

# Market Diversification Strategy as a Customer Focus on Performance of Food and Beverage Manufacturing Companies in Nakuru County, Kenya

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**Abstract:** The purpose of this study was to evaluate the influence of market diversification strategy and customer focus on performance of food and beverage manufacturing companies in Nakuru County, Kenya. The study's theoretical framework included review of competitive strategy theory, strategic contingencies theory, upper echelon theory, and resource based theory. This study adopted cross-sectional survey design for purposes of suitably addressing data collection and analysis. The study targeted 97 food and beverage manufacturing companies in Nakuru County, Kenya which will be the unit of analysis whereas study informants was managers in-charge of strategy and business development, and constituted the unit of observation. Proportionate stratified random sampling technique was used to select respondents and self-administered questionnaires based on five-point Likert scale was distributed using drop and pick-up method. Pilot testing was undertaken to test the validity and reliability of the questionnaire and pilot data analysis was done using Statistical Package for Social Sciences (SPSS) version 26. Multiple regression analysis and analysis of variances was done to test the significance levels of one variable over the other. Results were presented in tables and graphs with clear explanations given based on the findings.

**Keywords:** market diversification strategy, food and beverage manufacturing companies, Statistical Package for Social Sciences (SPSS).

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## 1. INTRODUCTION

Strategy and its influence on firm performance has been the subject of discussion for a long time and a firm's strategy entails determining its long-term goals and objectives, acting to achieve them, and allocating the necessary resources (Aaker & Moorman, 2023). Strategy outlines the market in which the organization operates or plans to operate and offers a model of the priorities, objectives, goals, and plans put forth to achieve them. It entails selecting the range of activities in which an organization differentiates itself in order to evaluate a sustainable difference in the market; the distinction between the chosen activities and the way they are conducted (Gordon & Langmaid, 2022).

All strategy concepts share a fundamental theme that a firm can achieve its objectives by strategically focusing its efforts in alignment with changes in the external environment (Alsharari, 2024). Organizations that select and afford to concoct a conglomeration of strategies are in a better standing for long-term performance when equated to those who elect not to or adopt only one strategy (Finnegan, 2022). Conversely, if an organization has resources that have the potential to create cutting edge performance, full actualization is not realized if the firm lacks capacity to explore available capabilities. This process involves creation and execution of strategies for performance improvement, but it is always challenging to get strategy right, because it is difficult to develop strategy in a speculative environment and changing reality, thus the discordance on having a collective ground on what constitutes key concepts for performance (Sorensen, 2021).

Steblyanskaya et al., (2021) reviewed changes in sustainable growth dynamics and focused on China and Russia and noted that the priorities for sustainable growth research developed in a multidimensional and system-based way. The Russian government had declared that the ideas and principles of sustainable growth as concerned Russian natural gas companies' factors influenced the sustainable growth rate and were mostly financial factors. The opposite situation existed to some degree in Chinese gas companies, where financial indicators were more related to environmental, energy, and social indicators. However, the relationship between financial indicators and the social sector indicators were minimal.

In Turkey, Güngen and Akçay (2024) reviewed growth models, growth strategies, and power blocs in the twenty-first century explaining the changes in growth strategies and models amid the strength of reinforced authoritarian regimes in these two countries, where hybrid research strategy was employed, tying growth model changes to conflicts within the power blocs and it was argued that in the mid-to-late 2010s, peripheral goods producers gained the upper hand in Turkey, and further contended that power bloc reconfigurations in the last decade gave rise to new growth strategies aimed at changing previous domestic demand-led demand and growth models.

Chalençon and Marion (2024) examined size and financing of external growth strategies among small and medium enterprises and it was showed that external growth allowed small and medium enterprises to increase their size rapidly and speed up their access to the benefits of increased size. Results for large listed groups implied the importance of the size of acquirer, noting that for companies, external growth operations represented a development strategy that was challenging because of the inherent risks and the resources required to implement them. It was noted that the smaller the acquirer, the greater the impacts of the benefits of increased size, and that enriched views on mergers and acquisitions. Furthermore, entrepreneurship evaluation highlighted the constraints that affected small and medium enterprises because of their lack of resources and skills.

