MARKET PENETRATION AS AN IMPERATIVE OF FIRM PERFORMANCE IN THE CONTEXT OF CEMENT MANUFACTURING FIRMS LISTED IN NAIROBI SECURITIES EXCHANGE KENYA

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ABSTRACT

The cement manufacturing sector plays a crucial role in job creation, social and development agenda and GDP of the country. However, the sector suffers challenges including high energy costs, production inefficiencies and high competition leading to poor performance in terms of low production and consumption trends. To resolve the performance challenge, this study employed use of market penetration as a method. The specific objective was market penetration employed to improve performance outcomes. The study was supported by the dynamic capability theories and balanced scorecard model. It deployed descriptive research designs while targeting 216 employees working in the three listed companies. Stratified and simple random samplings were utilised in grouping respondents as per company and position and in selecting the respondents to take part in the research. The Yamane formula was employed to get the sample size of 139 respondents who filled the structured questionnaire as the research tool. The questionnaires were tested for validity and reliability using 13 employees from the non-listed cement companies and Cronbach Alpha was employed at a standard of 0.7. The researcher collected primary data from the respondents and produced qualitative and quantitative data. Analysis included entering the data into SPSS where descriptive statistics was done to obtain mean, standard deviation, frequencies and percentages. In addition, inferential statistics was analysed using linear regressions and correlation analysis to show effect of the variable on performance. The study revealed that market penetration ($\beta=0.713$; $p=0.00$), led to a positive and significant effects on performance of listed cement manufacturing firms in Kenya. The study concluded that market penetration as a variable significantly affected the performance of listed cement manufacturing company. The study recommended that management of NSE listed cement manufacturing firms need to implement strategic pricing method to facilitate market penetration.

Keywords: Listed Cement Firms, Market Penetration and Firm Performance

INTRODUCTION

Across the globe, cement manufacturing process is very capital intensive and demands large volume of energy. But despite these needs, cement manufacturing is needed for infrastructure development and growth of industries (Oduro & Haylemariam, 2019). Over the years, the international market for cement has kept growing to match the need for cement product for the building and construction sectors. The manufacture of cement, especially in the European nation faces barrier of environmental restrictions and regulations, which pushes the manufacturers to consider developing nations for cement production (Ahmad & Ahmad, 2019). But stabilizing production levels and sustaining performance has been a challenge and hence the need for formulation and execution of some strategies. Rising demand and high production costs, create a need for the manufacturing firm to respond to maintain efficiency and comply with regulations for success (Zack, McKeen & Singh, 2021)

In the global scene, Subiyanto (2020) shares about the state-owned cement firms in Indonesia, revealing that innovative strategy helped in acquisition of new capacities that has improved financial performance of the firms. The strategy with an outlook of innovativeness i. e. market penetration was found to account for high sustainability of the firms. In India, Kharub, Mor and Rana (2022) mentioned that cost-leadership as a construct of competitive strategies led to improved firm performance in the manufacturing sector. processing costs. Maximization in utilization of resources also worked to enhance performance and further helped reduce costs such as labor, total assets and raw materials, resulting in better outcomes.

Regionally, Abolarinwa, Asogwa and Ezenwakwelu (2020) argues that the manufacturing firms in Nigeria reported improved performance based on adopting market penetration as a method and it yielded high sales volume and more earnings. Thus, it is evident that market penetration effectively impacts on returns of companies and useful in improving performance. Covering the Derba cement company in Ethiopia, Teklu (2022) shared that high productivity of the companies and sector was based on efficiency of operations, optimum utilization of resources and employing growth strategies. The growth of the Tanzanian manufacturing sector in the last two years, according to Klinger, Santos, Arroyo and Vashkinskaya (2023) was informed by market development through policies for trade protection of the sector. Growth and establishment of markets to serve the diverse population resulted in high performing manufacturing firms, but there is need to focus on cement companies.

