

**STRATEGIES AND PERFORMANCE OF KENYA DEVELOPMENT
CORPORATION IN NAIROBI CITY COUNTY**

**MORRIS MUNENE KATHATA
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**A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF BUSINESS,
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DECLARATION

I declare that this research project is my original work and it has not been submitted for the award of any degree or diploma in any other institution.

Signature Date

Morris Munene Kathata
D53/OL/CTY/28281/2018

SUPERVISOR

This research project has been submitted for examination with my approval as the university supervisor.

Signature Date

MR. SHADRACK BETT
Department of Business Management
Kenyatta University

DEDICATION

This research project is dedicated to my late grandmother Florence, late Uncle Patrick, my uncle Isaiah, My Beloved Mum –Beatrice Kathao, and my children. Special dedication to Karen Gacheri for the support she has given me in pursuing further education.

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It is with heartfelt sincerity that I acknowledge the guiding presence of a higher power in my academic progression. I wish to convey my profound gratitude to the management and personnel of Kenyatta University for creating an institution that served as a welcoming and significant place in my educational journey.

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ACRONYMS AND ABBREVIATIONS

BSC	Balance Scorecard
CDC	Commonwealth Development Corporation
DFCK	Development Finance Company of Kenya
DFI	Development Finance Institutions
DOI	Diffusion of Innovations
GDP	Gross Domestic Products
ICDC	Industrial and Commercial Development Corporation
IDB	International Development Bank
KNA	Kenya National Assurance
KRC	Kenya Reinsurance Corporation
KSH	Kenyan Shilling
KTDC	Kenya Tourist Development Corporation
MBV	Market-Based View
MSMEs	Micro Small, and Medium Enterprises
NBK	National Bank of Kenya
NCaRBS	N-State Classification and Ranking Belief Simplex
NOFM	Nederlandse Overseas se Financierings-Maatschappij
SAP	Structural Adjustment Programs
UK	United Kingdom

OPERATIONAL DEFINITION OF TERMS

Innovation	Innovation involves the generation of novel concepts, techniques, goods, or offerings that deliver worth to consumers or the community.
Integration strategy	Integration strategy is a plan of action that outlines how different parts of an organization or system will be combined or merged to create a more unified and cohesive whole.
Market Consideration	Market consideration refers to the assessment of the potential size and accessibility of a target market for a product or service.
Positioning Practices	Positioning practices refer to the strategies and techniques used by companies to create a unique image and identity for their products or services in the minds of their target customers.
Product and Service offers	product and service offer is a bundle of goods and services that a company offers to its customers. It is the set of features, benefits, and experiences that a customer receives in exchange for their payment.

ABSTRACT

The Kenya Development Corporation (KDC) played a crucial role in advancing economic growth through investments and financial assistance. Its positioning practices were found to be pivotal in shaping competitiveness, market alignment, and innovation capacity. Strategic positioning proved essential for institutions aiming to maintain a competitive advantage, influencing their ability to deliver value and support sustained development. Development Finance Institutions (DFIs), including KDC, faced growing market pressures, prompting some to divert from their core socio-economic mandates and compete directly with commercial banks. Instead of focusing on de-risking investments, DFIs operated within an already saturated financial landscape. This study examined how positioning strategies influenced KDC's performance in Nairobi City County. It specifically analyzed the effects of integration strategies for operational synergy, product and service offerings to ensure value and relevance, innovation to boost efficiency and competitiveness, and market considerations to guide strategic decisions. These elements were assessed for their combined impact on organizational performance and optimization of KDC's strategic positioning. The research drew on five key theoretical frameworks: the Market-Based Perspective (MBP) to explore competitive placement, Transaction Cost Economics to examine market efficiency, Porter's Generic Strategies Framework to highlight differentiation strategies, the Balanced Scorecard Model to link strategy with performance metrics, and the Innovation Diffusion Model to understand how new practices were adopted. A survey methodology was applied, combining qualitative and quantitative approaches. Participants included personnel from various departments marketing, finance, human capital, and senior leadership as well as external stakeholders like customers and collaborators. Probabilistic sampling techniques were used to select participants. Data collection involved structured questionnaires and interviews, while existing information was gathered from digital sources, print media, academic journals, books, and expert insights via mobile communication. Data analysis included descriptive statistics and inferential methods like correlation and multiple regression to explore relationships between predictors and outcomes. Correlation analysis determined the strength of associations, while logistic regression evaluated the influence of positioning strategies. Exploratory factor analysis and Binary Logistic Regression provided deeper statistical insights. Data was processed using SPSS version 22, with findings presented through frequency tables, bar charts, and pie graphs. The study found that Market Consideration, Innovation, Integration Strategy, and Product/Service Offers significantly enhanced KDC's performance. Among these, Market Consideration had the strongest effect, followed by Innovation, which improved operational efficiency and customer satisfaction. Integration through mergers and partnerships also yielded positive results. Collectively, these factors accounted for 33.45% of the variation in performance. To enhance future outcomes, the study recommended strengthening strategy implementation, establishing innovation hubs, designing customer-centric services, and bolstering market intelligence systems. It also proposed broader research across regions and institutions, incorporating governance and leadership factors to explain the remaining 66.55% of performance variability in development finance organizations.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Positioning strategies have become a critical strategic tool for organizations globally, as firms seek to establish competitive advantages in dynamic and evolving business environments. In developed economies such as the United States and the United Kingdom, organizations adopt integration strategies, innovative product and service offers, and market-driven positioning to strengthen their market presence and enhance performance (Taglioni & Winkler, 2016). For instance, in the United Kingdom, the government's strategic positioning policies encourage firms to shift upwards in the value chain, leveraging experience and innovation to drive growth. Similarly, global brands like IKEA implement customer-driven positioning strategies to sustain competitiveness by aligning their value propositions with consumer expectations.

In Africa, organizations face unique challenges in positioning themselves effectively within their respective industries. The ability of firms to maintain competitive performance is influenced by corporate strategy proactivity, strategic agility, and market responsiveness (Yusha'u & Yahaya, 2018). Many businesses across the continent struggle with resource constraints, inadequate funding, and limited market intelligence, which hinder their ability to implement effective positioning strategies. In Nigeria, Ranasinghe and Mallika (2018) emphasize the need for organizations to adopt customer-centric and competitive positioning strategies to sustain market relevance. Without well-structured positioning strategies, firms may struggle with performance issues, affecting growth, profitability, and long-term sustainability.

Kenya's economic landscape is highly competitive, requiring organizations to adopt structured positioning practices to maintain their market relevance. The KDC, as a state-operated monetary organization, it holds a vital position in fostering business expansion and the nation's financial advancement. However, its performance has been influenced by how

effectively it integrates strategic positioning practices such as integration strategies, product and service differentiation, innovation, and market consideration. Despite KDC's mandate to enhance financial inclusion and economic empowerment, there is limited empirical evidence on the effectiveness of its positioning strategies in driving performance.