Nigeria, Ekechi et al., (2024) analyzed various financial mechanisms that facilitate small business growth in African economies. From traditional banking channels to innovative fintech solutions, the review explores the evolving landscape of financial inclusion and assesses its impact on SME development. Additionally, the role of government policies and interventions in creating an enabling environment for small businesses was scrutinized, and implementing the pillars the government aimed at improving infrastructure, education and training while maintaining a stable macroeconomic environment with stable prices and low interest rates and also maintain a peaceful environment to do business.

In South Africa, Bugwandin (2022) examined sustainable business strategy for small and medium enterprises in KwaZulu-Natal and noted that it was important to consider environmental, social, and economic sustainability. All these three components helped to create a good value for the firm. Small and medium enterprises played an important role in economic development of any countries and they provided wide employment opportunities and promoted equitable development. Sustainability is a top priority for most business leaders and organizations were struggling to incorporate sustainability into their operations. Becoming truly sustainable was a major transformation process that encompassed culture, planning, metrics, governance, reporting and mindset.

In Tanzania, Mwombeki (2023) carried out an empirical analysis on influencing attributes on revenue growth from small and medium enterprises and on average, contingent factors such as competition, small size and corruption positively affected revenue growth. Moreover, firms owned by a female, pressure from government regulations, tax rates, access to finance and skilled workforce were institutional factors significantly affecting the firms' revenue growth. The robust results indicated that these factors affected firms in the service industry more. It seemed that manufacturing firms, despite stiff competition, faced a lot of compliances from the government that hinder their growth.

Munyasya and Muathe (2023) did an empirical investigation on growth strategies and performance of Cement Manufacturing firms in Kenya and indicated that market penetration, product development, and diversification positively and significantly influenced Cement manufacturing companies' performance and concluded that growth strategies contributed significantly to the performance of cement manufacturing companies. The management of cement companies should invest in training employees to provide the best customer service, invest more in research and development, and have a portfolio of product development strategies. The marketing team should be innovative in developing products that meet the changing demands of customer preferences.

Ekechi et al., (2024) reviewed small business growth strategies in African economies and various financial mechanisms that facilitate small business growth in African economies. From traditional banking channels to innovative fintech solutions, the review explored the evolving landscape of financial inclusion and assessed its impact on small and medium enterprises development. Additionally, the role of government policies and interventions in creating an enabling environment for small businesses was scrutinized and shed light on successful models that had spurred entrepreneurial growth, and market access was a critical determinant of small business success, and also investigated the strategies employed by small and medium enterprises to penetrate local and international markets.

Waithaka and Odollo (2024) analyzed growth strategies on competitiveness of registered deposit taking savings and credit cooperative societies (SACCOs) in Nakuru County, Kenya. The study found that market expansion strategies played a pivotal role in enhancing the competitiveness of registered deposit-taking savings and credit cooperative societies in Nakuru County, Kenya. This is supported by both descriptive findings and correlation results, indicating a strong positive relationship between market expansion and SACCO competitiveness. Respondents overwhelmingly agreed on the positive impact of market expansion, with correlations showing significant associations between market expansion and SACCO competitiveness.

Food and beverage manufacturing is an important part of a connected system of agriculture and consumption, transforming raw commodities into edible form, enabling us to store seasonally produced items until such time as we need it, and transforming commodities into value-added products.

The food and beverage industry stands as a cornerstone of global commerce encompassing an existence array of businesses in the production, distribution and sale of food and drink produced to consumers worldwide (Vaka et al, 2023). The food industry is an excellent example of a dynamic industry that is subject to constant changes including in consumer demands and government regulations. (Adams et al,2023)

In Kenya, small and medium-sized manufacturing firms (SMFs) play an important role by creating employment to vast section of Kenya's population and generate revenue, which demonstrates their importance in advancing economic development, innovation, and creativity across the globe (Gitari, 2023). The government has acknowledged the role and potential of the manufacturing sector as a key driver of economic, industrial change and job creation over time.

The food and beverage manufacturing industry are one of the most significant industries in Kenya. This is because the agriculture sector forms the backbone of the country and therefore these industries become handy in transforming the agricultural raw materials into finished and consumable products. Notably, the growing population in cities and towns generated the demand for value added and processed foods and beverages with ease as well as fast preparation techniques (Kibui et al,2023). Companies in this industry function in a trendy environment and they must establish new approaches and strategies for achieving and improving their overall performance.