Locally, Munyasya and Muathe (2023) reported that high performance of the cement manufacturing firms in Kenya was influenced by the adoption of market penetration method. Their research on the constructs of market penetration had resulted in better performance of cement manufacturing firms. The sector players adopted market penetration for better performance in recognizing the integral role played by the manufacturing sector in economic growth and attaining of vision 2030 agenda in Kenya. Atela (2023) mention that performance of the cement firms in Kenya was influenced by the sector players' utilization of market penetration strategies for both developing the products and markets and its differentiation.

In Kenya, the manufacturing sector contributed to the economy a Gross Domestic Product (GDP) a high of 9.3 percent in 2016 but has reported a decline over the recent years, and its lowest score was 6.9 percent in 2020 (KAM report, 2020). The sector is also bigger source of employment and also contributes to the general welfare of the society. However, the cement industries are facing challenges which is weakening the market growth including inefficient operational processes, unfavourable export policies and declining infrastructure. The KNBS report (2019) indicate that cement production and consumption has been on a backward and forward trend with fluctuating performance. Therefore, this study proposes that adoption of market penetrations can improve and stabilize firm performance of the cement companies.

Statement of the Problem

In Kenya the manufacturing sector contributes to the GDP of the country. Additionally, the sector creates job opportunities to the general public and contributes to the development agenda and general welfare of the society. In general, the sector is crucial in growing the economy through creating jobs and payment of taxes and levies and uplifting social lifestyle of the people by reducing poverty levels (KAM, 2018). However, reports from the KNBS and KAM show increased challenges facing the cement-manufacturing firms and sector. For instance, the cement sector report of 2023-showed declining trend in cement consumption where 3.8 million metric tons were consumed in 2023 compared to 9.5 million metric tons in 2022. The production levels are at 65% capacity an indication of the waste and low efficiencies in the cement-manufacturing firms leading to high production cost and low performance ratings.

Mung'asia (2022) shared on decreased performance of the firms even when cement prices have gone up. In addition, the KNBS (2023) reported showed decline in cement consumption from 2.96 million metric tons in the third quarter of 2021 to 2.217 million metric tons in 2022. Production of cement in the same period also dropped 2.64 million metric tons to 2.302 million metric tons based on decline in construction projects undertaken in the same period. Other challenges facing the sector as mentioned by Atela (2023) cover high-energy costs, poor quality and inadequate infrastructure and increased competition from local players and imports from international cement manufacturing firms. Use of solar and wind power as alternative sources of energy had been proposed and development and utilization of better strategies as means of improving performance. This study assessed how market penetration can enhance performance in the Kenyan cement-manufacturing firms.

Some studies have been done on the two variables such as Wainaina and Oloko (2016) carried out a study on the effect of market penetration strategies on organizational growth in the soft drink industry. This study was carried out in the soft drink sector far different from the current study on cement industry. The identified challenges facing the cement manufacturing firms and sector need to be addressed. The large volume of literature on market penetration have reported few investigations that have been carried out concerning the strategy and how it affects firm performance in the cement manufacturing sector in Kenya creating a knowledge gap that needs to be addressed by this study. This study sought to find solutions to the performance challenges and fill the identified knowledge gaps by assessing market penetrations effect on performance of the listed cement manufacturing companies in Kenya.

LITERATURE REVIEW

Dynamic Capabilities Theory

The theory is credited to Teece, Pisano and Shuen (1997), whose main construct is that sustaining organizational performance in a highly competitive environment is informed by capabilities. It is important for business entities and companies to always reconfigure and readjust its capabilities as a means of responding to the turbulence in the operating environment (Omondi, Rotich, Katuse & Senaji, 2017). Dynamic capabilities define routines and processes that enable firms to transform themselves and evolve with times. The sentiments shared by Zahra et al (2016) is that gaining dynamic capabilities is based on regular changes made on resources owned by the organization. The changes can include recreation, reconfiguration and integration and grouping the resources to meet different needs including reacting to changes in the environment and gaining competitive advantages.