Positioning practices involve integration strategies that enable organizations to align internal capabilities with external opportunities, thereby improving service delivery and competitiveness (Rigby & Gillies, 2000). Additionally, product and service offers determine the extent to which an institution meets customer needs and enhances its market position. Innovation is a crucial driver of competitive advantage, influencing organizational performance through new and improved financial products, digital transformation, and service efficiency. Furthermore, market considerations, including customer preferences, regulatory requirements, and competitive forces, significantly impact how organizations position themselves in the industry.

Organizational performance, the dependent variable in this study, is measured by financial stability, operational efficiency, customer satisfaction, and market competitiveness. Effective positioning practices should ideally lead to improved financial performance, increased market share, and sustainable growth. However, in Kenya's dynamic economic environment, the extent to which positioning practices influence KDC's performance remains an area that requires further research. This study seeks to examine how integration strategies, product and service offerings, innovation, and market considerations impact the performance of KDC, with the goal of providing insights into strategic improvements for enhanced institutional growth.

1.1.1 Organisational Performance

Organizational performance is a multidimensional construct that reflects how well an entity achieves its goals and objectives (Neely, 2020). Various scholars have conceptualized performance differently, often aligning it with financial, operational, and strategic outcomes. Richard et al. (2019) defined organizational performance as including financial results (profitability, ROA, ROI), market outcomes (sales growth, market share), and shareholder value (economic value added). Beyond these, Kaplan & Norton (2020) argued

that it can also be measured by operational efficiency, innovation, customer satisfaction, and social contributions.

Performance measurement is essential for evaluating an organization's success in achieving its objectives. According to Atkinson et al. (2021), performance measurement should help organizations understand and assess the value received from suppliers, employees, and customers while aligning with strategic objectives. It provides a basis for decision-making, strategic planning, and resource allocation (Marr, 2021). Enderle & Tavis (2022) argue that performance measurement should translate organizational responsibilities into actionable steps, including strategic positioning, resource commitments, and continuous assessment.

Empirical studies suggest that organizations demonstrating strong performance exhibit characteristics such as effective leadership, innovation, strategic adaptability, and robust stakeholder engagement (Brynjolfsson & McElheran, 2020). Furthermore, firms that integrate digital transformation and sustainable business practices tend to achieve superior organizational performance (Teece, 2021). The balanced scorecard framework by Kaplan & Norton (2020) remains a widely used performance measurement tool, encompassing financial, customer, internal process, and learning and growth perspectives.

In the context of Development Finance Institutions (DFIs), performance measurement remains complex due to their dual mandate of financial sustainability and socio-economic impact. According to Beck & Maimbo (2021), DFIs assess their performance through metrics such as job creation, economic development contribution, and financial viability. However, the standardization of socio-economic impact indicators remains a challenge, leading to inconsistencies in performance reporting. In Kenya, DFIs primarily measure their performance based on job creation and GDP contributions, though these indicators often lack empirical backing (World Bank, 2022).

External funders increasingly pressure DFIs to demonstrate the social and economic impact of their credit lines, aligning with predefined impact assessment criteria (OECD, 2023).

While frameworks such as the balanced scorecard provide a structured approach to performance evaluation, critics argue that they focus predominantly on internal processes without adequately capturing the broader socio-economic outcomes (Kaplan & Norton, 2020). Therefore, this study adopts a holistic approach to measuring organizational performance, incorporating financial, operational, and impact-based indicators relevant to the Kenya Development Corporation (KDC).

1.1.2 Positioning Strategies

Positioning practices refer to the strategic actions organizations undertake to create a distinct image and competitive advantage in the marketplace. According to Kaplan and Norton (2020), positioning practices encompass strategies that align an organization's internal capabilities with external market demands to enhance performance. The key measurements of positioning practices include market differentiation, value proposition clarity, competitive positioning, and brand perception (Hussain et al., 2021). These indicators are critical in assessing an organization's ability to establish itself uniquely in the market, ensuring sustainable performance.

Mintzberg et al. (2001) initially defined repositioning as a firm's strategic placement relative to its environment, aligning internal and external contexts. Porter (1980) introduced Fundamental business strategies, achieving cost advantage, offering unique value, and targeting specific niches. which remain fundamental despite criticisms of their static nature (Hitt et al., 2022). Modern strategic positioning integrates digital transformation, agility, and customer-centric approaches to sustain competitiveness (Ghezzi & Cavallo, 2020). Joyce and Woods (2001) and Brews (2003) emphasized that organizations often fail in strategic change implementation due to unanticipated performance losses. The ability to mitigate these losses determines long-term effectiveness (Johnson et al., 2023).

Strategic positioning remains vital in corporate strategy as firms seek competitive advantage. The pressures of evolving markets have forced Development Finance Institutions (DFIs) to expand beyond their core mandate of socio-economic development,

increasingly competing in spaces traditionally occupied by commercial banks (Mwarari & Nyamboga, 2021). According to Kotler et al. (2021), financial service providers must continuously reposition themselves to maintain relevance. Porter's (1980) competitive strategies low-cost leadership, differentiation, and niche specialization remain crucial, but modern positioning now includes technology-driven innovation and sustainability (Ngugi & Wekesa, 2022).

For a DFI, strategic positioning involves balancing financial sustainability with social and economic objectives. This requires market segmentation, regulatory adaptability, and strategic intelligence (Chege & Wang, 2023) to identify target customers, respond to changing government policies, and align with national and global development goals. By effectively leveraging these elements, DFIs can enhance their competitiveness while fulfilling their developmental mandate (Kariuki & Gachoka, 2023).

1.1.3 Kenya Development Corporation in Nairobi City County

The KDC, a DFI, came into existence on November 27, 2020, through the merging of three prior entities: the ICDC, the TFC, and IDB Capital Limited. The objective of this consolidation was the formation of a single body to encourage long-term socio-economic progress by offering development and infrastructure financing, business backing, and guidance to medium and large-scale industries, infrastructure schemes, and commercial enterprises in specific sectors throughout Kenya.

The choice to focus on the development finance sector, particularly on KDC, stems from the critical role DFIs play in Kenya's economic growth. DFIs are instrumental in mobilizing resources for various sectors, including manufacturing, energy, sustainable agriculture, and infrastructure development, aligning with national development goals and objectives. They provide long-term financing solutions that are often inaccessible through traditional banking institutions, thereby addressing financing gaps that hinder the growth of key industries. By examining KDC's positioning practices, this research aims to shed light on how DFIs can effectively contribute to sustainable economic development in Kenya.

Nairobi City County, being the nation's capital and most populous urban centre, Nairobi functions as Kenya's primary economic engine., hosting numerous financial institutions, corporate headquarters, and international organizations. The county's strategic importance is underscored by its contribution to the national economy and its role as a gateway for regional and international trade. Focusing on KDC's operations within Nairobi provides valuable insights into how the corporation positions itself in a highly competitive and dynamic environment, reflecting broader trends and challenges in the development finance sector.

