 on average. The score of 'agree' was determined by calculation to denote a statement with a average score ranging from 3.5 to 5.0.There were three things that made up the scale, and there were eleven that made up the subscale. It was asked of the respondents what they thought about these sub- categories, and their evaluations may

be seen in Table 4.15.

Table 4.15: Means and Standard Deviations for Market Dynamism

Environment	Mean	Std. D	CV
Our firm monitors economic policies of our export market at all times	3.57	1.20	34
Our firm is sensitive to legislative and legal decisions in the export market	3.53	1.34	38
Our firm is sensitive to political events in either the domestic or export market	3.27	1.27	39
The domestic market issues affect our export Decisions	3.32	1.33	40
Our firm is aware of and mitigates the environmental hostility/turbulence	3.31	1.36	41
Rate of change in the products demanded in the export market is high.	3.42	1.35	39
The psychic & physical distance of the market determines whether to export or not	3.71	1.24	33
Our export customer's product preferences have changed tremendously over time	3.35	1.20	36
Our export market environment/ condition changes frequently	3.31	1.26	38
Our competitors change their behavior Frequently	3.57	1.26	35
Our export clients are in continuous search for new products	3.44	1.29	38
Our export clients have consistent product Preferences	3.62	1.13	31
Our export market regulations and standards change within short notice periods.	3.38	1.28	38
Our firm develops effective pricing tactics to remain competitive in hostile environments	3.54	1.27	36
Mean	**3.45**	**1.27**	**37**
Hostility			
Our competitors use hostile methods to gain and hold the market	3.38	1.31	39
Foreign government regulations are against our Products	3.48	1.33	38
Our company is aware of and acts to ward off competitor hostility	3.70	1.21	33
Our firm collaborates with export market domiciled firms to reduce hostility	3.44	1.31	38
We strive to create and nurture niche market before venturing into a wider market	3.37	1.26	37
Our firm develops effective pricing tactics to remain competitive in hostile environments.	3.26	1.23	38

Our new export clients possess product related requirements which vary from those of existing Clients	3.35	1.28	38
Mean	**3.43**	**1.27**	**37**
Heterogeneity			
The laws on standards and regulations in the export market are different from those of our domestic market	3.51	1.29	37
Our company exports products that are varied diversified to meet various market needs	3.56	1.23	35
Our firm adapts our products to meet changing export market needs	3.41	1.33	39
Our firm has a strong and active R & D Department	3.56	1.28	36
Our company adopts technological innovation on products and our processes	3.52	1.37	39
Mean	3.51	1.30	37
Grand Mean	3.46	1.28	37

Source: Primary data, (2023)

As presented in Table 4.15, analysis of export market environment indicates that the firms agree the psychic and physical distance of the market determines whether to export or not (average = 3.71, SD= 1.24). At the lowest level, they moderately agreed to the statement that 'our firm is sensitive to political events in either the domestic or export market' (average=3.27, SD=1.27). Overall, the average of the environment sub-construct was 3.45, SD=1.27 and CV=37.

The statistics under hostility indicated that most respondents agree that firms are aware of and act to ward off competitor hostility (average = 3.70, SD= 1.21); The least agreed on statement was; 'the export firms develop effective pricing tactics to remain competitive in hostile environments' (average = 3.26, SD = 1.23). Overall, the hostility sub-construct had a average of 3.43, SD=1.27, CV=37.

The statistics under heterogeneity indicated the export firms products are varied and diversified to meet various market needs (average = 3.56, SD = 1.23).This score tied with those of the statement ‘the export firm has a strong and active R & D department’ (average = 3.56, SD = 1.28); the firms moderately agreed to the statement that ‘Our firm adapts our products to meet export market needs’ (average 3.41, SD=1.33). Overall, the heterogeneity construct had a average of 3.46, SD=1.28, CV=37.The grand output for market dynamism construct was, average= 3.46, SD=1.28 and CV=37.

4.6.4 Firm Performance

The SBSC instrument was first established by Kaplan and Norton (1992), then it was expanded upon by the Institute of Balanced Scorecard (ISBSC,2012) to be termed the Sustainable Balanced Scorecard. The measure of market dynamism adopts the SBSC instrument. This encompasses the facets of long-term financial viability, internal company operations, learning and development, stakeholder interests, and a primary concentration on the needs of customers.

Participants responded to remarks by stating how much they agreed or disagreed with the performance. On a scale similar to the Likert one, responses were provided on a scale ranging from one to five points, with one representing "totally disagree," two representing "disagree," three representing "moderate," four representing "agree," and five representing "totally agree." The results for moderate were examined separately while the scores for 'agree' and'strongly agree' were totalled together. The scores for strongly disagreeing and disagreeing were combined. It was determined that a average score of 0 to 2.4 was equal to disagreeing with something. The score that corresponds to

the descriptor'moderate' falls somewhere in the range of 2.5 to 3.4. The score that was given for 'agree' was equal to a average score that ranged between 3.5 and 5.0. The scale consisted of three different structures, and the subscale was made up of eleven different elements. It was asked that the responder share their thoughts on the aforementioned sub-constructs, and the ratings may be seen in Table 4.16.

Table 4.16: Standard Deviations and Means for Firm Performance

Firm Performance	Mean	S.D	CV
Financial sustainability			
The sum of our sales has been consistently increasing over the previous five years.	3.09	1.476	48
The export company has seen a tremendous increase in our market share over the course of the last five years.	3.06	1.345	44
Sales abroad have recently surpassed those at home.	2.87	1.408	49
Over the course of the previous five years, the company has seen a considerable increase in the profit margin.	2.94	1.400	48
Mean	2.99	1.41	47
Learning and growth			
Our staff members get regular training to help them develop their skills and expand their horizons.	3.70	1.162	31
Over the course of the previous five years, our expenses related to expertise have become less expensive.	3.57	1.186	33
Over the course of the previous five years, the reputation of our brand of goods has grown.	3.66	1.104	30
Internal company procedures that are standard	3.64	1.15	32
Over the course of the previous five years, our goods have undergone many changes in response to feedback from customers.			
In the previous five years, our company has grown output while simultaneously reducing the number of redundant positions.	3.66	1.201	33
In the previous five years, our company has made significant strides in enhancing its marketing and export promotion operations.	3.50	1.132	32
Over the course of the last five years, our manufacturing methods have become more dependent on more advanced technologies.	3.49	1.188	34
Our staff members have access to the internet and make regular use of it for company purposes.	3.59	1.168	33
Our research and development division is quite capable.	3.74	1.163	31
Our employees get consistent training to help them learn new abilities and gain new ideas.	3.74	1.139	30
Mean	**3.62**	**1.17**	**32**
Stakeholder interests			
Employees that contribute to the development and enhancement of our goods via innovation are rewarded by our organization.	3.80	1.057	28
Our company encourages morality as well as responsible governance.	3.60	1.143	32
Through the mitigation and management of environmental contamination, our business demonstrates its concern for the planet.	3.69	1.139	31
Mean	**3.70**	**1.11**	**30**
Customer Focus			
A corporate social responsibility (CSR) strategy is in place and being carried out by our business.	3.32	1.259	38
Our customers are more satisfied with the quality of our goods than they have been in the previous five years.	3.69	1.173	32
After a deal has been made, our company provides consumers with follow-up and service.	3.67	1.102	30

Mean	**3.56**	**1.18**	**33**
Grand Mean	**3.50**	**1.20**	**35**

Source: Primary data, (2023)

Table 4.16 summarizes the results of the financial viability study. These results show that over the previous five years, export businesses' total revenues have grown annually (average = 3.09, S.D = 1.476), and the statement that "export sales have surpassed domestic sales years" received the least amount of consensus (average = 2.87, S.D = 1.408).The overall assessment for the viability of the company's finances had a average of 2.99, with a S.D of 1.41 and a coefficient of variation of 41.

According to the findings, most people think employees regularly participate in training to acquire new competencies and ideas (average = 3.70, SD = 1.162), but only a few respondents felt that expenses on expertise had fallen in the previous five years (average = 3.57, SD = 1.186). This information was found under the heading of "learning and growth."The overall learning and development sub-construct had a average score of 3.6, with a S.D of 1.15 and a coefficient of variation of 32.

The majority of workers use the internet for business, according to the report (average = 3.74, SD = 1.163), and that they have a strong R&D department (average = 3.74, SD = 1.139). This information was found in the section of the survey titled "internal business processes."Fewer people agreed with the statement that 'our company has strengthened its marketing and export promotion operations in the previous 5 years' (the average was 3.49 and the S.D was 1.188). The S.D for the internal business processes sub-construct was

1.17, and the coefficient of variation was 32.

The results showed that the majority of respondents agreed with the assertion: export firms compensate workers that innovate towards improvements of their goods (average = 3.80, SD = 1.057). This statement was found under the heading "stakeholder interests." The mean number of respondents who believed that companies promote ethics and good governance was 3.60, while the S.D was 1.143. The average score for the shareholder interests sub-construct was 3.7, with a S.D of 1.11 and a coefficient of variation of 30. According to the data, the majority of consumers of firms are happy with their goods now than they were five years ago (average = 3.69, SD = 1.173). This was found under the heading of customer attention. A lower percentage of respondents agreed with the statement that businesses follow up with or provide service to their clients following a transaction (average = 3.67, SD = 1.102). The customer attention sub-construct has an overall average score of 3.56, with a S.D of 1.20 and a coefficient of variation of 35. Average value for company performance was 3.50, S.D was 35, and coefficient of variation was 35.

4.7 Diagnostic Tests Results

Linear regression assumes that data used for statistical analysis must fulfill certain conditions namely; data should be normally distributed, exhibit linearity, no multicollinearity and non-existence of heteroscedasticity. If the requirements outlined above are not met, the data that is used for statistical analysis will provide an inaccurate output for regression, which will lead to either Type I or Type II errors, as well as either

an overestimation or an underestimating of the statistical significance (Osborne and Waters, 2002). The results of tests for normalcy, heteroscedasticity, linearity, and multicollinearity are detailed further down in the next section.

4.7.1 Test for Normality

Parametric correlation tests and multiple regression analysis need data to be normally disseminated. Data that is not widely disseminated gives distorted results and hinders data from being used for further regression analysis. This requires some preliminary testing to see whether the data may be assumed to have a normal distribution. Using the Shapiro-Wilk test, an analysis of whether or not the distribution of the scores is normal may be performed. According to Tabachnik and Fidell (2007), if a data set gives non-significant findings at a significance level of ($p>0.05$), then it suggests that the data follow a normal distribution. Shapiro-Wilk test findings are shown in Table 4.17.

Table 4.17: Results of Shapiro-Wilk Test for Normality

Variables	Statistic	Df	Significance
Export Strategy	0.942	56	0.140
Market Orientation	0.875	56	0.160
Market Dynamism	0.834	56	0.330
Firm Performance	0.928	56	0.210

Source: Primary data, (2023)

Table 4.17 demonstrates normal variable distribution. All tests had p values above 0.05, indicating normal distribution.