Teece (2017) postulated that the biggest concern of managers and in strategic management is how to lead firms to attaining of competitive advantages. The researcher further argued that this question is confronted through the development of dimensions of dynamic capabilities approaches that endeavour to seek means of gaining wealth for firm. Furthermore, it was stated that this business model provides a pathway by which innovation and utilization of resources converted into a stream of profits. The capabilities act as a means of

achieving configuration that assists in benefits from market transition opportunities in the short term (Wheeler, 2002; Gachanja, Kinyua & Muchemi, 2021; Motum & Kinyua, 2022; Kabii & Kinyua, 2023; M'mboga, Kinyua & Kung'u, 2023). Armstrong (2020) agrees that the theory's key giveaway in that competitive advantage is gained in organizations through presence of dynamism in its capabilities that cause improved performance outcomes. The processes and outcomes enable attainment and sustaining competitiveness. Therefore, the listed cement manufacturing companies can use its resources and adjust it to meet operational and market needs leading to better performance and gaining competitive edge.

The theory helps in explaining how organizations -the listed cement manufacturing firms can use its resources to exploit available opportunities even in a complex and volatile operating environment. This is possible by aligning the resources to needs of the organization and making products demanded by the customers and markets (Pisano, 2017). Hence, sustaining a better performance works towards attainment of competitive edge among the cement manufacturing sectors. As such, the theory is important in highlighting the value of the business and how undertaking market penetration will influence the performance of listed manufacturing firms. As such, market penetration can enhance performance of listed manufacturing firms. Each cement manufacturing firm has specific capabilities that must uniquely be utilized to give an organization a competitive advantage through sustaining a better performance.

Balanced Scorecard Model

It was developed by Kaplan and Norton (1992) as an alternative to traditional systems of measurement of performance which had largely dependent on financial performance measures. Initially, the balanced scorecard model (BSC) measured performance using metrics that excluded financial aspects. Ultimately, the balanced scorecard mode measured performance of organizations through the use of both financial and non-financial metrics. The founders developed additional articles in 1993 and 1996 that summarised how organizational strategy was linked to performance outcomes. The BSC model measured performance based on four perspectives including financial aspects, customers, internal business method and learning and growth.

The financial perspective assess performance using metrics such as returns on assets, investments, sales earning and profitability margins. This perspective is mostly ideal for business enterprises and profit-making organizations. Customer-centric perspective is based on how bad/good customers rate the products of firms. Madsen and Stenheim (2015) high ratings imply satisfaction with the products as an indication of well-performing companies. In this instance, the adjustments and modification of cement products aim at improving satisfaction rates of the customers. The internal business process considers internal factors in the organization for efficient processes and production for better quality products and services. Adopting the intensive growth strategies by the cement manufacturing companies can work by enhancing the internal business processes for quality and satisfactory products. Learning and growth perspective focus at improving capabilities, competencies, skills and knowledge of employees that result in high performance.

The model is effective in explaining performance in organizations, but Awadallah and Allam (2015) criticised the model as unfit for use in business planning. This is because the model gives a list of metrics employed in assessing performance, but it does not give recommendations and suggestions on how to reverse poor performance. Kureshi (2014) argues that the BSC model can be overwhelming for small enterprises with little operations because the model is complex can cannot be easily implemented without strong and structured leadership. Despite these criticisms, the model has been used by a vast number of management researchers for effectively assessing performance in organizations from various sectors. (Perramon, *et al*.,2016; Iranzadeh, *et al*., 2017; Mwarenge & Kinyua, 2022). Therefore, the balanced scorecard model can explain measurement of performance in the cement manufacturing companies. The model explains measures of performance in terms of lead time, process improvement and efficiency as per the dependent research objective.
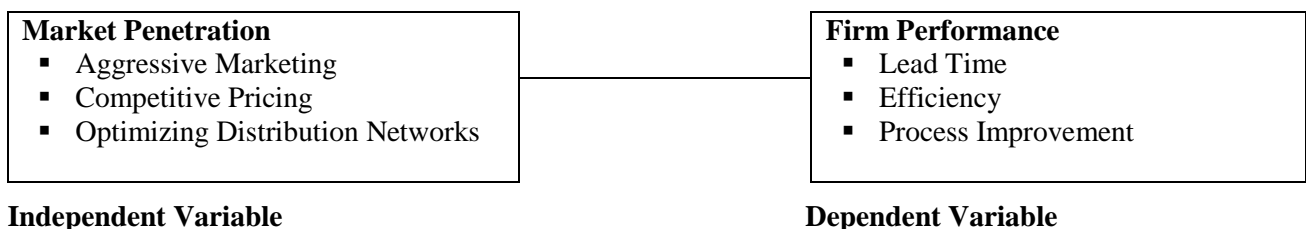
Market Penetration and Performance