Kenya hosts several Development Finance Institutions, including: KDC: Formed in 2020 through the merger of ICDC, TFC, and IDB Capital Limited, KDC operates nationwide with its headquarters in Nairobi. Development Bank of Kenya Limited (DBK): Established in 1963 as the Development Finance Company of Kenya Limited (DFCK), DBK has evolved into a fully-fledged commercial bank regulated by the Central Bank of Kenya.

Development Finance Institute of Kenya (DFIK): Founded in 2021, DFIK addresses the need for organized development finance professionals in Kenya, collaborating with various stakeholders to promote capacity building and policy development. While the exact number of DFIs operating exclusively within Nairobi is not specified, it is evident that major DFIs, including KDC and DBK, maintain their headquarters in Nairobi City County, reflecting the city's status as the financial center of Kenya. By focusing on KDC's positioning practices and performance within Nairobi City County, this research aims to provide insights into the effectiveness of integration strategies, product and service offerings, innovation, and market considerations in enhancing organizational performance within Kenya's development finance sector.

1.2 Statement of the problem

The Kenya Development Corporation (KDC) played a pivotal role in promoting economic growth through strategic investments and financial assistance to businesses. However, its performance encountered challenges despite its positioning initiatives within Nairobi City County. A key concern was whether KDC's integration strategy effectively enhanced its competitiveness and service delivery in a dynamic economic environment. Additionally,

the products and services offered may not have been sufficiently aligned with market demands, potentially limiting their effectiveness among targeted enterprises. Although innovation was essential for sustained progress, the extent to which KDC incorporated innovative methods into its operations remained unclear. Furthermore, market factors such as customer needs, competition, and regulatory obligations greatly influenced the organization's success, yet there was limited empirical evidence on how KDC strategically positioned itself to address these dynamics. As a result, these positioning practices directly affected organizational performance, raising doubts about their efficacy in fulfilling the corporation's goals. Therefore, this study aimed to investigate the link between positioning strategies and KDC's performance in Nairobi City County, offering insights into possible areas of improvement for more effective service delivery and institutional advancement.

1.3 Objective of the study

1.3.1 General Objective

The general purpose of the study was to investigate the positioning strategies and performance of Kenya Development Corporation in Nairobi city county, Kenya.

1.3.2 Specific Objective

The study aimed at achieving the following specific objectives;

- i. Effects of Integration Strategy on Performance of Kenya Development Corporation in Nairobi City County.
- ii. How Product and Service offers Affects Performance of Kenya Development Corporation in Nairobi City County.
- iii. Influence of Innovation on performance of Kenya Development Corporation in Nairobi City County.
- iv. Effect of market consideration on performance of Kenya Development Corporation in Nairobi City County.

1.4 Research Questions

- i. What is the effect of integration Strategy on performance of Kenya Development Corporation in Nairobi City County?
- ii. How does Product and Service offers affect performance of Kenya Development Corporation in Nairobi City County?

- iii. What is the influence of innovation on performance of Kenya Development Corporation in Nairobi City County?
- iv. What is the effect of market reach consideration on performance of Kenya Development Corporation in Nairobi City County?

1.5 Significance of the Study

This study anticipates to generate policy discussion on how DFIs can attain excellent performance by positioning themselves in line with the object of creation. Informing policy makers on the pivotal and critical role of positioning in development financing industry. The discoveries here will help resolve the 12-decade old mystery of why DFIs in Kenya have been unable to live to their principal object of creation and the effect of using efficient positioning practices in aiding achievement of their performance goals.

1.6 Scope of the Study

The primary objective of this research was to investigate how strategic positioning through integration strategies, product and service offerings, innovation, and market considerations impacted the performance of development finance institutions in Kenya, with a particular focus on the Kenya Development Corporation (KDC). The study adopted a conceptual scope that explored the connection between positioning practices and organizational performance, drawing insights from earlier research on competitive positioning and institutional effectiveness (Porter, 2020; Barney, 2021). The contextual scope was confined to KDC and its operations within Nairobi City County, examining how the corporation had positioned itself in the local financial and investment landscape (Kimani & Omwenga, 2022). The theoretical scope was anchored in Performance Theory, Market Positioning Theory, The Delta Model Theory, and the Technology Acceptance Model, which offered a framework for understanding how strategic choices influenced performance (Teece, 2020; Kotler & Keller, 2021). The methodological scope employed a mixed-methods approach, drawing on quantitative data from financial reports and qualitative perspectives from key informant interviews to evaluate the effects of strategic positioning on KDC's performance (Mugenda & Mugenda, 2021). The time scope centered on the 2016–2023 period, capturing

the pre- and post-merger performance of KDC and its predecessor entities I.C.D.C., T.F.C., and I.D.B. which formally merged in July 2021 (Kenya Gazette, 2021; KDC Annual Report, 2022). Through this lens, the study offered insights into how the transition and positioning strategies had shaped KDC's growth and operational effectiveness.

1.7 Limitations of study

Given that most participants were entrepreneurs, their schedules were generally occupied with attending to clients. As a result, collecting data proved to be a time-consuming task, as the investigator often needed to wait until customer service duties were completed. This limitation primarily affected individuals engaged in direct customer interaction. Additionally, the use of a standardized survey created an artificial atmosphere that may have distanced participants, and self-reported information obtained through questionnaires was occasionally inaccurate or incomplete. Various categories of data, particularly those related to sensitive topics like profit margins or income, were difficult to obtain using rigid data-gathering instruments. Nevertheless, the researcher sought to encourage participation by clarifying that the study was solely for academic purposes. Moreover, the researcher met with participants personally to establish rapport and reassure them of confidentiality, thereby promoting the delivery of accurate and thorough responses.

1.8 Organization of the Study

The opening chapter introduced the study's context, articulated the research issue, stated the aims and questions guiding the inquiry, highlighted the importance of the investigation, and described both the setting and constraints of the assessment. The second chapter reviewed relevant theoretical models and prior empirical studies related to positioning and organizational performance. The third chapter detailed the research methodology, including the study framework, participant characteristics, sampling methods and size, data gathering techniques, and strategies for data analysis. Chapter 4 showcased and analyzed the study's results, whereas chapter 5 summarized the research, provided concluding insights, and outlined suggested courses of action.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section concentrates on the research on positioning practices and performance which has been explored before by various Scholars. The section describes theoretical approaches, related research, and summarizes the literary works, which include research gaps identified in other research findings.

2.2 Theoretical Framework

2.2.1 Transactional Cost Theory

Williamson proposed the TCT in 1979, arguing that organizations seek to minimize transaction costs expenses incurred in coordinating, negotiating, and enforcing contracts to improve efficiency and performance (Williamson, 1979). The theory postulates that institutions structure their transactions to reduce costs associated with service delivery, procurement, and governance (Williamson, 1985). According to Hoskisson et al. (2020), firms that optimize their operations by minimizing transaction costs achieve competitive advantages, ensuring sustainability and profitability. Transaction cost theory also supports the notion that businesses should internalize transactions when external market exchanges become too costly (Peng & Meyer, 2021).