4.7.2 Heteroscedasticity Test

The data for this study were picked from cross- section of organizations which increases the likelihood for the occurrence of heteroscedasticity. The Cook-Weisberg/Breuch-Pagan test was executed to ascertain whether the data set exhibited some heteroscedasticity. If the regression model is applied without factoring in heteroscedasticity it may result to biased estimation of the parameter. The results of the Cook-Weisberg test and the Breusch-Pagan test indicated that the error variance does not exhibit heteroscedastic behavior; nevertheless, the alternative hypothesis (Ha) stated that the error variance does exhibit heteroscedastic behavior. Modeling of the error variance is done using the Cook-

Weisberg/ Breusch-Pagan test as 2i=2h (z′i), where zi denotes the independent variables. It compares H0:=0 to Ha:0. The results are shown in Table 4.18.

Table 4.18: Results of Breusch-Pagan / Cook-Weisberg Test for Heteroscedasticity

H0:	Constant Variance
Chi2 (1)	= 13.47
Prob > Chi2	= 0.200

Source: Primary data, (2023)

As indicated in the findings in Table 4.18, the p value is higher than 0.05(0.2000) hence rejection of the null hypothesis. It was established the study variables were not affected by heteroscedasticity and therefore appropriate for regression analysis.

4.7.3 Test for Multicollinearity

Field (2009) states that multicollinearity may prevent regression studies from providing various least squares solutions when independent variables are perfectly correlated. This happens when variables are highly correlated. The standard errors and confidence levels are inflated as a consequence of multicollinearity, which leads to unstable outcomes for the coefficients associated with certain predictors. In the course of this investigation, multicollinearity was determined by the use of the VIF. In order to ensure non-collinearity, the VIF must be lower than 5. This is the fundamental premise. Table 4.19 shows multicollinearity test results.

Table 4.19: Table Multicollinearity Test

Variable	VIF
Export Strategy	2.31
Market Orientation	2.05
Market Dynamism	2.51

Source: Primary data, (2023)

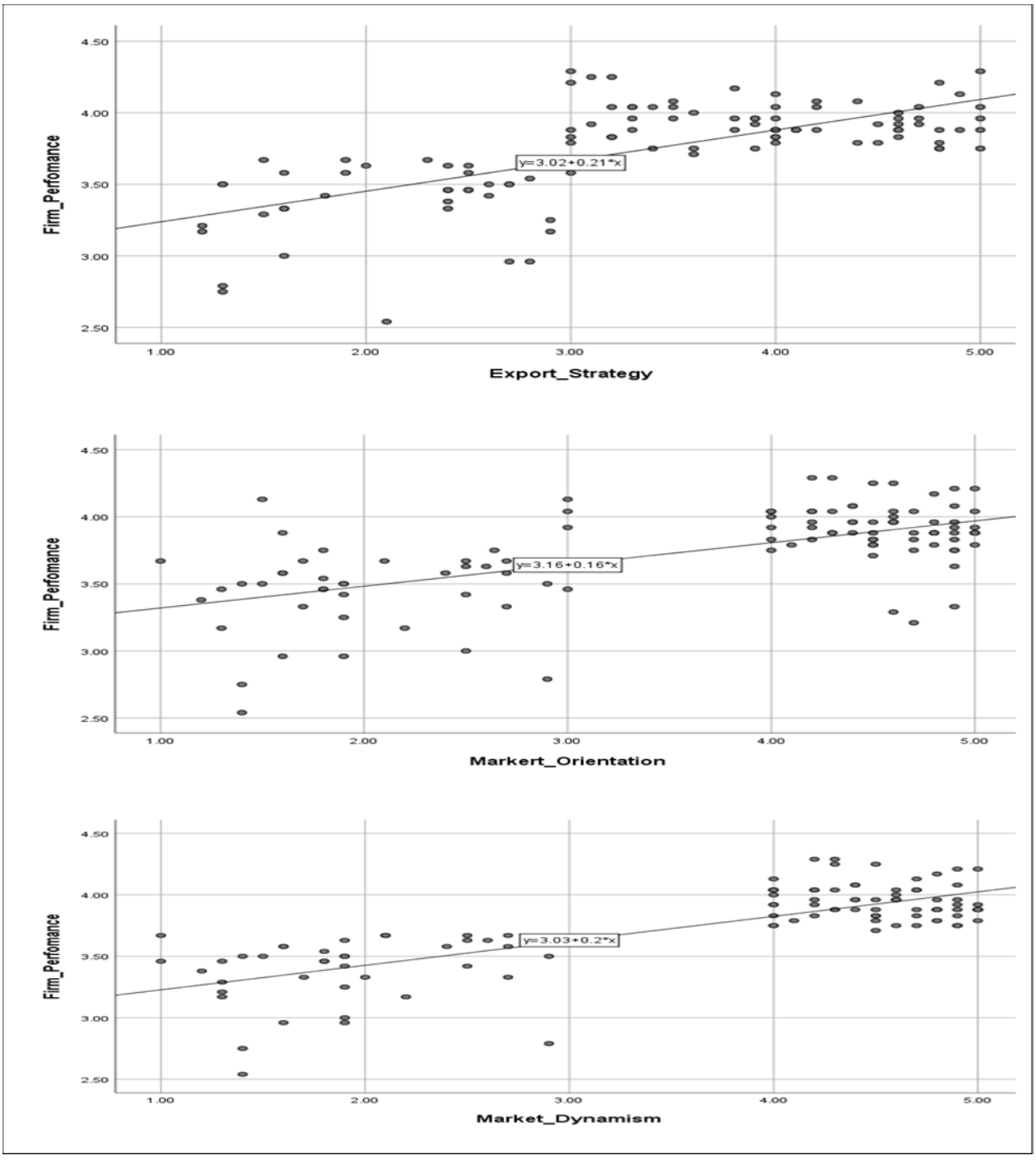
There is no indication of multicollinearity based on the statistics for multicollinearity that are shown in Table 4.19. All of the variables had a VIF less than five, which indicates that there is evidence that the variables were not strongly linked. This illustrates that the variables can be used successfully in multiple regression analyses.

4.7.4 Test for Linearity

Computation of linear regression also expects the connection amongst the independent and dependent variables to be in linear fashion. Tests for linearity were done using P-P plots. Before performing regression analysis, the researcher observes the P-P plots, which visually demonstrate if there is a linear or curvilinear association amongst two continuous

variables. The regression model may estimate the dependent-independent variable linear relationship. (Osborne & Waters, 2002). Figure 4.1 provides an overall summary of the findings across all predictor factors.

Figure 4.1: Linearity Plot



Source: Primary data, (2023)

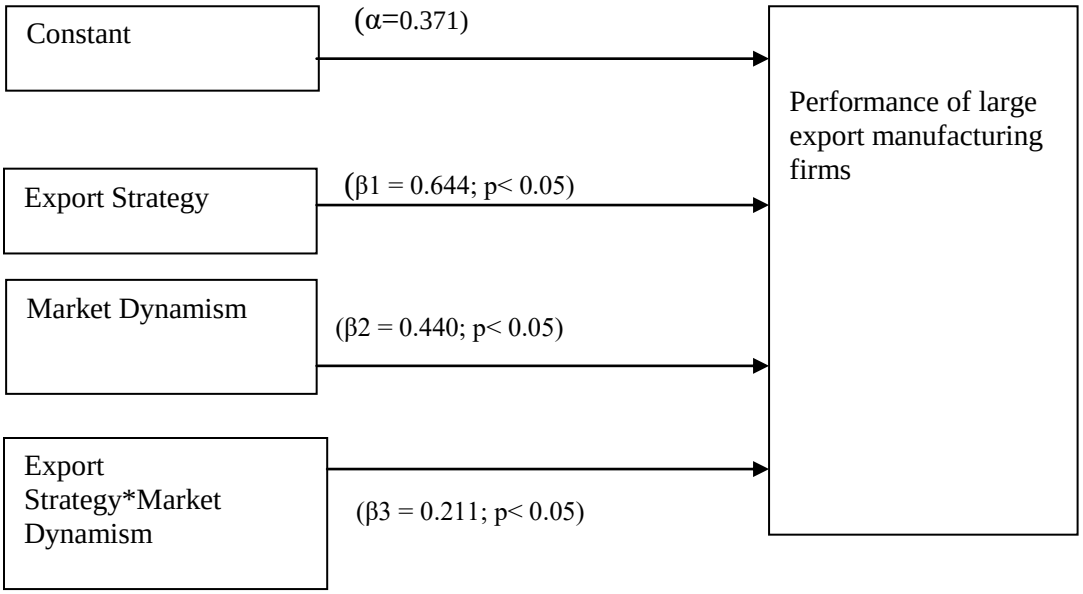
The linearity test outcome reveals that the data set exhibited a linear pattern which allows linear regression to be performed. As demonstrated in the scatter plots in Figure 4.1 Between the independent and dependent variables, there was positive association.

4.8 Correlation Analysis

A series of analyses were carried out with the purpose of determining whether or not there were any significant correlations between business performance and export strategy, market orientation, or market dynamism. Pearson's product-moment correlation coefficient (PPMC) (r) was used to analyze variables' relationships, particularly their intensity and direction. It was crucial to have a firm grasp on the nature of the relationships shared by the research variables before proceeding with further investigation.

Regression was used to determine the research variables' correlation and linear connections. A range of 1 PPMC (r) and 1 PPMC (r) was used. A very strong linkage exists when r=+0.7 and above; a strong link exists when r=+0.5 and below 0.7; a moderate link exists when r=0.3-0.49; and finally, a weak nexus exists when r=0.29 and below. There is no link where r=0 (Bujang & Baharum, 2016). Table 4.20 displays the findings of the Pearson correlation study.

Figure 4.2: Moderating effect of market dynamism on the relationship between export strategy and performance of large export manufacturing firms in Kenya



Source: Survey data, (2023)

The following is the equation for the substituted regression that will be used to estimate the moderating influence that market dynamism has on the link between export strategy and performance of big export manufacturing businesses in Kenya:

FP = 0.371+ 0.064ES+ 0.440MD+ 0.211ES*MD

Where:

FP =Firm performance

ES= Export Strategy

MD= Market Dynamism (Moderator)

0.211 ES* MD interaction term

Ɛ= Error term

Table 4.20: Correlation Coefficients Matrix

Variables		Firm Performance	Export Strategy	Market Orientation	Market Dynamism
Firm Performance	Pearson Correlation	1.000			
	Sig (2-tailed)				
Export Strategy	Pearson Correlation	.901**	1.000		
	Sig (2-tailed)	0.000			
Market Orientation	Pearson Correlation	.818**	.645**	1.000	
	Sig (2-tailed)	0.000	0.000		
Market Dynamism	Pearson Correlation	.779**	.623**	.680**	1.000
	Sig (2-tailed)	0.000	0.000	0.000	

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

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

Source: Primary data, (2023)

Table 4.20 shows that an organization's export strategy is strongly correlated with its performance. Market orientation improved the performance of large Kenyan export manufacturers (r=.818, p=0.000). Kenya's largest export manufacturing businesses' performance is correlated with market activity (r =.779, p = 0.000).

4.9 Test of Hypotheses

This section contains hypothesis testing results. It is via the testing of hypotheses that the conceptual framework's envisioned and depicted link between predictor factors and the variables being predicted may be shown to be robust. The four objectives that shaped this study also informed the four hypotheses that were tested. The following hypotheses were

tested: how export strategy affects the productivity of Kenya's largest export manufacturers; the moderating effect of market orientation on the correlation between export strategy and performance among Kenya's largest export manufacturers; export strategy and performance of Kenya's largest export manufacturing firms, and how market orientation plays a role; export strategy and performance of major Kenyan export manufacturing firms are linear, however market dynamics moderate this relationship; and association between export strategy and results for Kenya's largest corporations and the role of market orientation.