Adamu (2020) research study was on market penetration and performance of SMEs in Benue State, Nigeria. Its population included 512 registered SMEs and a sample of 225 respondents who took part in the research. The researcher collected primary data that was quantitative in nature and later the multiple regression analysis methods was done. The findings indicated that market segmentation, packaging and pricing of products as constructs of market penetration all had positive effect to performance of SMEs. But sales promotion strategy had negative effects to performance of SMEs and it was concluded that market penetration strategies should be used into the existing market as a means of penetrating and expanding the market. Entrepreneurs should adopt effective promotion to enhance brand awareness and a good image of the brand to attract and retain customers. But this study assessed performance of small and medium sized enterprises in Benue state, Nigeria.

Rai and Chauhan (2023) carried out a survey on market penetration using digital marketing system during the covid-19 pandemic at the Shynam tractor dealership in Seoni, India. The adoption of digital marketing was meant to stimulate additional inquiries for increased customer/market reach and higher sales volume. The study focus was on digital marketing strategies including use of automation tools, continual customer interaction and word-of-mouth for high brand visibility and enhancing customer trust. The study findings revealed that the adopted digital marketing strategies were informed by demographic, audience, location and customizing strategies to conditions of the local market. Further findings showed that digital marketing improved customer engagement and increased customer reach, sales and expanded the market. The study concluded that tractor dealerships made gains even in economic uncertainties and market disruption through adoption of digital marketing strategies. As a case study of the tractor dealership in India, while this study focused on cement manufacturing companies in Kenya.

Conceptual Framework

An indepth analysis of the literature reviewed showed that there is a relationship between market penetration and performance of the firm.

Market Penetration	Firm Performance
▪ Aggressive Marketing	▪ Lead Time
▪ Competitive Pricing	▪ Efficiency
▪ Optimizing Distribution Networks	▪ Process Improvement

Independent Variable   **Dependent Variable**

Figure 1: Conceptual Framework

Source Author (2024)

Research Hypotheses

The research hypotheses of this study were:

- *H_0: Market Penetration has no significant relationship on the performance of listed cement firms in NSE.*
- *H_1: Market Penetration has a positive and significant relationship on the performance of listed cement firms in NSE.*

METHODOLOGY

Research Design

The study employed the descriptive research design and as defined by Kothari (2014) the design entails the master plan and structure adopted by a researcher to carry out a research process. The selected design outlines the framework which the researcher followed in the formulation of the hypothesis, collection of needed and valid data and the analytical process in order to validate or invalidate the hypothesis. Descriptive research

design is concerned with practices, conditions, structures, relationships or differences that exist, opinions held and processes that are going on or trends that are evident (Creswell, 2009; Muthoni & Kinyua, 2020; Mbogo & Kinyua, 2023) According to Patten and Newhart (2017) the design is a research strategy that helps the researchers in determining the most suitable analysis to perform on the collected data to have the best results that can answer the study's questions. Moreover, it explains the required data the best data collection instrument and procedure and extraction of meanings through analysis to respond to the research questions. This design was appropriate in this study in helping answer the questions regarding the link of market penetration to performance of the listed cement manufacturers. The design is appropriate since it suggests economic research process and encourages rapid turnout from the respondents.

Unit of Analysis and Observation

Since the investigation covered three different positions, the unit of analysis was Line Managers, Middle level Managernt and Senior Management working in the three listed companies in NSE.

Site of the Study

The location for this study was partly in Nairobi City and Machakos Counties though one of the companies, Bamburi Portland has its headquarters in Mombasa with a branch in Nairobi which is equally big and has three levels of management. The state owned East African Portland Cement and Athi River Mining are all based in Athi River, Machakos County.