However, scholars have critiqued TCT on various grounds. Geyskens, Steenkamp, and Kumar (2020) argue that the theory overemphasizes cost reduction while neglecting factors such as innovation, customer relationships, and strategic flexibility. Moreover, David and Han (2019) contend that TCT assumes rational decision-making in cost minimization, overlooking behavioral uncertainties and environmental volatility. Additionally, Granovetter (2021) criticizes the theory for its lack of focus on social and relational aspects in economic exchanges, emphasizing that trust and networks also influence transaction costs.

Despite these critiques, TCT remains relevant to the study of positioning practices and performance of Kenya Development Corporation (KDC). The theory explains how integration strategies influence cost efficiency in transactions with service providers, suppliers, and market participants. By implementing cost-effective procurement and service delivery mechanisms, KDC can enhance its product and service offers while ensuring optimal market consideration. Additionally, minimizing transaction costs can improve organizational performance by fostering strategic efficiency and financial sustainability. Furthermore, innovation in digital systems and automated transaction processing can reduce bureaucratic inefficiencies, aligning with the core principles of transaction cost economics. Therefore, the application of TCT in this study provides a theoretical foundation for understanding how positioning strategies contribute to the overall efficiency and competitiveness of KDC in Nairobi City County.

2.2.2 Porter Generic Strategy Theory

Porter (1980) developed the Generic Competitive Strategies Model, which outlines three primary approaches that organizations can adopt gaining a leg up on competitors can be realized by prioritizing cost efficiency, setting offerings apart, or concentrating on a specific market segment. Porter asserts that firms which successfully apply these approaches can gain a competitive edge by either reducing operational expenses, delivering distinctive value, or focusing on particular market niches (Porter, 1985).

Cost leadership focuses on reducing production and operational costs while maintaining high efficiency, enabling firms to offer lower prices and achieve economies of scale (Lynch, 2020). Cost leadership firms leverage their ability to produce at a lower cost than competitors, making it difficult for new entrants to compete (Hossain & Kader, 2021). However, a critique of this strategy is that excessive cost-cutting may lead to a decline in product quality, reducing customer satisfaction and long-term sustainability (Rothaermel, 2021). In the context of Kenya Development Corporation (KDC), cost leadership may influence its ability to offer affordable financial solutions and support for businesses in Nairobi City County.

Differentiation strategy enables firms to gain a competitive edge by offering Distinctive goods or offerings that clients consider worthwhile (Gürel & Tat, 2021). This approach is achieved through innovation, branding, and enhanced service delivery (Johnson et al., 2022). Hill and Jones (1988) argue that differentiation allows companies to charge premium prices due to their distinct offerings. However, Ogot (2014) critiques this approach, noting that differentiation requires continuous investment in innovation, which may increase operational costs and hinder scalability. Ngugi (2017) further emphasizes that differentiation strategies require regular review of product and service offerings to maintain relevance in a competitive market. In relation to KDC, differentiation through tailored financial products and services could improve its positioning and enhance its organizational performance.

A focus strategy entails concentrating on a distinct market segment, aiming to achieve either cost advantage or differentiation within that particular niche (Kinyuira, 2014). Firms using this strategy cater to specialized customer needs that may not be addressed by broader market players (Wanjiru & Njeru, 2020). While focus strategy allows for deep market penetration and customer loyalty, it can also limit growth opportunities if the targeted market segment is too narrow (Grant, 2021). For KDC, adopting a focus strategy could involve concentrating on financing underserved business sectors in Nairobi City County, thereby strengthening its market positioning. While Porter's model provides a robust framework for competitive positioning, some scholars critique its rigidity and argue that modern organizations must integrate multiple strategies simultaneously to remain competitive (Kim & Mauborgne, 2019). Hybrid strategies, such as those combining differentiation and cost leadership, have gained traction in contemporary business environments (Li et al., 2022).

In linking this theory to the study, KDC's positioning practices, including its integration strategy, product and service offers, innovation, and market considerations, align with Porter's competitive strategies. Understanding how KDC employs these strategies is essential in assessing their impact on organizational performance. By leveraging a

combination of cost leadership, differentiation, and focus strategies, KDC can enhance its competitiveness and contribute to economic development in Nairobi City County.

2.2.3 Balance Scorecard Theory

Proprietors have employed the BSC framework, conceived by Kaplan and Norton in 1992, as a tool to monitor and gauge their operational efficiency (Handy, 2018). This BSC approach combines monetary and non-monetary metrics of achievement to offer a thorough evaluation of an organization's accomplishments (Kaplan & Norton, 2020). According to Ozturk and Coskun (2014), successful BSC implementation requires aligning organizational values and objectives with measurable performance indicators, ensuring a balanced approach to both short-term financial outcomes and long-term strategic goals. However, many institutions still rely on traditional financial performance metrics, which focus on immediate profitability rather than sustainable growth (Mackey & Sisodia, 2021).

The BSC framework incorporates four key perspectives: the financial perspective, representing shareholder and regulatory expectations; the customer perspective, which evaluates an organization's ability to meet client needs; the internal business process perspective, which assesses operational efficiency, including factors such as debt recovery times, loan processing, and transaction cycles; and the learning and growth perspective, which focuses on employee skills, innovation, and knowledge development (Niven, 2019). By integrating these dimensions, the BSC ensures alignment between individual, departmental, and organizational goals, fostering accountability and continuous improvement (Kaplan & Norton, 2020).

Empirical studies have demonstrated the effectiveness of the BSC in different sectors. Abofaied (2017) analyzed the implementation of BSC in Libyan banks and found notable improvements in financial performance, although internal process efficiency lagged behind. Similarly, Ondieki (2019) observed that Kenyan financial institutions have adopted all four BSC dimensions to measure performance, with varying degrees of success. However, Gitonga (2020) identified significant challenges in BSC implementation, including

employee resistance to change, lack of expertise, and difficulties in adapting traditional evaluation methods to a multidimensional framework. Despite these limitations, the BSC remains a valuable tool for assessing non-financial indicators of organizational performance, particularly in the context of positioning practices.

To further support this study, the Market Positioning Theory by Ries and Trout (1969) provides a conceptual foundation for analyzing how firms position themselves in a competitive market. The theory argues that positioning is not about changing the product but about influencing customer perceptions (Ries & Trout, 2021). The central premise is that in an era of information overload, businesses must strategically craft their brand image to secure a distinct place in consumers' minds (Wirtz & Lovelock, 2020). The theory emphasizes several key positioning strategies, including leveraging existing brand perceptions, identifying market gaps, differentiating products, and maintaining consistency in brand messaging (Temporal, 2021).

Critics of the Market Positioning Theory, such as Christodoulides et al. (2022), argue that consumer perceptions are not static and can be influenced by social trends, technological advancements, and economic changes. Additionally, Grewal & Levy (2021) contend that digital transformation and data-driven marketing have significantly altered traditional positioning dynamics, necessitating a more flexible approach. The theory also faces criticism for its overemphasis on psychological perception rather than tangible product improvements, which may limit its applicability in industries that rely heavily on product innovation and quality (Muthengi, 2022).