Each study variable was computed as aggregate of all responses distributed to the total figure of measurement components. Export strategy was computed as a composite index of direct exporting, indirect exporting and cooperative exporting. A composite indicator of export intelligence creation, intelligence dissemination, intelligence responsiveness, and coordination mechanism was employed for market orientation. The velocity of change, the level of environmental hostility, and the degree to which the market was heterogeneous were all taken into consideration when measuring the dynamism of the market. In the instance of firm performance, also known as the dependent variable, the measurement was segmented into composite indices of financial sustainability, learning and development, internal business procedures, stakeholder interests, and customer focus. These indices were then calculated in order to provide a combined average score.

4.9.1 Relationship between Export Strategy and Firm Performance

This section reports on the study's initial aim, which was to test a hypothesis. The initial goal was to examine the factors that affect the success of Kenya's top export manufacturing firms, with a focus on the export strategy they use. In order to investigate this further, the following hypothesis was formed:

H01: The success of Kenya's big export manufacturing enterprises is unaffected by the export strategy they use.

Linear regression analysis was used in a basic fashion to evaluate each hypothesis. Important Kenyan export manufacturing enterprises' performance was utilized to create a composite index for firm performance before the hypothesis was tested. This index included financial viability, organizational proficiency, openness to new ideas and development, stakeholder considerations, and attention to customers. A regression study of export strategies predicated on either direct exporting, indirect exporting, or cooperative exporting was run to test the veracity of hypothesis H01. Table 4.21 shows regression analysis findings.

Table 4.21: Regression Results for the Effect of Export Strategy on Firm Performance

Model Summary				
Model	**R**	**R Square**	**Adjusted R square**	**Std. Error of the Estimate**
1	.916[a]	.839	.835	.13836

ANOVA[a]						
Model		**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig.**
1	Regression	10.388	3	3.463	180.883	.000[b]
	Residual	1.991	52	.019		
	Total	12.379	55			

Coefficients[a]						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**T**	**Sig.**
		B	**Std. Error**	**Beta**		
1	(Constant)	.120	.207		.579	.564
	Direct Exporting	.893	.064	.752	13.944	.000
	Indirect Exporting	.054	.018	.171	2.991	.003
	Cooperative Exporting	.020	.018	.067	1.155	.251

Model 1 Predictors (Constant) Direct Exporting: Criterion variable Firm performance
Model 2 Predictors: (Constant) Indirect Exporting: Criterion variable Firm performance
Model 3 Predictors: (Constant) Cooperative Exporting: Criterion variable Firm performance

Source: Primary data, (2023)

The coefficient of determination, R, has a square root of 0.835, as indicated in Table 4.21. According to the model, 83.5% of the variation in the performance of major export manufacturing enterprises may be attributed to cooperative exporting, indirect exporting, and direct exporting. Based on these numbers, it's clear that export strategy is very important to the bottom line of major industrial firms with an eye on foreign sales. The Prob > F statistic of 0.000 and the F- statistic of (3, 55) of 180.883 demonstrate the overall model's significance. In addition, the constant of 0.120 demonstrated that the performance of major export manufacturing enterprises would stay the same at 0.120 units regardless of whether or not direct exporting, indirect exporting, or cooperative exporting were remained constant.

Direct exporting significantly affects the profitability of big export manufacturing businesses (β =.893, t = 13.944, p <0.000). A one-unit increase in direct exporting would raise Kenya's major export manufacturing businesses' efficiency by 0.89 percentage points. The regression study also shows that indirect exporting affects Kenya's biggest export manufacturing enterprises' finances (β =.054, t=2.991, p<0.003). This indicates that the performance of Kenya's big export manufacturing enterprises would improve by 0.054 units if indirect exporting were to grow by the same unitary amount. The regression analysis, however, indicates that cooperative exporting has no appreciable effect on the financial standing of Kenya's largest export manufacturing firms (β =.054, t = 1.155, p 0.251). For every unit shifted to cooperative exporting, Kenya's largest export manufacturing firms would produce 0.054 more units. The alternative hypothesis replaced the null hypothesis because it showed a link between export strategy and

Kenya's biggest export-oriented firms' production.

4.9.2 Mediating effect of market orientation on the relationship between export strategy and performance of large export manufacturing firms in Kenya

The second objective of the study was to determine whether market orientation moderated the link between export strategy and firm performance among Kenya's major export manufacturing firms. To determine the mediating impact, we tested the following hypothesis.

H02. Kenyan major export manufacturing enterprises' export strategies and results are not moderated by market orientation to any substantial extent.

Hypothesis testing using path analysis. According to Baron and Kenny (1986), partial mediation is justified when the beta coefficient or R2 value is more than zero and the independent variable's influence is not statistically significant.Market orientation moderated the relationship between export strategy and performance for Kenya's major export firms (see Table 4.22).

Table 4.22: Regression results for the mediation effect of market orientation on the relationship between export strategy and performance of large export manufacturing firms

Model Summary				
Model	**R**	**R Square**	**Adjusted R square**	**Std. Error of the Estimate**
1	.901a	0.812	0.81	0.14832
2	.645a	0.416	0.411	0.50988
3	.818a	0.669	0.666	0.19654
4	.953a	0.908	0.906	0.10436

ANOVA						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	10.047	1	10.047	456.696	.000b
	Residual	2.332	54	0.022		
	Total	12.379	55			
2	Regression	19.666	1	19.666	75.644	.000b
	Residual	27.558	54	0.26		
	Total	47.224	55			
3	Regression	8.284	1	8.284	214.445	.000b
	Residual	4.095	54	0.039		
	Total	12.379	55			
4	Regression	11.235	2	5.618	515.771	.000b
	Residual	1.144	53	0.011		
	Total	12.379	55			

Coefficients						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**		
		B	**Std. Error**	**Beta**	**t**	**Sig.**
1	(Constant)	-0.303	0.19		1.599	0.113
	Export strategy	1.069	0.05	0.901	21.37	0.000
2	(Constant)	-1.919	0.652		-2.943	0.004
	Export strategy	1.496	0.172	0.645	8.697	0.000
3	(Constant)	2.173	0.109		20.03	0.000
	Market orientation	0.419	0.029	0.818	14.64	0.000
4	(Constant)	0.095	0.139		0.685	0.495
	Export strategy	0.759	0.046	0.639	16.46	0.000
	Market orientation	0.208	0.02	0.406	10.45	0.000

Source: Primary data, (2023)

Adjusted R2 figures has beenapplied to interpret the results from step 1 to step 4.

Step 1: *Firm performance= α+ $\beta 1$ Export strategy + ε*

The performance of the company was negatively impacted by its export strategy. Table 4.22 shows that export strategy significantly impacts Kenya's big export manufacturing enterprises (R2 = 0.812, F = 456.696, β = 1.069, t = 21.37, p 0.05). This means that a single unit adjustment in export strategy accounts for 81% of the variance in firm performance across big export manufacturing enterprises. The first mediation condition was verified, showing that the independent variable would significantly affect the dependent variable without the mediation variable.

Step 2: *Market Orientation = α + $\beta 2$ Export strategy + ε*

Market orientation altered export strategy in the second phase. Export strategy and market emphasis were statistically significant (Table 4.22) (R2 = 0.411, F = 75.644, β = 1.496, t = 8.697, p <0.05). Therefore, the second criterion, which requires the independent variable to be significantly associated with the mediating variable before proceeding to the third step, has been met.

Step 3: *Firm performance= α + $\beta 1$ Market orientation + ε*

Table 4.22 shows that the third stage was to run an experiment to investigate how market orientation influences a company's success. Since market orientation significantly affects firm performance (R2 = 0.666, F = 214.445, β = 2.173, t = 14.64, p <0.05;), in order to go on to the last stage of the mediation testing procedure, the third requirement, which specifies that there must exist a substantial relationship between the mediator variable

and the dependent variable, has been met.

Step 4: *Firm performance = α+ $\beta 1$ Export strategy + $\beta 2$ market orientation + ε*

In the fourth phase of the process, it was determined whether or not the mediating variable and export strategy had a significant association with the dependent variable, which was firm performance. This research studied the link between export strategy and market orientation to see whether it can properly predict a company's performance, as indicated in Table 4.22. In the last phase, we utilized multiple linear regression to assess how market orientation and export strategy affected the firm's success. Export strategy seems to have a significant impact on company success (the dependent variable) when market orientation (the mediator) is present (R2 = 0.906, F = 515.771, β = 0.759, t = 16.46, p <0.05;). As a consequence, the study failed to fulfill the fourth requirement, which required that the mediation variable be of minimal value when analyzing the influence of the independent variables on the dependent variable. This implies that the mediating variable accounts for less than all of the change in the dependent variable. Partial mediation works nicely here. Partial mediation shows a positive and statistically significant association between the independent and dependent variables by connecting them directly.

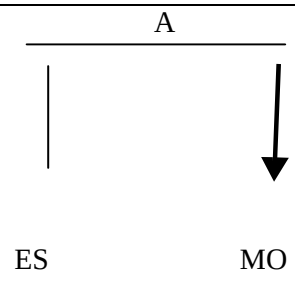
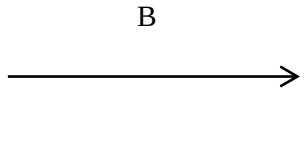
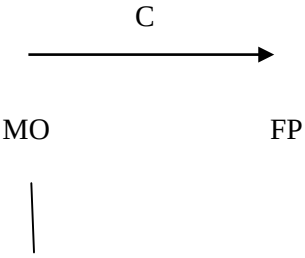
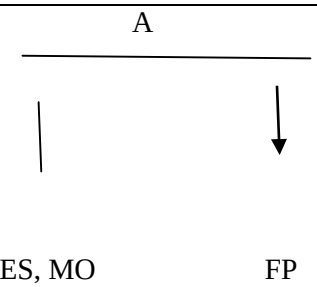
Full mediation could not be demonstrated since the regression findings did not meet all four requirements. It follows that market orientation must be a moderating factor between

export strategy and performance at leading export manufacturers. Although not entirely, market orientation does fortify the link between export strategy benefits and the success of the firm. Major export manufacturers' performance is strongly correlated with their export strategy, indicating that a focus on the market is crucial to their continued prosperity. In addition, partial mediation suggests that export-oriented companies benefit from a focus on the market.

This further suggests that an export operation might become risky if there is an excessive focus on the target market.

This means that for major export manufacturing enterprises, export strategy predicts performance just as much as market orientation does. Market orientation mediates major export manufacturing enterprises' export strategy-performance connection. This suggests that a negotiated resolution may be possible.