Target Population

A targeted population is the sum of all objects, elements, events or animals and people which display similar features and where the researcher aims to obtain research data (Mugenda & Mugenda, 2013). The targeted population in the research included all employees at the three management levels and those working in the departments of finance, marketing and research and innovation. The employees from the three levels of management and these departments are selected since they are deemed suitable because they have a deeper understanding on market penetration and the effect it has on performance of the firms. In addition, it is the management that is always actively involved in carrying out the program execution for the intensive growth strategies. According to human resource department records (2023) from the three listed cement manufacturing firms show Athi River Mining Limited has 72 managers, Bamburi Cement Ltd has 81 and East Africa Portland Cement Ltd has 63 managers, making the total target population include 216 respondents. The respondent list is as shown in Table 1.

Table 1: Target Population

Company	Category/ Strata	Frequency		Percentage (%)	
Athi River Mining Ltd	Senior Managers	9		4.2%	
	Middle Level Managers	19		8.8%	
	Line Managers	44		20.4%	
			72		33.3%
Bamburi Cement Ltd	Senior Managers	13		6%	
	Middle Level Managers	21		9.7%	
	Line Managers	47		21.8%	
			81		37.5%
East Africa Portland Cement Ltd	Senior Managers	11		5.1%	
	Middle Level Managers	15		6.9%	
	Line Managers	37		17.1%	
			63		29.2%
Total		**216**		**100%**	

Source (HR Records), 2024

Sampling Frame

This is deemed to be the researcher's list or device to specify the population of interest. It's a group of components that a researcher can use to select a sample from the target population. Salant and Dilman (1994) stressed that a good sample selection is to define the target population as narrowly as possible. The cement manufacturing in Kenya is dominated by six companies but for this study the population of interest was in the three listed firms in NSE.The sampling frame for this study was 216 from all the levels.

Sample and Sampling Technique

Sampling as scientific process of selecting an appropriate representation of the target population so as to reduce the costs and time of obtaining the required data. Sampling is a technique of reducing the target population into a small number that can be easily managed by the researcher while retaining the total features of the entire population (Rovai, Baker & Ponton, 2014). There was use of stratification method as a sampling technique, where the respondents were placed into different categories as per the cement manufacturing company and as per their rank/position in the company. Stratified sampling ensures that all categories of elements are included in the study and avoid biasness. Additionally, simple random sampling method was adopted in the study, during the process of getting those specific respondents who participated in this research.

Attaining the research's sample size was from application of the Taro Yamane (1967) formula for sample size determination. Through application and calculation of the formula, 139 respondents made in the final list for the sample size as obtained. The formula was presented herein:

$$n = N/ 1+N (e)^2$$

Where n is the sample size, N is the population size and e is the level of precision, at 95% confidence level, the level of precision e=0.05, therefore n can be determined by:

$$n = 216[1+216(0.05)^2]-1$$
$$= 216[1+0.54)-1$$
$$= \mathbf{139}$$

The sample size of 139 respondents was proportionately distributed across the three cement manufacturing firms and positions held by the respondents. Proportionate sampling was adopted such that:

$$P = n/N = 139/216 = 0.64$$

Based on the above formula, at a confidence level of 95percent, 139 respondents constituted a suitable sample size for the investigation.

Table 2: Distribution of Sample Size

Company	Category/ Strata	Frequency	Sampling Ratio	Sample Size	Percentage (%)
Athi River Mining Ltd	Senior Managers	9	0.64	6	4.3%
	Middle Level Managers	19	0.64	12	8.6%
	Line Managers	44	0.64	28	20.1%
		72	0.64	46	33.1%
Bamburi Cement Ltd	Senior Managers	13	0.64	8	5.8%
	Middle Level Managers	21	0.64	14	10.1%
	Line Managers	47	0.64	30	21.6%
		81	0.64	52	37.4%
East Africa Portland Cement Ltd	Senior Managers	11	0.64	7	5.1%
	Middle Level Managers	15	0.64	10	7.2%
	Line Managers	37	0.64	24	17.3%
		63	0.64	41	29.5%
Total		**216**		**139**	**100%**

Source: Author (2023)

Data Collection Instrument

There are various research instruments that can be used in data collection, this study used questionnaires. Questionnaires are considered appropriate instruments for collecting information for empirical findings that may have a wide reach (Kothari, 2014). There was use of primary data that was obtained from the respondents through the use of semi-structured formulated questionnaire and secondary data was obtained from reviewing past publications on cement industry. The secondary data was used to validate information collected from the employees of the three listed cement manufacturing companies.