Despite these critiques, Market Positioning Theory is highly relevant to this study as it aligns with positioning practices such as integration strategies, product and service offerings, innovation, and market considerations. By applying this theoretical perspective, the study will assess how Kenya Development Corporation (KDC) strategically positions itself in Nairobi City County to enhance its performance and maintain a competitive edge in the market.

2.3 Empirical Literature Review

2.3.1 Integration Strategies and Performance

Miller (2014) suggests that integration approaches represent a strategic blueprint where an organization, such as a firm or sole proprietorship, aims to achieve supremacy across its supply or value network with the intention of surpassing rivals. A business's value chain encompasses its distribution channels, vendors, and other competitors within its domain. A company prioritizing an integration process acquires another entity within this supply or value chain, typically by expanding into either downstream or upstream business operations. These integration tactics empower a business to defend against competitor encroachment and reinforce its market standing. Sherman (2017) points out that the robustness, potential, and market attractiveness of a specific industry segment are contingent upon the intensity of competition within that sector. The chosen strategy of an organization must favorably shape its response to competitive pressures.

Ogolla (2015) explored the implementation of Porter's generic strategies within Kenya's insurance industry by examining the ICEA LION Group. Ogolla noted that the primary driver for insurance companies in pursuing adaptability and formulating novel strategies was to expand their market share. The amalgamation of ICEA and LOK resulted in the formation of ICEA LION Insurance Limited. The study indicated an increase in the market share of the newly formed entity. Furthermore, the research revealed that the company experienced growth in product diversification and geographical coverage following the merger. While the prior study focused on the impact of the merger on the two combining insurance firms, this research will center on the Kenya Development Corporation.

Aduloju (2018) investigated the consequences of integration strategies within the Nigerian insurance sector. Aduloju's research concentrated on two publicly listed insurance firms in Nigeria. The study found that employing integration strategies enhanced the capital efficiency of these companies. These mergers also bolstered their financial strength and market share. The analysis revealed that a significant number of conglomerate mergers involved insurance companies acquiring entities in the oil and gas sectors. This integration led to increased liquidity for the insurance companies. Regression analysis demonstrated a

notable impact of integration strategies on the performance of commercial banks in Nairobi City County. However, this prior research was confined to Nigeria, which presents different economic circumstances and operational contexts compared to Nairobi County. This study will concentrate on the Kenya Development Corporation and its experience with integration strategies, building upon the understanding that such strategies influenced commercial bank performance.

Gachango (2021) explored the effect of integration approaches on the operational success of commercial banks within Nairobi County, Kenya. A descriptive research framework was employed for this investigation. The study's intended group comprised 44 officially recognized banks operating in Nairobi. Data was gathered from participants through the use of standardized questionnaires. The individuals surveyed included executives in finance, marketing, operations, and human resources from the chosen banks. The researcher personally distributed and collected the questionnaires using a drop-off and pick-up method. The study's sample consisted of 30 commercial banks. The unit of analysis involved 120 department leaders, specifically 30 heads from each of the finance, operations, marketing, and human resources departments. The findings of the research indicated that integration strategies had an influence on the performance of commercial banks. Regression analysis demonstrated a noteworthy impact of these strategies on the operational success of commercial banks within Nairobi City County. While Gachango's study focused on department heads in commercial banks, the current research will concentrate on the personnel of the Kenya Development Corporation.

2.3.2 Product and Service offers and Performance

Drawing insights from research conducted in Ghana, Forkuoh et al. (2016) investigated the connection between novelty in products and the operational success of small and medium-sized enterprises (SMEs) within the Ghanaian manufacturing landscape. Their analysis utilized data at the organizational level and the structural equation modeling approach. Product novelty was categorized into three distinct areas: conceiving new products, launching new products, and refining existing products. The metrics for assessing performance included the company's overall revenue and the expansion of its workforce.

Information was gathered from 400 SME proprietors and administrators in Ghana through survey methodologies. Standardized questionnaires were used to acquire in-depth information from a subset of these individuals concerning product design and matters related to company performance. To examine the acquired data and assess the connections among the defined concepts within their proposed analytical framework, they employed principal component analysis with factor analysis as the extraction method, alongside a structural equation model. Their findings indicated a positive correlation between all three facets of product novelty and company performance, with the introduction of new products demonstrating the strongest association. This suggests that businesses can bolster their performance by adopting practices centered on product innovation, particularly by emphasizing the introduction of new offerings. While this prior work concentrated on manufacturing industries in Ghana, the present inquiry, being conducted here in Ruiru, Kiambu County, Kenya, will focus its attention on the KDC.

Njuguna (2017) utilized both firsthand and existing data, alongside correlation analysis and multiple regression techniques, to assess the strategic placement and economic outcomes of commercial banks within Kenya. The research demonstrated that emphasizing marketing and product strategies, promotional activities, enhanced technological advancement, market segmentation, and expansion into international markets resulted in comprehensive and market-specific profitability for commercial banks operating in Kenya. Product development by aligning goods with customer demands, enhanced customer support, customer fulfilment, and release of new technology depending on the client wants, and also re-launching and evaluating current products, all increased profitability, according to the research. The study revealed that technological innovation, such as product merging with modern technology, and technology-driven goods, increased commercial bank profitability. The strategic position, physical accessibility, internet platform, and communication channels support improved customer service, engagement, and feedback, resulting in increased revenue. The study's focus was on commercial banks, and strategic leadership was not looked at. This research will focus on KDC and will look at product and service offers.

Orji, Andah, Kate, and Boman (2017) employed a survey-based research approach. They analyzed data from 24 banking establishments and surveyed 100 individuals, selected through purposive random sampling and convenience survey administration. Their investigation revealed a relationship between the creation of novel products and financial returns. However, the study was based on a limited number of banks and took place in Nigeria, a context with potentially distinct economic features that could have shaped the results. The research did confirm the presence of a notable association between distinguishing products and the organization's success.

Kawira (2021) explored the influence of product and service novelty, viewed as an entrepreneurial marketing approach, on the success of Kenyan MSMEs. The study was underpinned by a positivist research philosophy and employed a descriptive survey design. Within Tharaka-Nithi County, the target population consisted of 8,526 registered MSMEs. A study sample of 368 MSME owners or managers was determined through the application of stratified and random sampling methods. Data was gathered using questionnaires administered via personal delivery. Quantitative data were examined using both descriptive and inferential statistical techniques. The study results revealed a strong positive influence of innovation in products and services on the performance of MSMEs. From these results, it can be concluded that the development of novel or enhanced offerings considerably boosts the success of MSMEs in Kenya. Given that Kawira's research centered on MSMEs in Tharaka-Nithi County, this present study, being conducted here in Ruiru, Kiambu County, Kenya, will investigate a different context. The study mainly focused in product and service innovation on performance of SMEs, this study will focus on positioning practices on performance, where its independent variables include integration strategies, product and service offer, innovation and market reach.