Table 4.23: Summary of Findings of the Test of Mediation effect of market orientation on the relationship between export strategy and performance of large export manufacturing firms

Steps	Regression model	Visual Depiction	Summary of the findings
Step 1: Effect of export strategy on firm performance	Simple regression with ES to predict FP to evaluate path a alone		Confirmed
Step 2: Effect of export strategy on market orientation	Simple regression analysis with ES predicting MO to test path b		Confirmed
Step 3: Effect of market orientation on firm performance	Simple regression with MO as a predictor of FP to examine path C		Confirmed
Step 4: Effect of export strategy and market orientation on firm performance	Multiple regression with ES and MO predicting FP to test path b and c		Confirmed partial mediation

Source: Primary data, 2023

Key: Key: ES= Export Strategy, MO= Market Orientation and FP=Firm Performance

According to Kenny and Baron (1986), the result seen in Table 4.23 provides a graphical depiction of the four steps that are used while examining the efficacy of mediation. The first phase consisted of running a regression on the performance of major export manufacturing businesses against their export strategy. Results confirmed the existence of a robust connection between export strategy and the outcomes of big export manufacturing enterprises. Step two included contrasting the export strategy with the market orientation, which revealed a robust correlation between the two. This step ensured that the second requirements of mediation were met.

The third phase was a validation of the first two, demonstrating that market orientation significantly correlates with the success of large export manufacturing enterprises. The third stage is likewise validated by the findings, which show that a company's market orientation significantly affects the success of major export manufacturing enterprises. In the final stage, data show that market orientation helps to mediate the connection between export strategy and the results achieved by the most important export manufacturing companies. According to the findings of this research, the success of big export manufacturing businesses is affected not only directly by export strategy but also indirectly by market orientation.

4.9.3 Effect of market dynamism on the relationship between export strategy and performance of large export manufacturing firms in Kenya

The third purpose was to examine how market volatility affects export strategy and performance for significant export-oriented manufacturing enterprises in Kenya. This achieved the third goal. By adding a moderator to the equation, one may examine how

the independent variable influences the dependent variable of interest. The following hypothesis was developed and tested to establish the presence or absence of a moderating effect.

H03. Market dynamism has no significant moderating effect on the relationship between export strategy and performance of large export manufacturing firms in Kenya.

The moderating effect was investigated using Baron and Kenny's (1986) hierarchical regression analysis which takes three steps. The first step involves determining the impact of an export strategy ona company's performance. The second stage looked at the impact of the predictor variables (export strategy and market dynamism) on the criterion variables (firm performance). Third, we examined the firm's performance as the result of typical export strategy and market dynamism values and an interaction term. Third, we assess how interaction affects company performance to identify moderation. Table 4.24 shows regression findings.

Table 4.24: Regression results for moderating effect of market dynamism on the relationship between export strategy and performance of large export manufacturing firms

Model Summary						
Model	**R**	**RSquare**	**Adjusted Rsquare**	**Std. Error of the Estimate**		
1	.901a	0.812	0.810	0.14832		
2	.920a	0.846	0.843	0.13484		
3	.954a	0.910	0.908	0.10322		
ANOVA						
Model		**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig.**
1	Regression	10.047	1	10.047	456.696	.000 B
	Residual	2.332	54	0.022		
	Total	12.379	55			
2	Regression	10.47	2	5.235	287.937	.000 B
	Residual	1.909	53	0.018		
	Total	12.379	55			
3	Regression	11.271	3	3.757	352.617	.000 B
	Residual	1.108	52	0.011		
	Total	12.379	55			
Coefficients						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**		
		B	Std. Error	Beta	T	Sig.
1 (	Constant)	-0.303	0.190		- 1.599	0.113
	Export Strategy	1.069	0.050	0.901	21.37	0.000
2 (	Constant)	0.321	0.216		1.487	0.140
	Export Strategy	0.840	0.066	0.707	12.75 5	0.000
	Market Dynamism	0.068	0.014	0.268	4.823	0.00 0
3	(Constant)	0.371	0.165		2.246	0.02 7
	Export Strategy	0.064	0.055	0.543	11.667	0.000
	Market Dynamism	0.440	0.011	0.172	3.926	0.000
	Export Strategy*Market Dynamism	0.211	0.024	0.352	8.67	0.000

Source: Survey data, 2023

First, export strategy was regressed on firm performance, as shown in Table 4.24. Findings show a strong correlation between export strategy and financial outcomes for big export manufacturers ($R2=0.81$, $F=456.696$, $\beta= 1.069$, $t=21.37$, $p<0.05$), showing that a shift of just one unit in export strategy may account for as much as 81% of the variation in performance for big export manufacturing enterprises. All of the results from the first stage were noteworthy.

Market dynamism was added as a moderator in the second step. The introduction of the market dynamism moderator greatly increased the influence of export strategy on performance of large export manufacturing firms from 81 percent to 84.0 percent implying that export strategy together with market dynamism explain 84 percent of the change in firm performance. The overall model is statistically significant ($F= 287.937$, $\beta= 0.068$), $t= 4.823$, $P<0.05$). Similarly, the beta coefficient for market dynamism is statistically significant.

The next step was to include the interaction term in the regression analysis. Both export strategy and market dynamics were input separately, as was the interaction term (Export strategy*Market dynamics). The results showed that between steps two and three, R2 went from 0.843 to 0.908. There is a statistically significant interaction, as shown by the overall model in Step 3 ($F=352.617$, $\beta= 0.440$), $t= 3.926$, $p<0.05$). The beta coefficients revealed change from ($\beta= 0.068$) to ($\beta= 0.440$) after the inclusion of interaction term into the regression model. The results consequently lend credence to the theory that export strategy and company performance are moderated by market dynamism for big export manufacturing firms.

According to the findings, the degree to which market dynamism influences the relationship between export strategy and performance of big export manufacturing enterprises is moderated. This indicates that a favorable shift in the dynamic of the market enhances the link between the export strategies of big export manufacturing enterprises and their overall success.

4.9.4 The joint effect of export strategy, market orientation and market dynamism on the performance of large export manufacturing firms in Kenya.

The ultimate goal was to see whether export strategy, market orientation, and market dynamism together had stronger effects on the performance of Kenya's main export manufacturing firms than export strategy alone (H04). The combined impact of export strategy, market dynamism, and market orientation did not significantly depart from the sum total of the impacts of each of these elements when looking at the overall performance of large export manufacturing enterprises in Kenya.

The hypothesis that export strategy affects the success of large Kenyan export manufacturers was tested using a simple linear regression. The interactive impact was studied using a multiple regression analysis. The firm performance of big export manufacturing enterprises was the dependent on criteria variable in the regression equation. Export strategy, market dynamism, and market orientation were the factors that served as predictors in the equation. In order to determine whether or not there is a synergistic relationship between the three factors, the performance of big export manufacturing businesses was regressed on export strategy, market dynamism, and

market orientation. Table 4.25 presents the abstract for your perusal.

Table 4.25: Regression results for joint effect of export strategy, market orientation and market dynamism on the performance of large export manufacturing firms in Kenya

Model Summary				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.901a	0.812	0.810	0.14832
2	.955a	0.912	0.909	0.10243

ANOVA						
Model		**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig.**
1	Regression	10.047	1	10.047	456.696	.000b
	Residual	2.332	54	0.022		
	Total	12.379	55			
2	Regression	11.287	3	3.762	358.616	.000b
	Residual	1.091	52	0.01		
	Total	12.379	55			

Coefficients						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	-0.303	0.190		-1.599	0.113
	Export Strategy	1.069	0.050	0.901	21.37	0.000
2	(Constant)	0.298	0.164		1.822	0.071
	Export Strategy	0.699	0.052	0.589	13.319	0.000
	Market Orientation	0.188	0.021	0.368	8.829	0.000
	Market Dynamism	0.026	0.012	0.103	2.236	0.027

Source: Primary data, 2023

Table 4.25 shows regression results showing how export strategy affects major export manufacturing businesses' financial results (R^2= 0.81, F= 456.696, β= 1.069, t= 21.37, $p<0.05$). Export strategy explains 81% of major export manufacturing businesses'

performance variance.

Export strategy, market orientation, and market dynamism affected large export enterprises' financial performance independently. Table 4.25 shows regression findings that reveal export strategy, market orientation, and market dynamism substantially affected large export manufacturing businesses' performance ($R2 = 0.908$, $F= 358.616$, $p<0.05$). This implies that export strategy, market orientation, and market dynamics explain 91.2% of the performance variance of major export manufacturing businesses. Model fitness for the regression of major export manufacturing businesses' performance on export strategy, market orientation, and market dynamism was shown by the F statistic (358.616).

Export strategy, market orientation, and market dynamism affect the success of major export manufacturing enterprises ($R2 = 0.908$, $F= 358.616$, $p<0.05$) is more than the influence of export strategy on major export manufacturing enterprises ($R2= 0.81$, $F= 456.696$, $\beta= 1.069$, $t= 21.37$, $p<0.05$). The findings indicate that when export strategy is combined with market orientation and market dynamism, it has a greater impact on the performance of big export manufacturing businesses. The success of big export manufacturing enterprises in Kenya was shown to be unaffected by adding the effects of export strategy, market dynamism, and market orientation. This finding proved detrimental to the proposed connection.

4.9.5 Summary of Hypotheses

The section presented summary of the hypotheses of study . The hypotheses were stated in null hypotheses format and were tested using regression analysis as shown in Table

4.26.

Table 4.26: Summary of Hypotheses

Objective	Hypothesis	Hypotheses Test Results
Objective 1 Find out how much of an impact ES has had on the success of major Kenyan export manufacturers.	**$H_{.1}$**: Kenya's export strategy has a substantial influence on the efficiency of the country's key export manufacturing enterprises.	Rejected
Objective 2 Examine how market orientation (MO) influences the relationship between export success and strategy.	**H_{2}**: Market orientation, which has a major bearing on the dynamic between export plans and company performance, acts as a key mediator between the two.	Rejected
Objective 3 Examine the function of market dynamics (MD) in mediating the connection between export strategy and firm performance.	**H_3**: Market volatility is emphasized for the role it plays in mitigating the correlation between export strategy and firm outcomes.	Rejected
Objective 4 Find out whether the influence of export strategy on company performance is bigger than the impact of market orientation and market dynamism taken together.	**H_4**: The influence of ES on Firm Performance is lower when compared to the combined effects of export strategy, marketing and management strategy.	Rejected

Source: Primary data

4.10 Discussion of the research findings

This section reveals the results obtained from the data analysis. Results of the study have also been explained in reference to the theoretical foundation of this research, empirical literature and emerging new knowledge.

4.10.1 Relationship between export strategy and performance of large export manufacturing firms

The study's original goal was to examine how different export strategies affect the productivity of large exporting manufacturing firms. The results show that major export

manufacturing businesses in Kenya benefit greatly from direct exporting. This means that a one-unit increase in direct exporting for large Kenyan export manufacturing firms would lead to a 0.89-unit gain in firm performance. This supports the results of Rasheed (2005), Khemakhem (2010), and Sadaghiani et al., (2011), who all reached the same conclusion. Indirect exporting also boosts Kenya's top export manufacturing enterprises, according to regression data. A one-unit change in indirect exporting would boost firm performance by 0.54 units.

Cooperative exporting seems to have minimal impact on the performance of big Kenyan export manufacturing businesses, according to regression results. Cooperative exporting would improve firm performance by 0.054 units for Kenya's largest export manufacturing firms. As the data did not support the null hypothesis, we tested the alternative hypothesis that export strategy greatly affects the profitability of Kenya's big export manufacturing enterprises.