The questionnaire employed the five-point Likert scale, where the scale ranges from 1-5 such that 1=strongly disagree and 5 =strongly agree for rating the extent that respondents agree with each of the statements. The questionnaire was also developed and cover sections including demographic information of the respondents and market penetration and performance.

Validity of the Research Instrument

Research instrument validity is the degree to which it accurately and objectively measures the data to represent the variables (Mugenda & Mugenda, 2003). Kothari (2004) viewed the concept of instrument validity as the capacity to reflect true differences and variations in what is being tested. Some of the testing methods for validity include face, content, criterion and construct and helps in assessing the extent in which a test measure ought to be accurate. Further consultations were given to opinions and advises from supervisor and research experts in helping to produce a valid instrument. For content and construct validity, it was checked by reviewing the questions as aligning to reviewed literature as per the theories and empirical studies. The responses gotten from the supervisor, pilot study group and research experts helped in realigning and readjusting the instrument and eventual delivery of fit research instruments with regard to internal strategies at the listed cement manufacturing firms.

Reliability

Reliability is about the instrument and its measures producing similar results every time when in use (Treiman, 2009). There was use of internal consistency method and results obtained from the pilot group compared to Cronbach Alpha (Cronbach, 1951). A score of 0.7 Cronbach alpha coefficient was used as a limit. The use of Alpha index for assessing set of items in the instrument was the most appropriate way of checking reliability through the internal consistency technique. If the alpha score was below 0.7 then there would be a need to readjust the items on the instrument and include close-related items to raise the alphas and attain the standard mark set at 0.7 and above.

Data Collection Procedure

This is the actual activities that the researcher(s) did to get information needed in the study. In this study, the procedure entailed first obtaining approval from Kenyatta University in the form of an approval letter. Then application and obtaining the research permit from government through NACOSTI and getting permission from the three listed cement manufacturing companies in Kenya. Once the researcher has received the approvals and permissions, then the data collection exercise commenced. This was done by booking appointments in each of the companies and then going and filling the questionnaire to the respondent group. Data was collected from each company for a span of three days, before moving to the next one; such that the data collection process was completed in two-week time. The focus was to increase response rate while also collecting valid data that can be useful for answering the research questions

Data Analysis

Data analysis as a process entails arrangement of information to get meanings and interpret findings in the research. Merriam (2019) shares that effective data analytical process commences when the researcher interacts with study objects, collects valid data and arranges it to get meanings. The process consists of translating the questions to get variable answers that can employ statistical processes (McNeill, & Chapman, 2017). In this study, data analysis involved cleaning, editing and sorting the data before putting it in the SPSS software package for further analysis.

Quantitative Analysis

The collected data was analysed using statistical methods which included descriptive and inferential analysis. Descriptive analysis was conducted to produce frequency count, means, standard deviations and percent. For the inferential statistics encompassing Pearson correlation and multiple regression that sought to indicate the direction and strength between the variables in this research. The employed format that was used is as indicated:

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon$$

Where:

Y= Firm Performance

β_0 and β_1= Regression Coefficients

X_1= Market Penetration

ε=Error term

In the above equation, market penetration was regressed against Firm performance to assist in estimating the corresponding parameters and deriving the statistical equation and testing of the hypotheses. The decisions made were concluded at 95 percent Confidence Level.

FINDINGS AND DISCUSSIONS

Response Rate

The questionnaires distributed to 139 management staff in NSE listed cement manufacturing companies were used for data collection. Out of the 139 questionnaires distributed by the researcher, 122 were collected back.

This gave questionnaire response rates of 87.8% that was enough to undertake the analysis of the data and draw conclusions to achieve the research objective. This concurs with Fosnacht et al. (2017)

Attributes of Participants
The general information about the participants that was sought included gender, Age Brackets and the period they have been working in the cement manufacturing sector. This was important as it determines distribution of the participants in regard to ages, genders and working experiences in the targeted cement manufacturing companies.