2.3.3 Innovation and Performance

Innovation can be defined as the process through which organizations acquire and implement new designs and the creation of products and services that are novel to them. These developments often appear in multiple forms, such as innovation in products, marketing strategies, operational processes, and research and development activities

(Davila, 2014). Drawing on data from the Federation of Small Businesses, Beynon, Jones, and Pickernell (2020) examined the relationship between SMEs strategic approaches and their propensity to pursue future innovation in the United Kingdom. They applied a distinctive NCaRBS methodology to assess how changes in SME strategies such as workforce size, trade activities, and customer reach correlate with future, including uncertain, innovation intentions. Their analysis revealed notable associations between innovation intent and factors like employee numbers, the extent of business locations, and digital presence. Additionally, greater investment in research and development, employee training, international trade, and promotional efforts was linked to a stronger and more definite inclination toward innovation. Nevertheless, since their study adopted the relatively new NCaRBS method, the current research will instead apply descriptive and inferential statistical techniques to examine variable relationships within the KDC setting in Ruiru, Kiambu County, Kenya.

Mulinge and Kyongo (2017) carried out an investigation into the relationship between strategic innovation and the overall performance of commercial banks, formulating and evaluating a related hypothesis. Their study targeted 150 staff members from the Commercial Bank of Africa's headquarters in Nairobi, Kenya, with 131 participants responding. The researchers employed a descriptive research approach and utilized SPSS version 21 to perform data analysis through simple linear regression. The results from their hypothesis testing revealed that strategic innovation exerted a positive and statistically significant influence on the bank's performance. These outcomes are consistent with the principles of the Blue Ocean Strategy and the RBV theory, both of which emphasize the importance of innovation and internal capabilities in achieving organizational success. Their research adds to the body of knowledge by illustrating that strategic innovation contributes meaningfully and positively to the performance of commercial banks. Although their analysis incorporated both descriptive and inferential statistical methods and confirmed the hypothesis that strategic innovation significantly enhances bank performance in Kenya, the present study conducted in Ruiru, Kiambu County will center on the KDC.

Rojas-Córdova, Heredia-Rojas, and Ramírez-Correa (2021) applied the decision tree classification methodology to assess a dataset of Chilean businesses concerning the primary obstacles to achieving innovation objectives. Their sample was divided into two categories: large enterprises (LEs) and SMEs. The obstacles that have the greatest effect on behavioural motives to drive innovation in the group of significant businesses are innovation expense, an absence of demand for innovations, and a shortage of skilled professionals. Conversely, among small and medium-sized businesses, the most significant inhibiting factors are an absence of own financing, a lack of demand for innovations, and a lack of technological knowledge. According to the analyzed research, innovation has no substantial impact on institutional performance of the organization. As relevant as this study is in helping us understand the effect of innovation the cultural and economic context of the study leaves a gap. This study will focus on Nairobi County, Kenya.

Kniazevych, Kyrylenko, and Golovkova (2018) undertook an investigation into the strategic advancement of innovation within Ukraine, aiming to cultivate a specific framework that would enhance the receptiveness to business environment innovation within the public domain. These researchers posited that an independent and effectively operating innovation infrastructure is essential for aligning innovation systems and for sustaining the economy of an organization or a nation. Their research concluded that, notwithstanding internal and external elements that shape the creation and evolution of innovation infrastructure, such infrastructure can effectively grow and fulfill its roles through particular organizational endeavors. However, their study examined the effect of innovation infrastructure on performance. The current research, being conducted here in Ruiru, Kiambu County, Kenya, will instead explore the impact of innovation as a strategic positioning tactic on the performance of the Kenya Development Corporation (KDC).

2.3.4 Market Reach Consideration and Performance

Gachimu and Kiviti (2018) employed a case study methodology along with an interview guide to gather information regarding the influence of market placement strategies on the operational results of the KCB Bank Group Ltd. within Kenya. Qualitative data was collected and interpreted through content analysis. The bank's performance showed

improvement as a consequence of its chosen market placement strategy. Kenya Commercial Bank had implemented brand, product, and pricing placement tactics. While their research utilized interviews to gather data from participants, the present study will employ questionnaires for data collection and assessment.

Onyancha (2019) applied a panel fixed effects estimation method to investigate how market concentration and risk absorption influenced the financial outcomes of Kenyan banks from 2010 to 2018. The empirical analysis showed that the Herfindahl-Hirschman Index did not exhibit a statistically significant association with bank performance, indicating that the structure-conduct-performance paradigm may not be applicable in the Kenyan context. Additionally, the results demonstrated that credit risk had a detrimental effect on bank performance. However, capital risk, liquidity risk, aggregate risk, and institutional size did not show any notable influence on financial outcomes. The study advised banks to focus on reducing credit risk by implementing robust credit management practices and cautioned against aggressive expansion strategies, as there was no substantial evidence supporting the presence of economies of scale in Kenya's banking sector. While Onyancha's research addressed the performance of banks nationwide, the current study will specifically examine the financial performance of the KDC within the Kenyan context.

Okeyo and Lewa (2020) examined the influence of strategic positioning on the performance of commercial banks operating in Mombasa County. Their study was anchored in market positioning theory, the Delta Model framework, and performance theory. A survey research design was employed. The study population comprised 150 managerial staff drawn from 25 commercial banks in Mombasa, including departments such as operations, finance, information technology, marketing and sales, product development, and corporate management. These individuals formed the basis for determining the sample size. The researchers utilized both primary and secondary sources for data collection. Descriptive statistics such as means and standard deviations were applied, while frequencies and percentages were used for data presentation. To evaluate the relationships among variables, multiple regression analysis was conducted. The results revealed a significant and positive

association between market positioning strategies and the performance of commercial banks in Mombasa County. While their research focused on commercial banking institutions, the current study will direct its analysis toward the KDC located in Ruiru, Kiambu County, Kenya.