According to the Hecksher-Ohlin theory, if two nations were to produce two hypothetical goods for sale using two factors of production (for instance, capital and labor), each nation would export the product that made the most efficient use of the factor that was both the cheapest and most abundant in its own country. If there were just capital and labor available for manufacturing, then every country would ship out whatever used the most capital. In this research, Kenya is the only nation that is treated as its own entity, while the rest of the globe is treated as if it were a single country. The results are in agreement with Rasheed (2005), who found that businesses would do better in terms of

increase in export sales if they use a direct exporting strategy in domestic business settings that are experiencing growth. This approach was compared to other techniques and found to be superior. Furthermore, the study discovered that differences in firm performance can be better explained when the export strategy is strategically matched with environmental factors in both the domestic and export markets.

Economic performance, a dimension of export performance, contributes more to a company's overall performance than strategic performance, according to research by Papadopoulos and Martin (2010), who examined the relationship between entering a foreign market and performance. This seems to indicate that when it comes to export performance, managers are more concerned with monetary aspects than with others. Khemakhem (2010) found that businesses who are entering international markets where there is little to no requirement for the product(s) to be customized or adapted and where there is little to no demand for after sales support should use the direct export technique. Study on how export strategy affects export firms' operational efficiency Sadaghiani et al. (2011) examined 75 non-oil exporting Iranian enterprises. After analyzing questionnaire data, they found that export strategy affected performance. They also found that export strategy explained 48% of the variation in export performance. The direct export technique was responsible for 83.9% of the gain in firm performance among manufacturing businesses exporting their goods, according to this study.

4.10.2 Mediating effect of market orientation on the relationship between export strategy and performance of large export manufacturing firms in Kenya.

The second objective was to examine how export strategy affected the performance of Kenya's top export manufacturing firms. Specifically, we wanted to see if market orientation played any role as a moderator between the two. It cannot be said that export strategy fully mediates the influence of market orientation on the performance of major export-oriented enterprises since the regression findings do not fulfill all four criterion for the existence of complete mediation. While a focus on the market can strengthen the correlation between new market entry and company success, it is not a guarantee. There is a direct link between market orientation and the success of big export manufacturing firms, which is somewhat mediated by the company's export strategy. The study's results indicate that market orientation significantly affects the connection between firm performance and export strategy. As a result, the success of significant industrial companies may be anticipated. Market orientation moderates the relationship between export strategy and outcomes for large export manufacturers. This study mostly disproves the idea that market orientation mediates or modifies the relationship between export strategy and performance for large Kenyan export manufacturing firms.

The Dynamic Capability hypothesis states that being able to quickly and creatively come up with new ideas is crucial in situations where speed to market is of the utmost importance, where technological advancements are in a constant state of flux, and where the state of the market and the intensity of competition are difficult to predict. The dynamic capability viewpoint examined how market orientation influences export

strategy and corporate performance. Cadogan et al. (2009), Lagat et al. (2012), and Acikdili (2013) found a linear positive link between market orientation and company performance, with the caveat that too much market orientation may be detrimental.

These findings are consistent with those of Kim-Soon et al. (2015), who found that a focus on export markets increases performance in both direct and indirect exports. A study of Ghanaian export companies by Quaye et al. (2017) shows that promotional initiatives like these may have a good impact. Customers' requirements must be steadily met, thus it's crucial to keep an eye on the market in order to develop and preserve the core skills that will lead to export success.

4.10.3 Effect of market dynamism on the relationship between export strategy and performance of large export manufacturing firms in Kenya.

The study's third objective was to ascertain whether significant Kenyan export firms' performance was related to their export strategy or was tempered by the market's volatility. When a moderator is included into a model, researchers may investigate how the independent variable influences the dependent variable. Thus, market dynamics moderate the relationship between export strategy and big export manufacturing enterprises' success. Market volatility weakens the export strategy-performance relationship for big exporters. In a more dynamic market, export strategy and financial performance of large exporters increase.

This is in line with the contingency theory since its argument that performance is subject

to certain internal and external variables which is what this study is pursuing. A contingency approach has also been proposed in situations where the influence of another intervening variable is at play. The market dynamism variable and its influence on the link amongst the dependent and the independent variables were premised on the contingency model.

The findings are in tandem with Rotrigue and Tan (2016) who found that more successful companies elect to export higher standard goods, sell at higher prices and consequently record bigger profits. Conversely, they found that first time exporters tend to enter export markets at lower prices and produce lower quality and low volume products compared to later sales. In subsequent sales improvements are brought in by technology changes since this is disruptive and standards improve, because customer preferences keep varying from time to time and from market to market. Rasheed (2005) found that firms from domestic growing economies will have better performance in export sales if they used the direct exporting method. Foreign markets carry both opportunities and threats for exporting firms and therefore such firms must fully and timely decide whether to adapt or standardize products in order to ensure optimal performance outcomes. Balak and Zehir (2018) found that market dynamism carried a significant and a direct positive impact on the company's performance. As a result, this study suggests that market dynamism moderates the association amongst export strategy and performance.

4.10.4 The joint effect of export strategy, market orientation and market dynamism on the performance of large export manufacturing firms in Kenya.

The study's final goal was to determine whether or not export strategy alone had a greater

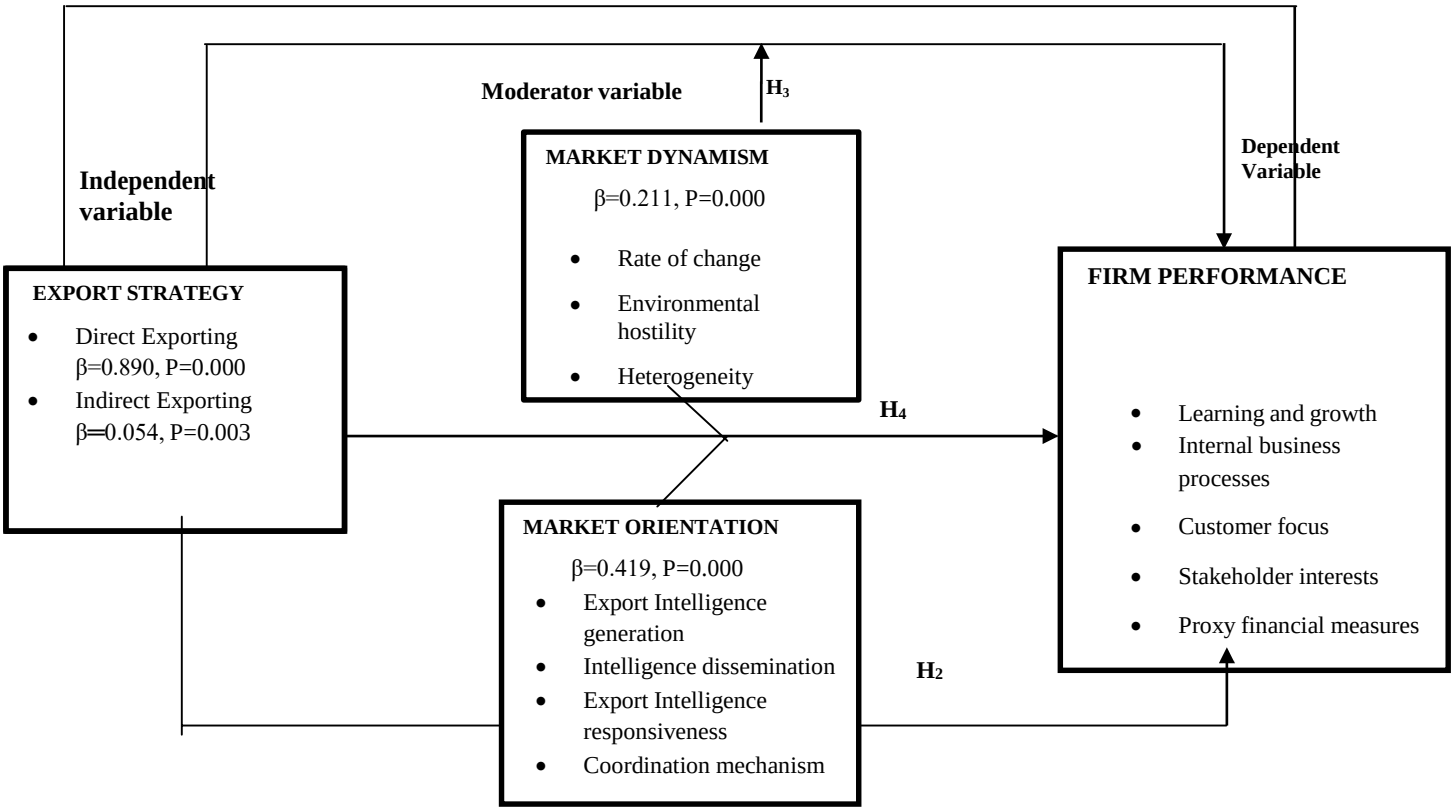
effect on the performance of big export manufacturing enterprises in Kenya than market orientation and market dynamism combined. These results imply that the influence of export strategy on performance is less than the effect of market orientation and market dynamism combined for big export-focused manufacturing enterprises. Large Kenyan export manufacturing businesses' performance was not similarly affected by export strategy, market dynamism, and market orientation as predicted by the study's null hypothesis.

The results are consistent with the findings of Cadogan et al. (2009), who found that the inverted U-shaped association between market orientation and firm performance becomes more apparent as the level of market dynamism increases, and that the greatest value of market orientation behavior can be achieved with relatively little controlled orientation. These conclusions are supported by the data presented here. As market dynamism rises, the value that generates the best results) falls, resulting in a wider internationalization of exporting enterprises. Business managers should therefore aim at managing market orientation so that high performance is maintained. Lee et al. (2014) argue that intense competition at the home market may push firms to seek opportunities abroad since foreign markets enable them to avoid such home competition. Esteves and Rua (2015) reported an asymmetrical relationship between domestic demand and exports such that if domestic demand increases, an export firm may not exit the foreign market because they already committed establishment costs and may want to remain in order to recoup those costs.

4.11 Revised Model

The results of the investigation were used to inform an optimization process that was carried out on the model. The objective of model optimization was to provide assistance in the process of developing the final model by including the variables together with their individual objectivity ratings. The results were obtained by doing several regressions on the data. Because it did not provide substantial results, the cooperative exporting tactic was discontinued as a strategy. Figure 5.1 displays the findings obtained using the updated conceptual framework.

Figure 4.3: Revised Conceptual Model.



Source: Author, 2023

As shown in Figure 4.1, Co-operative exporting was dropped, as it was not a significant export strategy. The factors were ranked according to their relative importance in determining the outcome variable. Further, market orientation and market dynamism were adopted as moderating and mediating variables respectively.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of the Findings

This study was conducted with the overarching goals of determining the influence that market orientation has on the link between export strategy and performance, as well as determining whether or not such a relationship may be changed by market dynamism in big export manufacturing enterprises in Kenya. A comprehensive literature assessment helped create the conceptual model, which shows research variable relationships. The conceptual model was used to construct hypotheses about market orientation regulating the direct relationship between export strategy and performance at major export manufacturing enterprises. It was also hypothesized that market dynamics would mitigate the association between export strategy and success of significant export manufacturing businesses. The final hypothesis predicted that export strategy, market orientation, and market dynamism would determine the performance of major export manufacturing enterprises in Kenya.