The sector is faced by a lot of competition imported and local products and it is important for them to be able to deploy the resources in their organizations to increase their market share. Majority of food manufacturing companies intend to expand and boost their sales and profits hence adopt growth strategies to raise the size, income, and market value of companies (Bunde & Lewa, 2024). It involves figuring out how to beat your rivals in a race in a comprehensive manner and determining the most effective path to get there. Diagnosis takes into account the complete procedure, researching the competitors and comprehending the current metrics and benchmarks, which comprise consumer analysis and knowing how to increase audience engagement; a well-crafted guiding policy that explains, clarifies, and communicates the procedure and the desired outcome; and, lastly, a cogent action that delves into the specifics of tactics, operations, and governance.

With approximately 65% of businesses failing within their first decade, it is apparent that a solid growth strategy is essential for survival and according to the Kenya National Bureau of Statistics

Economic Survey report 2023, the country's reliance on foreign foodstuffs posted a sharp increase. Kenya's import dependency ratio (IDR) worsened from 15.5% in 2022 to 16.4% in 2023 especially the IDR for edible oils and animal products which worsened from 18.9% and 2.9% in 2022 to 19.4% and 4.2%, respectively, in 2023, indicating increased reliance on imports of the given commodities. Recognizing the high cost of starting and running a manufacturing industry, the state in its 2022-2023 budget resolved to help the sector by advancing supplementary financing (Sulasmı et al., 2023).

Farida and Setiawan (2022) examined business strategies and competitive advantage focusing on the role of performance and innovation. Morettini et al., (2023) reviewed process and strategies of growth in medium-sized fast-growing firms. Kadenyeka and Mwasiagi (2023) reviewed business level strategies and performance of selected supermarkets in Nakuru County, Kenya. Hence there is a knowledge gap in specific review of the appropriate thematic Business growth strategies that can be adopted by food and beverage manufacturing companies for the aim of improving their organizational performance. This study analyzed the influence of diversification strategy on performance of food and beverage manufacturing companies in Nakuru County, Kenya.

## 2. DIVERSIFICATION STRATEGY

Diversification strategy is a growth framework that involves entering into a new market or industry where the current business does not currently operate in while also creating a new product for that new market (Maranga et al., 2024). Diversification happens in several forms including horizontal diversification where new products or services are acquired or developed that are complementary to the core business and appeal to current customers and requires new technology, skills or marketing approach to diversify in this way. Concentric diversification involves adding new products that have technological or marketing synergies with existing product lines or industries, but appeal to new customers which enables leveraging existing technologies, equipment and marketing to diversify.

Conglomerate diversification occurs when new products or services are added that are entirely different from and unrelated to the core business. The risks are high, as this approach requires not only entering a new market, but also selling to a new consumer base. Vertical diversification or integration is when expansion is done in a backward or forward direction along the production chain of the product (Aboah et al., 2021). In this approach, more than one stage of the supply chain is controlled such as a technology manufacturer opening an own retail store. Deciding how and when to diversify requires detailed market research for the new product or service, a full assessment of customer needs, a clear product development strategy and market testing, and sales, marketing and supply chain operations able to cope with the added demands.

A successful diversification helps in increasing sales and revenue, growing market share, find new revenue streams, achieve higher margins compared to existing products and limiting the impact of changes in the market. On the other hand, diversification incurs development, sales and marketing cost and also requires additional skills, management and operational resources (Itiola, 2023). If these demands exceed the potential revenue and profit gains, diversification can put a business at great risk. Diverting funds and resources into diversification may limit potential growth in core areas of the business and also lack of knowledge or expertise in the new industry or market lead to costly delays or mistakes.

Customer focus has emerged as a decisive factor in shaping the performance of manufacturing firms in 2025. Firms that prioritize customer-centric strategies such as tailoring production to demand, integrating customer feedback into product development, and enhancing after-sales service are consistently outperforming those that rely primarily on cost efficiency or scale. This shift reflects the growing importance of customer experience as a competitive differentiator in manufacturing, where value creation is increasingly measured not only by output but by responsiveness and innovation.

Recent industry analyses highlight that customer-focused manufacturers achieve stronger operational efficiency. Deloitte's 2025 Manufacturing Industry Outlook notes that firms investing in customer-centric digital systems, including predictive analytics and smart factory technologies, report improved supply chain resilience and adaptability to market volatility. By aligning production with customer demand, these firms reduce waste, optimize resource use, and maintain steadier performance even during disruptions.