Table 3: Characteristics of Participants

Feature	Category	Frequency	Percent	Cumulative Percentage	
Gender	Male	81	66.4	66.4	
	Female	41	33.6	100.0	
Age Brackets	46 and above	13	10.7	10.7	
	41-45	17	13.9	24.6	
	36-40	57	46.7	71,3	
	31-35	24	19.7	91.0	
	26-30	11	9.0	100.0	
Period of Service	1 Year and below	7	5.7	5.7	
	1-3 Years	22	18	23.7	
	4-6 Years	24	19.7	43.4	
	7 Years and above	69	56.6	100.0	

Source Data (2024)

As per the outcomes in Table 3 above, most of the participants were male as illustrated by 66.4% whereas 33.6% of the participants stated to be females. This implies that cement manufacturing sector is dominated by men due to the nature of the work that suits them. However, the listed companies have made efforts to achieve 2/3 gender rule in their management. It also implies that data for the study was obtained from every management staff irrespective of gender. The researcher asked the respondents their age bracket, and the participants specified that their age bracket was 36-40 years (46.7%), 31-35 years (19.7%), 41-45 years (13.9%), 46 years and above (10.7%) and 26-30 years (9.0%). This shows that majority of the management staff were aged between 36 and 40 years and that data collection for the study cut across every pertinent age group. Therefore, the data was credible enough to be used for assessing the link between market penetration and firm performance. The participants were requested to state the period they have been working in the cement manufacturing sectors. The outcomes were showing that the participants who had worked in the cement manufacturing sector for 7 years and above was illustrated by 56.6%, for 4-6 years as represented by 19.7%, for 1-3 years as illustrated by 18% and for less than 1 year as illustrated by 5.7%. This implies that majority of the respondents had been working at cement manufacturing sector for longer period were to provide credible information for the study.

Summary Measures of the Research Variables
The investigator wanted to get the empirical evidence on market penetration and performance as the input variables and output respectively. This part therefore presents the descriptive statistics for market penetrations on the performances of NSE listed cement manufacturing companies in Kenya.

Market Penetration
Market penetration was represented by four indicators including marketing. competitive pricing, and optimization of distribution networks in the performance of listed cement firms. The summary results are as tabulated in the table below.

Table 4: Market Penetration

Indicators	Mean	Std. Dev.
Our company set competitive prices for its products	4.205	0.680
The company uses price-matching policies in the company	3.951	0.759
The price of cement products is at times discounted to increase the firm's market base	2.443	1.150
The company has an extensive product distribution channel for its cement products	2.172	0.897
The distribution channel used by the firm is through third parties i.e. dealers	3.066	1.081
The cement manufacturing company directly distributes its products to the market/consumers	3.910	0.761
Our pricing strategy for all cement products is relatively cheaper to what competitors offer in the market.	4.107	0.769
The company has increased promotional activities to help improve on its product sales	2.336	0.933

Source: Survey Data (2024)

As per the results in Table 4 above, with market Penetration as a variable of intensive growth strategy, the respondents agreed that their company set competitive prices for its products as shown by a mean of 4.205 and that their pricing strategy for all cement products is relatively cheaper to what competitors offer in the market as represented by an average of 4.107. The participants also agreed that the company uses price-matching policies in the company as illustrated by a mean of 3.951 and that the cement manufacturing company directly distributes its products to the market/consumers as illustrated by an average of 3.910. However, the respondents were neutral that the distribution channel used by the firm is through third parties, that is dealers as represented by an average of 3.066. The participants disagreed that the price of cement products is at times discounted to augment the companies' market base as illustrated by a mean of 2.443 and that the company has increased promotional activities to help improve on its product sales as represented by an average of 2.336. The participants also disagreed that the company has an extensive product distribution channel for its cement products as illustrated by an average of 2.172

Firm Performance

Firm Performance was researched on as the outcome in this study. The indicators that were used to measure the firm performance were Lead Time, Efficiency and Process improvement. The participants were requested to specify how they agree or disagrees with statements in regard to firm performance of NSE listed cement manufacturing firms in Kenya. The outcomes are illustrated in Table 5.