A cross-sectional survey, a self-administered, semi-structured questionnaire, and positivism underpinned the research. The data was examined using descriptive and inferential statistics. Linear regression analysis was used to evaluate the claim that export strategy affects major export manufacturers' financial performance. We used route analysis to examine how market orientation affects export strategy and financial performance for major exporters. A multi-stage regression analysis was done to examine

market volatility's possible moderating influence on the link between export strategy and large export manufacturing businesses' performance. Using multiple regression analysis, Kenya's top export manufacturing businesses' performance was examined in relation to export strategy, market orientation, and market dynamism.

The data for the research was collected from CEOs and heads of marketing in the respective 56 large export-manufacturing firms in Kenya. The response rate stood at 96.55 percent. On duration in exporting, majority of the large export manufacturing firms have been manufacturing for 21-30 years at 34.3% followed by those with 11-20yrs at 22.2%. Majority of the respondent firms had a permanent workforce of 51-100 employees at 32.4%. Majority of the large export manufacturing firms had exported for 7-8 years at 31.5% followed by those with above 10 years at 30.6%. . In this Kenyan study, large export-manufacturing firms exported their products mostly to Africa representing at 35.2% followed by Europe at 25%. This is concistent with fidings by Ngugi (2016) who established that Kenya traded more with countries geographically (and psychically) nearer to Kenyathan those farther

It seems that younger firms while they are likely to use the indirect export strategy, they are less likely to export to far flank areas. This is possibly because of inadequate capacity and experience. This is consistent with the findings by Khemakhem (2010) from a study on Tunisian exporting firms. Direct exporting was found to be the most preferred and possibly the best export strategy because it gave better performance outcomes.This is similar to what Sadaghiani, Deghan and Zand (2011) found on the study of Iranian

exporting firms

All of the variables had considerable impact on firm success, according to the discussion. It was pointed out that market orientation must be conducted with care since an excessive amount of orientation might adversely influence company performance. Market orientation is associated with better company success, yet it is still rare. The research of Julian et al. (2014) agrees with this view.This supported the working premise that an export strategy is causally related to the success of major export manufacturing companies. Partial support was also found for the second hypothesis, which posited that for major export manufacturing businesses, market orientation would act as a moderating impact on the relationship between export strategy and performance. For big export manufacturing enterprises in Kenya, further evidence was discovered confirming the significance of market dynamism as a moderating mechanism between export strategy and performance.This study lends credence to the conclusions reached by Sundqvist (2009), Ahimbisiwe (2013), Njeru (2015), and Owino (2015). In addition, the research came to the conclusion that the degree of market activity had a moderating role in the link between the independent and dependent variables.This calls for export manufacturing firms to be dynamically capable to adopt new technologythrough innovativeness.This readiness will enable them adapt to export market conditions in time.This finding is in line with findings by Calantone et al.,2006: Zehir and Balak,2018: and Mutisya et al., 2020.

Thus, the alternative hypothesis that export strategy, market orientation, and market dynamism had a greater effect on large export manufacturing businesses in Kenya was confirmed. This investigation supports the notion that these three factors have a greater combined effect than their individual effects. In addition, it would seem that Kenya has a competitive edge in the production as well as the export of agricultural goods. This appears to confirm the relevance and application of the H-O theory (Heckscher(1919; Heckscher,1949; Heckscher et al.,1991 predictions that countries tend to export those products whose cost of the factors of production are lowest.This is consistent with the findings by Clifton (1984) and Ngugi (2016)

5.2 Conclusion

According to the data, Kenya's big export manufacturing enterprises benefited more from direct exporting than from indirect or cooperative exporting. This conclusion followed naturally from the findings. Direct exporting had the largest positive and statistically significant coefficient (.893) on the performance of major export manufacturing enterprises in Kenya, followed by indirect exporting (.054) and cooperative exporting (.020).

Direct exporting allows for a better degree of control over the export process, larger profitability, and the promotion of tighter relationships with international customers and markets. It also provides a means through which to learn changes that can be made to increase overall competitiveness. Direct exporting would be ideal since it would do away with all of the expenses and complications that are involved with intermediaries. It also

enables the export company to engage directly with the clients, which strengthens their control over sales and makes it possible for them to do so. As it gains market share abroad, an exporting company's marketing may benefit from more flexibility. Establishing a clientele via direct exporting takes more effort, resources, and interpersonal clout. In comparison, indirect access to international markets is safer.

Market orientation was shown to be a significant predictor of export strategy and success for large multinational industrial businesses. Market orientation of large export manufacturing businesses mediates the link between export strategy and performance. This suggests that the outcomes of present export strategy decisions are heavily influenced by the market oriented elements of export intelligence development, distribution, responsiveness, and coordination mechanism. Export-oriented businesses might potentially create and cascade market knowledge regarding the actions of customers and rivals, allowing for instantaneous responses to shifts in the marketplace. Market orientation allows a company to broaden its marketing reach into new foreign markets. Companies that prioritize the market are more likely to take measures to boost exports, such as putting more resources toward international expansion. They are always looking for new business prospects, even those that are seen as being more psychically distant, and they are prepared to spend more resources to gain new export chances that are greater in breadth as well as depth. As a consequence, businesses with such a focus on the market enjoy more success and access to the market. According to the findings, having an eye on export markets also assists participating companies in developing new products and modifying existing ones to better fit export markets. It is important to keep

in mind, however, that excessive orientation is not good for one's health and may cause one to lose previously gained ground.

The research found that the relationship between export strategy and performance of big export manufacturing enterprises is mediated by market dynamics. Increased market activity improves the correlation between export strategy and financial success for major export enterprises. Any changes in the domestic and/or export environment will alter how export enterprises behave and react to a stimulus in order to survive, making market volatility a crucial factor in determining a business's success. Every exporting company will need to adjust its behavior accordingly in light of these circumstances. In addition to providing information, market conditions may inspire new strategies and offer a platform from which to react to changes in the external environment.

The study's findings indicated that the combined effects of export strategy, market orientation, and market dynamism on the performance of big export manufacturing businesses were stronger than the effects of any of these factors acting alone. Therefore, the conjoined input of the export strategy, market orientation and market dynamism presented a better model for performance in large for export manufacturing firms.

5.3 Contribution to Knowledge, Theory, Policy and Practice

5.3.1 Contribution to Knowledge

This study significantly advances understanding. Narver and Slater (1995) and Hult, Ketchen, David, and Slater (2005) showed that market orientation is crucial to

comprehending the connection between export strategy and leading export enterprises. Although export strategies are essential, the impact of market orientation on the success of large export manufacturers is unclear. Market volatility moderates the export strategy-performance relationship for big export manufacturing enterprises, according to this study.

Finally, the research has emphasized the need to incorporate market orientation and market dynamism measures in the evaluation of performance which previous empirical studies had ignored. In addition targeted market orientation should be undertaken by export manufacturing firms and that excess market orientation must be avoided since it can negatively impact firm performance.

5.3.2 Contribution to Theory

In theory development, the study upholds the Heckscher-Ohlin theory, the Dynamic Capability theory and the Contingency theory of organization leadership as discussed in the study. By incorporating export strategy into the H-O theorem literature, it makes it possible to enrich theoretical propositions in disciplines like organizational behavior and international business (Heckscher, 1919). The research also fills a gap in the literature on export performance in emerging countries like Kenya. It confirms that the H-O theory applies to the Kenyan context. Kenya seems to have abundant factors of producing agriculturally based products. Kenya seems to have an advantage of fertile agricultural land, good rains, sunshine, land and labour. This is because the majority of Kenya's exports come from the agricultural sector.

The results of the study confirm the applicability and relevance the H-O theory in international business as Kenyan firms seem to enjoy competitive advantage in exporting agricultural products. On market dynamism the contingency theory is relevant as firms are presumed to be led by rational managers who make decisions contingent upon environmental and / or internal circumstances to ensure their organizational business interests are safeguarded. The Dynamic capability theory has also been found to be relevant to this study because of the need for adaptation and innovation in order to remain competitive in a dynamic and even chaotic environment (Teece, Shuen & Pisano, 1997). The research findings are consistent with Grifith and Harvey (2001) position that for firms to remain successfully competitive they must be adaptive and be innovatively swift.

5.3.3 Implications for Practice

In practice, this study provided knowledge and understanding to practitioners in international business as well as the export manufacturing businesses that are seeking ways to have the best export strategy. It also helps such firms to orient effectively towards the export markets through innovations and adaptations because the international market changes from time to time. This study responds to demands for more exploration of the export manufacturing strategy to enhance foreign exchange inflows. Additionally, the study gives managers of export manufacturing firms in Kenya more ideas to develop and enhance export knowledge, products and tactics for better export performance.

Manufacturing acts as a catalyst towards enhancement of innovation and adaptability that enhances a firm's capabilities and competitive advantage in export manufacturing. Export manufacturing firm managers in Kenya should focus on adopting export manufacturing strategy coupled with a more flexible and adaptive style in order to realize the potential value of the international markets and to sustain the satisfaction of the customer in the export markets. Only firms that do this will survive and grow their market share. Export promotion by the government and its agencies is good yet firms must not only rely on that but also craft their own export promotion activities in order to perform better in foreign markets.

5.3.4 Policy Implications

The result of this research also gives valuable policy implications. This research adds knowledge to policy makers and implementers in the Kenyan export manufacturing sector. The industry is essential for Kenya's increase of employment rates and economic growth via foreign exchange inflows as a consequence of exporting manufactured items. This is because selling manufactured goods results in foreign currency inflows. The results of the research will provide lawmakers and regulators of the sector with the information they need to take action in order to make the most of the possibilities and benefits that manufacturing and exporting provide to the nation. Further, it is important for managers to understand that there is no one best strategy for improving export performance; there is no universally accepted set of criteria for achieving success in exporting; rather, diverse methods are required for different situations depending on the

particular conditions.

Policy makers must consider ways of supporting export goods manufacturing for example through institutionalized export promotion and easing access to credit and the export manufacturing sector in Kenya since this will have a direct effect on the competitiveness of export manufacturing firms. This is even more critical for start-ups as they are weak and vulnerable to collapse at early ages. Consequently, this will enhance foreign exchange inflows via exports thereby expanding employment opportunities locally. To be more specific, before settling on a more generic international marketing mix strategy, managers should conduct a thorough analysis of their firm's resources and capabilities, the technological developments occurring in their industry, and the characteristics of the environments in which their target export markets operate.

5.4 Recommendations of the Study

Based on the outcomes of the study, it is suggested that using either a more uniform or more adaptable type of export strategy might improve export performance. Therefore, by focusing their efforts on achieving a more suitable balance between export plan standardization and adaptation, and taking into account the unique organizational and contextual aspects at play in the target export markets. However, major export manufacturing enterprises are more likely to succeed internationally. According to the study's findings, export companies can boost their export performance (export sales or export volume ratio) by placing a premium on gathering data on foreign markets and

seeking partnerships with market participants abroad. This will allow export companies to be successful in their efforts to engage in international business activities. It is proposed that further assistance be given for the export manufacturing industry in Kenya in order to enhance the volume and breadth of Kenyan goods. This would be accomplished by providing greater support. This will result in the country earning additional foreign currency.