Customer focus also enhances competitiveness in emerging markets. The Kenya Association of Manufacturers (KAM) Q2 2025 Barometer found that firms attentive to customer needs reported higher operating capacity utilization and stronger business outlooks compared to those focused mainly on cost minimization. This underscores how customer-centric strategies contribute not only to firm-level success but also to broader industrial growth in regions like Kenya, where manufacturing is a key driver of economic development.

Moreover, customer focus fosters innovation and long-term growth. The Global Manufacturing Outlook 2025 emphasizes that firms leveraging customer insights to drive innovation through AI-driven customization, automation, and sustainability-focused investments are better positioned to thrive despite rising input costs and geopolitical tensions. By embedding customer feedback into product design and service delivery, these firms strengthen customer loyalty and create new growth opportunities.

In conclusion, customer focus is a critical determinant of manufacturing firm performance in 2025. It enhances efficiency, competitiveness, and innovation, while also building resilience against global uncertainties. However, firms must balance responsiveness with prudent production planning and cost management to sustain long-term growth. This balance between customer-centric strategies and operational discipline will define the future success of manufacturing firms worldwide.

### 3. ORGANIZATIONAL PERFORMANCE

Organizational performance assesses an organization's place in the market and denotes the capacity to satisfy the needs of stakeholders; and performance also denotes the extent to which the operations satisfy customers' needs while simultaneously meeting the performance targets which are primary measurements (Lee & Raschke, 2020). Most practitioners combine both financial performance and non-financial performance metrics and adopt a more balanced approach to performance measurement. It is widely believed that a company's financial performance, which measures how effectively it uses its resources to generate revenues, should be its ultimate goal. Alternatively, non-financial performance measures refer to long-term business goals or future performance metrics.

Operational performance heralds the financial health and capacity for producing products and services and is used to measure organizational performance as businesses use external determinants to utilize internal resources as part of their innovation strategy. Operational performance and financial performance are just two of the ideas that are used to gauge how well an organization is performing and typically assessed using a collection of variables that reflect an organization's internal processes in terms of the characteristics of product quality, process efficiency, and productivity (Palepu et al., 2020). Productivity, effectiveness and efficiency of internal processes are adopted to gauge operational performance, whereas indicators like profitability, return on investment, and share price are used to gauge financial performance.

Because it is challenging to separate performance from the context in which it is utilized, it is one of the most puzzling concepts in management to conclusively define because it changes depending on the individuals, groups, and industries involved. The capacity of an organization to create value in the present and future directly relates to performance, which conjures up the capacity to fulfill previously established goals and lowering the disparities between aims and means, however, organizational performance has metrics directly tied to the organizational structure and not to its potential social and economic repercussions (Muldoon et al., 2022).

Shojaei (2023) reviewed diversification strategy and financial performance of insurance firms with evidence from Iran. The study adopted three dimensions of diversification strategy in terms of staff, product and geographical presence, using return on asset and return on equity to proxy for financial performance. The study found a significant positive impact of diversification in terms of staff education on return on assets, while the relationships between staff diversification in terms of gender and experience with return on assets being significantly negative. No significant relationship was found between diversification in terms of geographical presence, insurance policy, and premium with return on assets.

Okegbemiro and Adim (2023) reviewed diversification strategy and profitability of selected food and beverage firms in Lagos State, Nigeria. The study found that diversification had a significant effect on profitability. The study concludes that diversification had a significant effect on profitability of selected food and beverage firms in Lagos State, Nigeria. Thus, the study recommended that food and beverage firms could also explore new distribution channels, invest in marketing and branding, and enhance their operational efficiency to achieve better profitability. It was also essential for them to keep track of the latest market trends and consumer preferences to develop products and services that met the evolving needs of their customers.

Mucheru et al., (2024) examined diversification strategy and sustainable competitive advantage in Cement Manufacturing Companies in Kenya. Diversification strategy had a positive effect on sustainable competitive advantage in the cement manufacturing companies. The study recommended that management should assess the strategy's suitability considering company's structure, culture, and policies, as well as the overall targeted goals, before implementing it. The study recommended that adequate strategic planning be done professionally, and that regular monitoring be done periodically to guarantee that they do not deviate from the plans.