2.4. Summary of Literature Review and Research Gaps

Table 2.1: Summary of Literature Review and Research Gaps

Researcher	Focus	Findings	Knowledge gap	Addressing knowledge gap in the current study
Ogolla (2015)	Analyzed how Porter's standard strategies were utilized in the Kenyan insurance sector by studying the ICEA LION Group as a specific instance.	According to the study's findings, the company's product diversification and geographical reach increased after the merger	The earlier research primarily examined the impact of the amalgamation process on the two insurance companies that combined	This study will concentrate on Kenya Development Corporation
Forkuoh et al. (2016).	A study examined how the introduction of new products and processes impacts the performance of SMEs in Ghana's manufacturing sector.	The outcomes demonstrated a favorable association between all three examined factors and organizational success. Notably, the launch of novel products exhibited the strongest positive link,	The study was carried out on manufacturing industries in Ghana	This study will look at KDC in Kenya.

		suggesting that enterprises can bolster their performance by adopting practices centered on product innovation, particularly emphasizing the rollout of new offerings.		
Aduloju (2018)	Investigated the effects of recapitalization, merger, and acquisition strategies in the Nigerian insurance sub-sector	Statistical regression analysis indicated a substantial influence of integration strategies on the operational success of commercial banks	The study was carried out in Nigeria	This study will be carried out in Kenya
Kniazevych, Kyrylenko, and Golovkova (2018).	A study in Ukraine aimed to formulate an innovation development strategy to create a	This research determined that while various internal and external elements shape the creation and	The study, on the other hand, looked at the impact of innovation infrastructure on performance.	This study will investigate the impact of innovation as a positioning practice on KDC performance.

	specialized infrastructure, ultimately increasing the public sector's openness to innovations in the business environment	progression of innovation infrastructure, such infrastructure can effectively grow and fulfill its roles through specific organizational undertakings.		
Gachimu and. Kiviti (2018).	Utilized a case study technique and an interview guide to gather data on the influence of market positioning strategies on the performance of KCB bank group ltd in Kenya	The bank's performance improved as a result of its market positioning strategy	The study used interview to collect data from respondent.	This study will use questionnaires to collect data for assessment
Onyancha (2019)	Investigated The study concentrated on banks performance in Kenya in Kenya	Market concentration have no significant relationship with bank performance in Kenya, implying	The study concentrated on banks performance in Kenya	This study will concentrate on KDC performance in Kenya

		that the structure-conduct-performance hypothesis is false.		
Beynon Jones and Pickernell (2020).	Examined how the strategies adopted by SMEs impact their plans for future innovation endeavors.	The study's results suggest direct and evident relationships between personnel strength, the extent of physical sites, and internet presence, and the aim to innovate.	The study used the novel NCaRBS technique	This is will use descriptive and inferential analysis to
Okeyo and Lewa (2020).	Investigated the impact of strategic positioning on commercial bank performance in Mombasa County	According to the findings, there is a positive significant relationship between market positioning strategy and commercial bank organizational performance in	The focused on commercial banks	This study will concentrate on KDC

		Mombasa County.		
Gachango (2021)	Investigates the that integration strategies influenced commercial bank performance., Kenya	The study found that integration strategies influenced commercial bank performance.	The study targeted department heads in commercial banks	This study will focus on staff of Kenya development corporation
Kawira (2021)).	Assessed the effect of product and service novelty, as an entrepreneurial marketing tactic, on the performance of Kenyan small businesses.	Based on the outcomes of this research, the introduction of new goods or services demonstrably and favorably influences the operational success of MSME.	The study mainly focused in product and service innovation on performance of SMEs	This study will focus on positioning practices on performance, where it's independent variables include integration strategies, product and service offer, innovation and market reach.

Source: Researcher (2023)

2.5 Conceptual Framework

A conceptual framework involved the use of diagrams or graphs to visually represent the relationships among the study's variables. It served as a valuable tool that simplified the research by breaking down the elements of various variables and illustrating the connections between them. For this study, the framework was built around the independent variables namely integration strategies, product and service offerings, innovation, and market reach considerations with organizational performance as the dependent variable.

Independent Variables

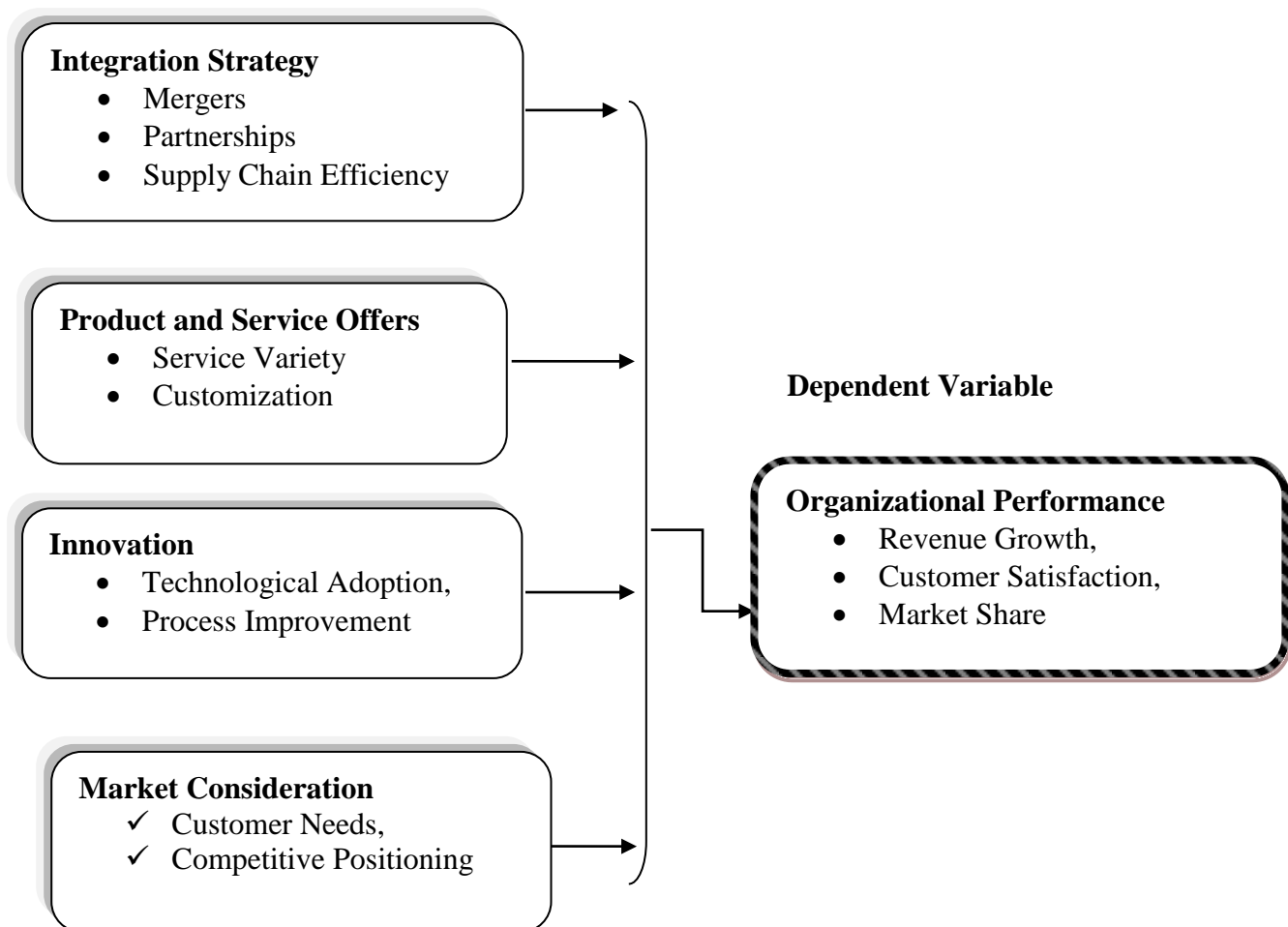


Figure 2.1 Conceptual Framework

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This section outlined the methodological approach that was employed in the investigation. It detailed the research framework, the study population, the sampling criteria, the procedure for calculating the sample size, and the specific sampling technique used. Additionally, it explained the instruments used for data collection and the preliminary tests that were conducted. The chapter also specified the type of data obtained, the methods of its collection, and the analytical processes that were followed.