Table 5: Statements on Firm Performance

	Mean	Std. Dev.
The cement company has experienced a reduction of its lead time in the last two years	4.156	0.681
There has been an improvement on quality of products in the company	3.967	0.692
The company has realized improved process efficiency	2.205	0.918
The company enjoys a competitive position in the market	4.016	0.749
The company has met its sales targets in the last two financial years	2.295	0.878

Source: Survey Data (2024)

As per the results in Table 5, the respondents agreed that the cement company has seen a reduction of its lead time in the last two years as represented by a mean of 4.156 and that the company enjoys a competitive position in the market as illustrated by an average of 4.016. The participants also agreed that there has been an improvemt on quality of products in the company as represented by an average of 3.967. Though, the participants disagreed that the company has met its sales targets in the last two financial years as represented by a mean of 2.295 and that the company had realized improved process efficiency as represented by an average of 2.205.

Linear Regression

The researcher used simple linear regressions analysis to determine how market penetrations affected the performances of listed cement manufacturing companies in Kenya. The findings are illustrated in Table 6. 7 and 8.

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error
1	0.876^a	0.767	0.759	0.204

a. **Dependent Variable:** Firm Performance (**b**) **Constant(s):** Market Penetrations
Other Variables

Source: Survey Data (2024)

From the outcomes in Table 6, the R-square was 0.767 which shows that 76.7% of the variations in performance of listed cement manufacturing companies in Kenya could be attributed to various market penetration. The remainder of 23.3% of variation in outcome represent other factors that were not investigated in this study.

Table 7: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.084	4	4.021	96.379	$.000^b$
	Residual	4.881	117	.042		
	Total	**20.965**	**121**			

a. Dependent Variable: Firm Performances
b. Predictor(s): (Constants), Market Penetrations
Other Variables

The outcomes in Table 7 showed that the F-computed was 96.379 and the p-value was 0.00. Since the F-computed was greater than F-critical (2.4492) and the p-value was less than 0.05, then the regression model was deemed significant. This implies that market penetration as one of the variables is most ideal for the empirical data gathered on this study.

Table 8: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	0.885	0.248		3.569	.000
	Market Penetration	0.713	0.077	0.645	9.260	.000

a. Dependent Variable: Firm Performance, Predictor – Market Penetration
Source: Survey Data (2024)

From the outcomes in Table 8, the regressions model equation was:

$$Y = 0.885 + 0.713X_1$$

Where:

Y=Firm performance

X_1=Market Penetration

The survey data revealed that market penetration as a variable used in this study had a positive and substantial effects on performance of listed cement manufacturing firms in Kenya ($\beta=0.713$; p=0.00). The findings agree with Bukoye, Muritala, Hadiza, Nwoye and Ogedengbe (2023) who noted that penetration

strategies of pricing, product and promotion significantly and positively impacted performance measured as effectiveness of manufacturing firm industries and concluded that penetration strategies resulted in improved performance in the manufacturing industry. developments in terms of product qualities, product design and product size moderately affected performance.

Research Data
The researcher sought views from the respondents on the relationship of market penetration as a variable of study on the performance listed cement firms in the NSE. As per the survey data from the respondents, market penetration had shown a positive relationship and contributes on the performance of the listed cement companies.

CONCLUSION
The investigation intended to find out the effect of intensive growth strategy on the performance of listed cement firms in NSE. Intensive growth strategy was represented by one of the variables, market penetration. The surveyed data showed that the variable have a positive relationship and effect on the performance of listed firms. In addition, Firm performance was conceptualized as the end result and was measured using customer shifts, lead time and efficiency. The analysis of inferential statistics showed that the coefficient for intensive growth strategy was found to be significant. The research therefore concluded that intensive growth strategy has a positive effect on the performance of listed firms

Recommendation with Practical Implications
The empirical result of this study has positive impacts on the performance of listed firms in the NSE. The top management of these firms should therefore plan and apply the intensive strategies such as market penetration to achieve their full potential by increasing their performance and remaining relevant in the ever-changing competitive market.

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