This study adopted cross-sectional survey research design. According to Kenya Association of Manufacturers (2023), there were 97 food and beverage manufacturing companies in Nakuru County, Kenya which constituted the unit of analysis while the unit of observation was the key informants working in the subject companies, being the accessible population of the study and was the managers in charge of strategy and business development in the targeted food and beverage manufacturing companies in Nakuru County, Kenya. Since the study population was small, the study worked with entire population which is census (Gupta et al., 2022). Questionnaires were used to collect data to be used for qualitative and quantitative data analysis thereby determining whether or not to reject the null hypotheses. Before actual data collection from the target population, the researcher conducted pilot testing which involves undertaking a preliminary test of data collection instruments and procedures to identify and eliminate issues that may derail the research process and also find flaws in the instrument's composition and design as well as to supply alternative data for probability sample selection (Niso et al., 2022). The completed questionnaires will be cleaned and thereafter examined for consistency, richness and completeness. Making sense of the text and image of the data were recommended as part of the data analysis process. Multiple regression analysis was adopted.

#### 4. DISCUSSION

##### 4.1 Influence of Customer Focus Strategy on Performance of Food and Beverage

###### Manufacturing Companies in Nakuru County, Kenya

The results of the descriptive statistics of analyse the influence of customer focus strategy on performance of food and beverage manufacturing companies in Nakuru County, Kenya are shown in Table 4.6. According to the results, 86.4% of the respondents either agreed or strongly agreed that the firm usually gathers customer feedback through interviews, surveys or reviews. This statement had a mean score of 4.1207 indicating that most of the respondents were in agreement with it. Additionally, 53.4% of the respondents either agreed or strongly agreed, while 23.7% were uncertain regarding the firm identification of key customer – centric variables. This indicated a moderate level of affirmation by the respondents which was supported by the mean score of 3.4069.

Further, 83.1% of the respondents either agreed or strongly agreed that the firm utilizes existing resources to perform exploratory factor analysis. This statement had a mean score of 4.3445 indicating that the majority of the respondent agreed with it. Also, 56.8% of the respondents either agreed or strongly agreed that the firm offers more choices of products to offer customers a wide scope of selection. This indicated a moderate level of agreement by the respondents.

The results also showed that 81.4% of the respondents either agreed or strongly agreed that the firm seeks to prioritize improvements based on their impact on customer experience. This is an indicator that there was a high level of agreement amongst the respondents which was supported by the high mean score of 4.0018. Lastly, 67.8% of the respondents either agreed or strongly agreed that the firm launches new ventures to appeal to new demographics. This statement has a mean score of 4.0213 indicating a high level of affirmation. The standard deviations of all the statements ranged between 0.72331 and 1.11901 indicating that there was little variation between each response and the average response.

**Table 4.6: Descriptive Statistics of diversification Strategy**

Statements on diversification Strategy	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Deviation
The firm usually gathers customer feedback through interviews, surveys or reviews. The firm identifies key customer –	0.0%	0.0%	13.6%	28.8%	57.6%	4.1207	0.72331
Centric variables. The firm utilizes existing resources to perform exploratory factor analysis	0.0%	22.9%	23.7%	32.2%	21.2%	3.4069	1.06261
The firm offers more choices of products to offer customers a wide	0.0%	16.9%	0.0%	16.2%	66.9%	4.3445	1.11901

scope of selection improvements based on their impact	The firm seeks to prioritize	0.0%	37.3%	5.9%	44.9%	11.9%	3.3136	1.09912
on customer experience ventures to	The firm launches new	5.9%	0.0%	12.7%	10.2%	71.2%	4.0018	1.10351
appeal to new demographics		0.0%	5.9%	26.3%	21.2%	46.6%	4.0213	0.71342

### Aggregate on diversification

#### Strategy

3.86813 0.97016

Table 7-4.6 Descriptive Stats of Customer Focus Strategy

## 4.2 Influence of Performance of Food and Beverage Manufacturing Companies in Nakuru County, Kenya

The results of the descriptive statistics of assessing the influence of performance of food and beverage manufacturing companies in Nakuru County, Kenya are presented in Table 4.7. According to the results, 86.4% of the respondents either agreed or strongly agreed that the company always seeks to increase sales volumes. This statement had a mean of 4.3390 indicating a very high level of affirmation by the respondents. Additionally, 70.3% of the respondents strongly agreed that the company always strive to achieve customer satisfaction. This is an indicator that most of the respondents agreed with this statement, a fact that was reinforced by the high mean score of 4.1102.