The study's results suggest that in order to increase exports, the management of large manufacturing enterprises that do so should make an effort to put together export-focused teams with extensive international expertise and create an environment that encourages export growth. The export manufacturing sector stands to benefit greatly from this deliberate and coordinated effort. While government-led export promotion is critical, it is not sufficient on its own; instead, businesses should take the initiative to promote their own exports and develop additional tactics to boost performance. Spending time and money making sure firms are export-focused, that export market orientation is emphasized at all levels of the organization, and that export-focused operations are supported by the company's training programs. All of these are important considerations for businesses that are working to improve their orientation toward export markets.

The export firms operating optimally in highly dynamic markets will generally achieve greater success by adapting to dynamic environments. The study recommends that it is critical for managers to establish whether their business success is increasing or decreasing. Managers should confirm that their company’s market dynamism levels

remain close to the optimal spot: exporters following strategies that involve greater international engagement must also enhance increment in their firm adaptability to rhyme with market dynamism levels to achieve optimal performance. In addition, the firms need to raise firm productivity to overcome market access costs and survive in export markets.

Lastly, the findings indicated that the export firms intended to continue exporting using their current mode. Therefore, the study recommends that the firms adopt efficient technology that will enable them manufacture more efficiently to cut on costs.

5.5 Limitations of the Study

The opinion of the respondent CEO and that of the head of the export function in every firm cannot be completely free from bias because of subjective judgments of his or her own firm. Though every effort was made to guard against this, future research can consider increasing the number of respondents per firm.

The third limitation was that the cross-sectional nature of the study did not explain why certain correlations exist and this has limited the inferences that the study could have otherwise made. In addition, the data provided a narrower view over a short period thus limiting time period during which the data were collected. The other limitation is that this study did not look at what happens in the service industry in as far as export of such services is concerned

5.6 Suggestions for Further Research

The study's shortcomings provide new research directions for future researchers to explore. This study focused on Kenyan large export manufacturing firms. The study may be extended to other category of firms in Kenya such as the MSMEs to allow for comparability of findings. Secondly, future researchers could use other methods of conducting research like longitudinal studies, triangulation or qualitative research designs to test the same model and establish whether results would be different.

Finally, other researchers could consider testing the model in other regions and other sectors of the economy. This will help establish whether any variations exist. Future research should also consider exports vis-a-vis the service industry. There are a range of services like security, consultancy, catering, and so on. Any future study can consider the influence of the variables in this study on the ‘export’ of such services.

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APPENDICES

Appendix I: Questionnaire

Part A: Firm Background Information

Hello, my name is Haron Komen a PhD student at the University of Nairobi specializing in Global Business. This questionnaire is aimed at facilitating academic research on the effects of export strategy, market orientation and market dynamism on the performance of large export manufacturing firms in Kenya. The survey is confidential and the findings will be used for academic purposes only. Do not write your name or that of your company anywhere on this questionnaire. Your participation in facilitating this study will be highly appreciated. Take at least one (1) hour to answer the questionnaire.

1. What is the age of your company?

Below 5 years

5-10 years

11-20 years

21-30 years

31-40 years

Over 41 years

1. **Respond to the following statements by ticking applicable answers: You may tick morethan one option.**

S/No.	Statement	Yes	No
a.	Our firm is a franchise of a foreign firm		
c.	Our firm is locally incorporated in Kenya		
b.	Our firm has branches outside Kenya		
d.	Our firm is family owned		

2. **What is the approximate number of full-time employees in your company at present?(Tick that which is nearly applicable)**

11-50 ☐ 151-200 ☐

51-100 ☐ 201-250 ☐

101-150 ☐ 251 and over ☐

3. **On a scale of 1 to 5, where 1 is "Totally Disagree", 2 is "Disagree", 3 is "Moderate", 4 is"Agree" and 5 is "Totally Agree," indicate why your firm exports**

S/NO	Reason why our firm exports	1	2	3	4	5
A	Gain global reputation					
B	Enhance profitability					
C	Gain benefits of economies of scale					

D	Avoid domestic competition					
E	To take advantage of government incentives to exporters					
F	Absence of/minimal home market for our products					
G	To take advantage of upcoming opportunities					

4. For how long has your company been exporting? (please tick only one)

- ☐ < 5 years
- ☐ 5 – 6 years
- ☐ 7 – 8 years
- ☐ 9 – 10 years
- ☐ > 10 years

5. To which of the following regions does your company export? (Please tick all that apply)

- ☐ Europe
- ☐ North America
- ☐ Asia-Pacific
- ☐ Africa
- ☐ Other (please specify)

Part B: Export Strategy

6. **On a scale of 1 – 5 rate to what extent your company uses the following export entry strategy to sell products abroad. Where 1 is "Very small extent", 2 is "Small extent" 3 is"Medium extent", 4 is "Large extent", and 5 is "Very large extent". Please tick the applicable strategy.**

S/NO	Export strategy	Rating				
		1	2	3	4	5
1	Direct Exporting					
2	Indirect Exporting					
3	Co-operative Exporting					

7. **On a scale of 1-5 rate the strength of the reasons why you chose the strategy you are currently using. 1 is very weak., 2 is Weak 3 is Moderately Strong., 4 is Strong and 5 isVery Strong. Please tick the applicable reason of choice**

Export strategy	**Reason for choice**	**Rating**				
		1	2	3	4	5
Direct exporting	Avoid unnecessary costs					
	Gain greater control					
	Enhance interaction with clients					
	To understand better the market place					
	It gives greater flexibility in decision Making					
Indirect exporting	Minimize risks					
	Less investment required					
	To enable special concentration on Manufacturing					
	To gain technical guidance from intermediaries of our firm					
Cooperative exporting	To enjoy spreading of costs					
	To gain from synergy					

8. **Please rate the extent to which export activities are organized in your company for theprimary export markets where 1 is "Very little extent", 2 is "Little extent", 3 is "Moderate extent", 4 is "Large extent" and 5 is "Very large extent"**

S/NO	Statement	Rating				
		1	2	3	4	5
A	It is under the domestic marketing department					
B	It is under a fully-fledged export department					
C	It is under Overseas agents					
D	It is managed by company employees based in export markets					
E	It is run by overseas agents/subsidiaries or joint ventures					
F	It is run by other local intermediaries					

Part C: Market Orientation

9. On scale of 1 to 5, where 1 is "Totally Disagree", 2 is "Disagree", 3 is "Moderate", 4 is "Agree" and 5 is "Totally Agree", rate how important each of the following statementsapply to your organisation? Please tick on the applicable box

S/NO	Statement	Rating			
		1	2	3	4
A	Our firm undertakes export intelligence generation				
B	Our firm disseminates intelligence gathered on exportmatters				
C	Our firm is responsive to export intelligencegathered				
D	Our firm is strongly innovative in its products				
E	Our firm adapts to the customer and market needs				
F	Our firm engages in active export promotion				
G	Our firm collaborates with government exportpromotion entities.				
H	All our export staff have access to the internet				
I	Our firm has an internet website				
J	Our firm motivates / rewards staff coming with newideas and innovations regarding our business.				

Export intelligence generation

10. On scale of 1 to 5, where 1 is "Totally Disagree", 2 is "Disagree", 3 is "Moderate", 4 is "Agree" and 5 is "Totally Agree", rate how important each of the following statementsapply to your organisation? Please tick on the applicable box

S/NO	Statement	Rating				
		1	2	3	4	5
A	We occasionally analyze the likely implications of changes in the export environment					
B	We visit end users of our products to assess the quality of our produces end services					
C	We are swift to note changes in product preferences of our overseas customers					
D	Our firm generates a lot of information on trends (e.g. demand, competitors) regulation, technological development, politics, economy)					
E	We regularly generate reliable relevant information pertaining the activities of our export market					
F	We consistently review our level of orientation and commitment to serving the needs of our export customer					
G	Our managers from relevant function departments often visit our current as well as prospective export clients and markets.					
H	We regularly and procedurally measure export customer satisfaction levels and act on their views					

Intelligence Dissemination

11. On scale of 1 to 5, where 1 is "Totally Disagree", 2 is "Disagree", 3 is "Moderate", 4 is "Agree" and 5 is "Totally Agree", rate how important each of the following statementsapply to your organisation? Please tick on the applicable box

S/NO	Statement	Rating				
		1	2	3	4	5
A	We hold regular departmental meetings every quarter to deliberate on the emerging trends and advancements in our export markets					
B	Marketing staff members in our firm engage other departments to discuss the future needs of export customers.					
C	Our firm periodically circulates documents on information relevant to export customers					
D	The export and manufacturing departments engage in constant communication on matters pertaining export market development					
E	Important information about our export competitors and the export market are readily shared by and between our departments					
F	Export personnel regularly convey information related to customer preferences to other departments or units					
G	Crucial information pertaining export customers is availed right down to the smallest unit					
H	Top management regularly discuss the strengths and strategies of export competitors					

Intelligence Responsiveness

12. On scale of 1 to 5, where 1 is "Totally Disagree", 2 is "Disagree", 3 is "Moderate", 4 is "Agree" and 5 is "Totally Agree", rate how important each of the following statementsapply to your organisation? Please tick on the applicable box

S/NO	Statement	Rating				
		1	2	3	4	5
A	We are swift in responding to price changes of our export market competitor price changes					
B	We take note of changes in service and product needs of our customers					
C	We frequently revise our product development initiatives to ensure relevance to what export customers wants					
D	Our export products‟ standardization strategy is informed by intense customer research					
E	Different departments meet occasionally to plot a response to changes occurring in the foreign business atmosphere					
F	We produce products for foreign markets based on real market needs					
G	We act fast and conclusively on customer complaints					
H	We are swift to respond to crucial changes occurring in the business environment.					

Coordinating mechanism

13. On scale of 1 to 5, where 1 is "Totally Disagree", 2 is "Disagree", 3 is "Moderate", 4 is "Agree" and 5 is "Totally Agree", rate how important each of the following statementsapply to your organisation? Please tick on the applicable box

S/NO	Statement	Rating				
		1	2	3	4	5
A	There exists teamwork among different departments with respect to our export business					
B	The business functions are integrated in pursuing a common objective					
C	In our organization, there is inter departmental conflict management					
D	Important players from other sister departments facilitate the firm‟s export					
	related activities					
E	Sales staff coordinate closely with other firm employees to tackle post sales issues					
F	Inter- departmental conflict are quickly resolved amicably by our conflict/ dispute resolution mechanism /committee					
G	Export activities disruptions are resolved by the activities of our departments					
H	The production and export departments work in collaboration.					

Part D: Market Dynamism

14. On a scale of 1 to 5, where 1 is "Totally Disagree", 2 is "Disagree", 3 is "Moderately Agree", 4 is "Agree" and 5 is "Totally Agree", rate how important each of the followingstatements apply to your organisation by ticking the appropriate box.