Further, 77.2% of the respondents either agreed or strongly agreed that the company always adopts steps mechanisms to achieve better market share to gain better productivity. This statement had a mean score of 4.0085 indicating that the majority of respondents affirmed it. The results also showed that 87.3% of the respondents either agreed or strongly agreed that high quality goods are always offered to the market place. This indicating a strong affirmation of the statement and was supported by the high mean score 4.3390. 55.1% of the respondents either agreed or strongly agreed, while 22.9% were neutral towards the statement that the company works continuously to improve staff efficiency. This statement had a mean of 3.6017 indicating a moderate level of agreement. Lastly, 94.1% of the respondents either agreed or strongly agreed that the company always promotes productivity efficiency in all staff. This statement had a mean of 4.6610 indicating a very high level of agreement. The standard deviations of all the statements ranged between 0.58792 and 1.36639 indicating that there was minimal variation between each response and the average response.

Table 4.7. Descriptive statistics on Performance of Food and Beverage Manufacturing Companies

Statements on performance of food and beverage manufacturing companies	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Deviation
The company always seeks to increase sales volumes	13.6%	0.0%	0.0%	11.9%	74.5%	4.3390	1.36639
The company always strive to achieve customer satisfaction.	0.0%	29.7%	0.0%	0.0%	70.3%	4.1102	1.37613
The company always adopts steps mechanisms to achieve better market share to gain better productivity.	0.0%	5.9%	16.9%	47.5%	29.7%	4.0085	.84222
High quality goods are always offered to the market place.	0.0%	0.0%	12.7%	40.7%	46.6%	4.3390	.69455
The company works continuously to improve staff efficiency	11.0%	11.0%	22.9%	16.9%	38.2%	3.6017	1.37834
The company always promotes productivity efficiency in all staff.	0.0%	0.0%	5.9%	22.1%	72.0%	4.6610	0.58792
Aggregate on performance of food and beverage manufacturing companies						4.1766	1.04091

Table 8-4.7 Descriptive Stats on Performance of Food & Beverage Manufacturing Companies

### 4.3 Inferential Statistics

Inferential statistics in the current study focused on correlation and regression analysis. Correlation analysis was used to determine the strength of the relationship while regression analysis was used to determine the relationship between dependent variable (performance of food and beverage manufacturing companies in Nakuru County, Kenya) and the independent variable (customer focus strategy).

### 4.4 Pearson Correlation Coefficient Analysis

According to Benesty, Chen, Huang and Cohen (2009), Pearson correlation coefficient refers to the extent to which two or more variables have a linear association. The Pearson correlation coefficients of this study are illustrated in Table 4.8. According to the results, the independent variables, customer focus strategy had positive correlations of  $r = 0.776$ , respectively with the dependent variable, performance of food and beverage manufacturing companies in Nakuru County, Kenya. Thus, a change in customer focus strategy by one unit will lead to a 0.776 change in performance of food and beverage manufacturing companies in Nakuru County, Kenya.

Further, an assessment of the p-values showed that all the independent variables had p-values that were below 0.05 indicating that there a statistically significant relationship between all of them and the dependent variable. This affirmed that in instances where there are confidence intervals of 95%, p-values are supposed to be below 0.05 so that the observed differences between groups are not likely to be down to chance and, as such, statistically significant.

**Table 4.8: Pearson Correlation Coefficients Correlations**

		Customer focus strategy	Performance of food and beverage manufacturing companies
Customer focus strategy	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	90	
Performance of food and beverage manufacturing companies	Pearson Correlation	.776	1
	Sig. (2-tailed)	.001	
	N	90	90

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

*Table 9-4.8 Pearson Correlation Coefficients*

### 4.5 Multiple Regression Analysis

Regression is a statistical technique that deals with the determination of linkages between one or more independent variables and a dependent variable by fitting a line of best fit through a series of observations (Mooi & Startstedt, 2014). The summary of the study's multiple regression model is presented in Table 4.11. These results show that the R Square value for all the variables was 0.694 indicating that the model explained 69.4% of any changes in the dependent variable I performance of food and beverage manufacturing companies in Nakuru County, Kenya whenever there is a one percent change in the independent variables. This means that the model managed to reach the 0.7 threshold for significance of the R Square value as recommended by Hamilton, Ghert and Simpson (2015). This demonstrates a fairly strong goodness-of-fit of the regression model.