S/NO	**Statement**	Rating				
		1	2	3	4	5
A	Our firm monitors economic policies of our export market at all times					
B	Our firm is sensitive to legislative and legal decisions in the export market					
C	Our firm is sensitive to political events in either the domestic or export market					
D	The domestic market issues affect our export decisions					
E	Our firm is aware of and mitigates the environmental hostility/turbulence					
F	Rate of change in the products demanded in the export market is high.					
G	The psychic & physical distance of the market determines whether to export or not					

15. **On a scale of 1 to 5, where 1 is "Totally Disagree", 2 is "Disagree", 3 is "Moderately Agree", 4 is "Agree" and 5 is "Totally Agree", rate how important each of the followingstatements apply to your organisation by ticking the appropriate box**

S/NO	Statement	Rating				
		1	2	3	4	5
A	Our export customer‟s product preferences change quite a bit over time					
B	Our export market environment / condition changes frequently					
C	Our competitors change their behaviour frequently					
D	Our export customers tend to look for new products all the time					
E	Our export customers tend to have stable product preferences					
F	Our export market regulations and standards change within short notice periods.					
G	Our firm develops effective pricing tactics to remain competitive in hostile environments					

Hostility

16. **On a scale of 1 to 5, where 1 is "Totally Disagree", 2 is "Disagree", 3 is "Moderately Agree", 4 is "Agree" and 5 is "Totally Agree", rate how important each of the followingstatements apply to your organisation by ticking the appropriate box**

S/NO	**Statement**	Rating				
		1	2	3	4	5
A	Our competitors use hostile methods to gain and hold the market					
B	Foreign government regulations are against our					
	Products					
C	Our company is aware of and acts to ward off competitor hostility					
D	Our firm collaborates with export market domiciled firms to reduce hostility					
E	We strive to create and nurture niche market before venturing into a wider market					
F	Our firm develops effective pricing tactics to remain competitive in hostile environments.					

Heterogeneity

17. **On a scale of 1 to 5, where 1 is "Totally Disagree", 2 is "Disagree", 3 is "Moderately Agree", 4 is "Agree" and 5 is "Totally Agree", rate how importanteach of the following statements apply to your organisation by ticking the appropriate box**

S/NO	Statement	Rating				
		1	2	3	4	5
A	Our new export customers tend to have product related needs that are different from those of existing customers					
B	The laws on standards and regulations in the export market are different from those of our domestic market					
C	Our company exports products that are varied diversified to meet various market needs					
D	Our firm adapts our products to meet changing export market needs					
E	Our firm has a strong and active R & D department					
F	Our company adopts technological innovation on products and our processes					

Part E: Firm Performance

18. On a scale of 1 to 5 and applying export experience, rate how you agree with thefollowing statements

where 1 is "Totally Disagree", 2 is "Disagree", 3 is "Moderately Agree", 4 is "Agree" and 5is "Totally Agree"

S/NO	Statement	Rating				
		1	2	3	4	5
A	The export strategy a firm chooses has a significant effect on sales volume and profitability					
B	Direct exporting has been the best strategy since we started exporting					
C	Indirect exporting has been the best strategy since we started exporting					
D	Cooperative exporting has been the best strategy since we started exporting					

19. Rate how you agree with the following statements on your firms' performance over thepast five years

where, 1 is very strongly disagree ,2 Strongly Disagree,3 Is Moderately Agree,4 isStrongly Agree and 5 is Very Strongly Agree. Please tick the applicable box. Note : This question overflows to the nextpage.

S/NO	Statement	Rating				
		1	2	3	4	5
a.	**Financial sustainability** Our total sales have steadily grown in the last five years					
b.	The export firm has realized significant growth in our market share in the last 5 years					
c.	Our export sales has surpassed domestic sales					
d.	The firm has realized a significant growth profit margin in the past 5 years					
e.	**Learning and growth**					
f.	Our staff regularly undergo training to acquire new skills and ideas					
g.	Our costs on expertise have decreased in the last five years					
h.	Our products brand image has improved over the past five years					
i.	**Internal business processes** Our products have undergone adaptation to the customers in the past 5 years					
j.	Our firm has increased production through decreased redundancies in the past 5 years					
k.	Our firm has improved its marketing and export promotion activities in the past 5 years					

l.	Our use of better technology in production has increased in the past 5 years					
m.	Our employees have access to and utilize the internet for business					
n.	We have a strong R&D department					
o.	**Stakeholder interests** Our company rewards employees who innovate towards improvements of our products					
p.	Our firm promotes ethics and good governance					
q.	Our company cares for the environment through reduction and control of environmental pollution.					
r.	**Customer Focus** Our company has and implements a corporate social responsibility(CSR) plan					
s.	Our customers are happier about our products than they were five years ago					
t.	Our firm has an after sales follow up/ service with our customers.					

Appendix II: Large Export Manufacturing Firms in Kenya,(2018)

1. Tea	
1	Kenya Tea Packers Limited (Ketepa)
2	James Finley Kenya ltd.
3	Kenya Tea Development Agency Holdings Company Ltd
2. Coffee	
4	Dormans Coffee Ltd
5	Juja Coffee Exporters
3. Titanium Ores And Concentrates	
6	Nampak Kenya Limited
4. Medicaments	
7	Cosmos Limited
8	Dawa ltd
9	Glaxo Smith Kline Limited
10	Regal Pharmaceuticals Ltd
11	Norbrook Kenya Limited
5. Beverages	
12	Delmonte Kenya ltd
13	East African Breweries ltd
14	Kenya Wine Agencies ltd.
6. Dried Leguminous Vegetables, Shelled, Whether Or Not Skinned Or Split	
15	Kenya Seed Company Ltd
16	Mombasa Maize Millers Ltd
7. Clothing	
18	Sunflag Textile & Knitwear Mills Ltd
17	Super foam Ltd
8. Cigars, Cheroots, Cigarillos And Cigarettes of Tobacco or of Tobacco Substitutes	
19	British American Tobacco Kenya plc
9. Plastics Products	
20	Acme Containers Ltd
10. **Leather & Footwear**	
21	Bata Shoe Company (Kenya) Ltd
22	Umoja Rubber Products Ltd
23	Tile & Carpet Centre
24	Sameer Africa Ltd
25	Syngenta East Africa Ltd
11. Timber, Wood & Furniture	
26	RaiPlywoods (Kenya) Ltd
27	Timsales Limited
28	Ramco Printing Works Ltd

12. Building, Mining & Construction	
29	African Diatomite
30	ARM Cement Ltd
31	Bamburi Cement Ltd
32	East African Portland Cement Company Limited
33	Devki Steel Mills Ltd
34	Mabati Rolling Mills Ltd
35	Impala Glass Industries Ltd
36	Mombasa Cement Ltd
37	Tononoka Rolling Mills Ltd
13. Chemical & Allied Sector	
38	Orbit Chemicals Industries Ltd
39	Basco Products (K) Ltd
40	Tata Chemicals Magadi ltd
41	Bayer East Africa Ltd
42	Canon Chemicals Ltd (Former United Chemicals) Ltd
43	Excel Chemical Ltd
44	Twiga Chemical Industries Limited
14. Metal & Allied Sector	
45	Tononoka Steel Ltd
15. Meat and Meat Products	
46	Farmers Choice Ltd
16. Milk And Milk Products	
47	Brookside Dairy Ltd
48	Sameer Agriculture and Livestock Limited
49	New Kenya Co-operative Creameries Ltd
50	Tetra Pak Ltd
17. Fast Moving Consumer Goods	
51	Pwani Oil Products Ltd
52	Haco Tiger Brands East Africa Industries (K) LTD
53	BIDCO Africa
54	Unilever Kenya Ltd
55	Kapa Oil Refineries Ltd
56	Kay Salt Ltd
57	Menengai Oil Refineries Ltd
58	Premier Flour Mills Ltd
59	Procter & Gamble East Africa Ltd
60	Unga Group Ltd

Appendix III: KAM classification of manufacturers according to their annualturnover

S. N.O	Annual turnover (Kshs.)	Class
1.	0-20 million	Micro enterprise
2.	20-250 million	Small micro enterprises (SME)
3.	250-1 billion	Medium enterprises
4.	Over 1 billion	Large

Appendix IV: Research permit

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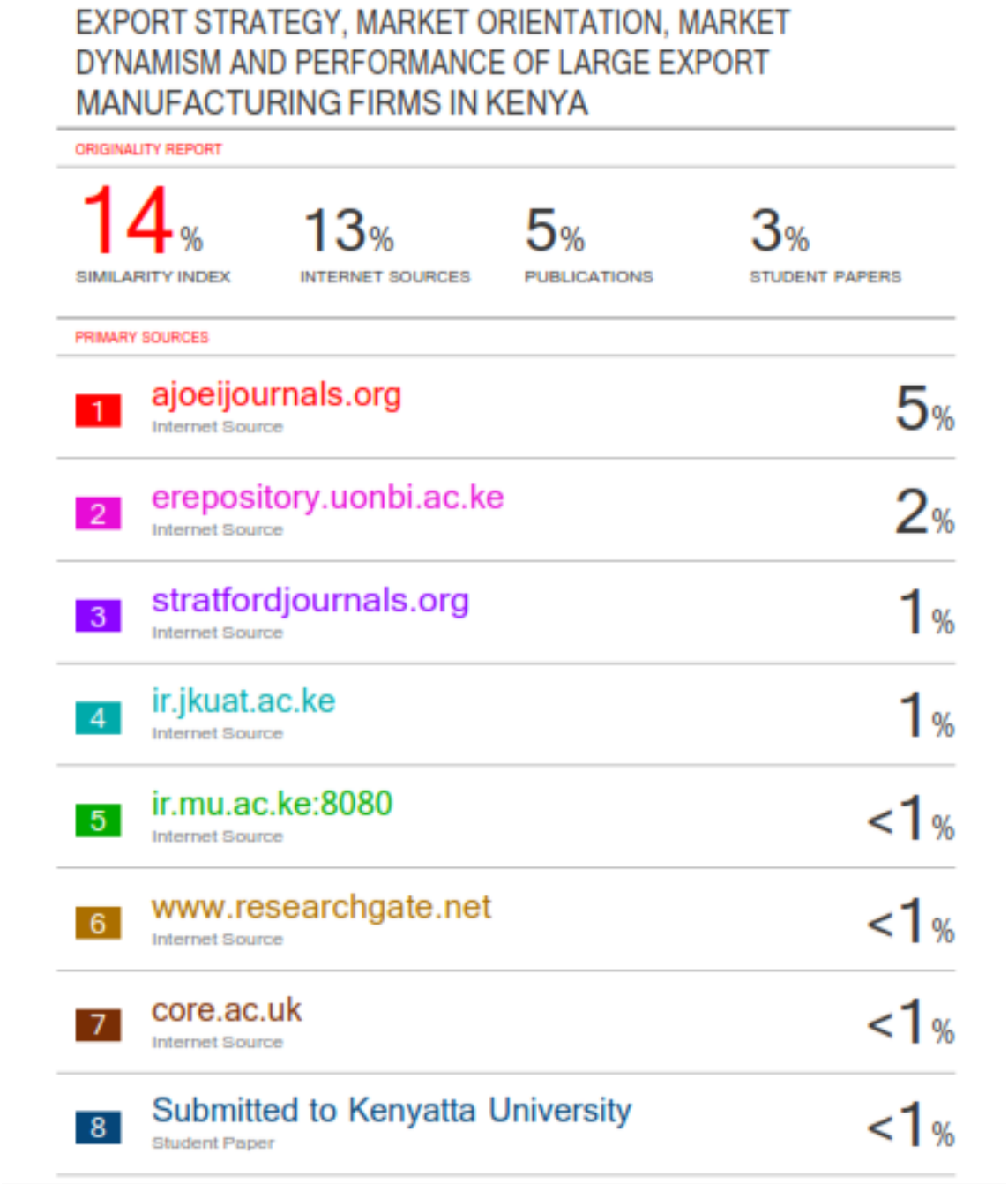

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