**Table 4.9: Regression Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.849 <sup>a</sup>	.694	.662	.30277

a. Predictors: (Constant), Customer Focus Strategy

*Table 10-4.9 - Regression Model Summary*

### 4.6 Analysis of Variance

Sawyer (2009) affirmed that the Analysis of Variance (ANOVA) is a statistical procedure that attempts to find out existing differences between experimental group means in situations where there are one or more independent variables and a dependent variable. The results of the ANOVA of the study are presented in Table 4.10. The results indicate that the ANOVA

F-test score, calculated value  $F_{cal}$  at 5% level of significance is equivalent to 28.337, which is greater than the F critical value ( $F_{crit}$ ) of 2.48 indicating that there is a significant relationship between all the independent variables and the dependent variable of performance of food and beverage manufacturing companies in Nakuru County, Kenya. The p-value of 0.000 is less than 0.05 indicating that there is a statistically significant relationship between each of the independent variables and performance of food and beverage manufacturing companies in Nakuru County, Kenya in accordance with the recommendations of Kao and Green (2008). This demonstrates the goodness of fit of the model.

**Table 4.10: Analysis of Variance ANOVA<sup>a</sup>**

Model	Sum of Squares	df	Mean F Square	Sig.
Regression	40.816	1	28.337	.000 <sup>b</sup>
Residual	32.295	89	2.311	
1 Total	73.111	90	.109	

a. Dependent Variable: Performance of food and beverage manufacturing companies in Nakuru County, Kenya

b. Predictors: (Constant), customer focus strategy

*Table 11-4.10 Analysis of Variance*

#### 4.7 Beta Coefficient Analysis

Beta Coefficients as unknown constants that are projected from the data which are connected to particular independent variables (Peterson & Brown, 2005). These coefficients enable the measurement of the size of change in an independent variable and the manner in which this affects the dependent variable when the rest of the independent variables are held constant. The results of the Beta Coefficients of the study variables are shown in Table 4.13. The values of the constants and coefficients enabled the generation of the following multiple regression model:

$$Y = 3.423 + 0.249X_4$$

Where, Y refers to the dependent variable (performance of food and beverage manufacturing companies in Nakuru County, Kenya),  $X_4$  refers to customer focus strategy, and dependent variable performance of food and beverage manufacturing companies in Nakuru County, Kenya.

According to the equation, taking all the independent variables to be zero, and performance of food and beverage manufacturing companies in Nakuru County, Kenya will be a constant equivalent to 3.423.

Finally, a unit increase in customer focus strategy will lead to a 0.249 increase in performance of food and beverage manufacturing companies in Nakuru County, Kenya when all other independent variables are held constant. Lastly, the p-values for all the variables are all below

0.05, which indicates that they are all statistically significant.

**Table 4.11: Beta Coefficients Coefficients<sup>a</sup>**

Std. Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Error	Beta	t	Sig.
(Constant) y	3.423	.513		4.299	.000
1 Customer focus strategy	.249	.097	.140	1.512	.001

a. Dependent Variable: performance of food and beverage manufacturing companies in Nakuru County, Kenya

## 5. CONCLUSION AND RECOMMENDATION

The study showed a unit increase in customer focus strategy will lead to a 0.249 increase in performance of food and beverage manufacturing companies in Nakuru County, Kenya when all other independent variables are held constant. Lastly, the p-values for all the variables are all below 0.05, which indicates that they are all statistically significant. The study concluded that Food and beverage manufacturers in Nakuru County should adopt a strong customer focus strategy to improve performance outcomes. Firms should regularly conduct market research to understand customer tastes, preferences, and purchasing behaviors. Establishing effective feedback mechanisms, such as customer surveys and complaint-handling systems, will enable companies to respond promptly to consumer concerns and improve product quality. By prioritizing customer needs and delivering consistent value, firms can improve retention rates, stimulate repeat purchases, and strengthen long-term profitability.

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