3.2 Research Design

A research design served as the strategic framework that guided the collection and analysis of data in the study. In this study, a descriptive survey design was selected to systematically document the positioning practices and performance of the Kenya Development Corporation (KDC) in Nairobi City County. This design facilitated the collection of quantitative data through surveys, enabling the analysis of organizational patterns and trends. By employing this approach, the research aimed to offer a detailed account of KDC's integration strategy, product and service offerings, innovation efforts, market considerations, and overall performance. The descriptive survey design was deemed suitable for this study, as it allowed for the gathering of data from a defined population namely, KDC employees and stakeholders without manipulating variables, thus providing an accurate reflection of the existing positioning practices and performance indicators within the corporation. This methodology proved particularly beneficial in identifying strengths and areas for improvement, as it captured prevailing conditions and perceptions related to KDC's strategic initiatives.

3.3 Target Population

For the effective execution of the research, it was necessary to identify a target population to enable clear and coherent conclusions. The target population for this study comprised 85 employees and members of management at the Kenya Development Corporation in Nairobi County. Specifically, the demographic profile included individuals working across various departments and organizational levels

such as 20 staff members in marketing, 20 in finance, 20 in human resources, and 10 in executive management. The research also incorporated input from 15 external stakeholders, including 10 clients and partners of KDC.

Table 3.1: Target Population

Region	Category of Population	Number	Percentage (%)
Nairobi	People in marketing	20	23.53%
	People in finance	20	23.53%
	People in human resources	20	23.53%
	People in executive management	10	11.76%
	External stakeholders	5	5.88%
	Clients and partners	10	11.76%
	Total	85	100 %

Source: Researcher 2025

3.4 Sampling Design

Sampling design was a vital element of the research methodology, as it ensured the selection of a representative subset of the population for analysis (Kumar, 2019). According to Creswell (2018), an appropriate sampling design enhanced the generalizability of findings and improved research validity. This study adopted a stratified random sampling technique, which was suitable for heterogeneous populations divided into distinct categories. Stratified sampling was deemed appropriate because KDC comprised various departments, and selecting respondents from each ensured balanced representation. Furthermore, this approach minimized bias and strengthened the reliability of the results.

Determining an appropriate sample size was essential for maintaining data accuracy and optimizing research efficiency (Saunders, Lewis, & Thornhill, 2019). As noted by Mugenda and Mugenda (2003), a sample size of at least 30% of the target population was adequate for a descriptive study. Cochran's formula (1977) was commonly applied for estimating sample sizes, particularly when addressing large populations. However, since the study involved a relatively small and finite population, Yamane's (1967) formula was employed to calculate the sample size:

Sampling Design

Where:

n = required sample size

N = total population

e = margin of error (0.05 for a 95% confidence level)

Sample Size Computation

The total population in this study is:

$N = 20 \text{ (Marketing)} + 20 \text{ (Finance)} + 20 \text{ (HR)} + 10 \text{ (Executive)} + 10 \text{ (Clients \& Partners)} = 80$

Applying Yamane's formula:

Thus, the final sample size is 67 respondents, distributed proportionally across the strata.

Table 3.2: Sampling Design

Stratum	Population (N)	Proportional Sample (%)	Sample Size (n)
Marketing Department	20	25%	17
Finance Department	20	25%	17
Human Resources Department	20	25%	17
Executive Management	10	12.5%	8
External stakeholders	5	6%	4
Clients & Partners	10	12.5%	8
Total	85	100%	67

Source: Researcher 2025

By employing stratified random sampling, this study ensures balanced representation from all key departments and external stakeholders, improving the reliability and applicability of the findings

3.5 Pilot Testing

According to Zikmund, Babin, Carr, and Griffin (2014), pilot testing served as an evaluation of robust measurement, requiring adherence to the principles of dependability, accuracy, and feasibility. The quality of research instruments and the precision of data collection methods significantly influenced the outcome of the

investigation (Kothari, 2014). A preliminary assessment involving 5% of the intended study population totaling 20 individuals was conducted in Ruiru. Saunders et al., as cited by Kiriinya (2015), recommended a trial run comprising 5% to 10% of the sample as sufficient. Participants in this initial test were distinct from those included in the main study in Kiambu County. Data gathered during the pilot phase were used to evaluate the reliability and accuracy of the research instrument. All 36 items in the questionnaire underwent pre-testing, covering question content, phrasing, difficulty level, and provided instructions. Feedback collected during this stage informed adjustments to the questionnaire prior to its distribution to the main study group in Kenya.

3.6 Data Collection Procedure

The main technique employed for data collection in this study was a structured survey instrument aimed at obtaining critical information from key participants within the Kenya Development Corporation. Questionnaires are widely utilized in research due to their effectiveness in collecting meaningful input from the intended respondents. Each question was thoughtfully crafted to correspond with the study's defined objectives, guiding questions, and proposed hypotheses (Creswell & Creswell, 2020). The instrument featured a combination of open-ended and closed-ended items to enable thorough and well-rounded data gathering.

Additionally, secondary data were obtained from credible written sources such as peer-reviewed journals, government reports, previous studies, and other relevant reference materials (Saunders, Lewis, & Thornhill, 2019). Data collection was conducted using both physical and online methods to enhance accessibility and response rates. Online data collection offered several advantages, including cost-effectiveness, faster turnaround time, higher response rates, reduced respondent error, and flexibility through adaptive questioning (Bryman, 2021).

Furthermore, in compliance with ethical research standards, the study secured an approval letter from the relevant university authority and obtained a research permit from the NACOSTI to ensure adherence to national research regulations. Formal appointment requests and an official research authorization letter from KDC were also

sought to facilitate access to key respondents and data sources. These steps contributed to the credibility, validity, and ethical integrity of the study.

3.7 Data collection

The primary method of data collection for the study was a structured questionnaire designed to gather essential information from relevant respondents within the Kenya Development Corporation (KDC). Questionnaires were widely used in research due to their effectiveness in obtaining valuable insights from the target population. Each item in the questionnaire was carefully crafted to align with the study's specific objectives, research questions, and hypotheses (Creswell & Creswell, 2020). To ensure thorough data collection, the questionnaire included both open-ended and closed-ended questions, allowing respondents to share detailed input while also supporting quantitative analysis. Additionally, secondary data were sourced from credible written materials such as peer-reviewed journals, government publications, prior studies, and other pertinent reference books (Saunders, Lewis, & Thornhill, 2019). The study utilized both physical and online data collection methods to improve accessibility and response rates. Online data collection offered several benefits, including cost-effectiveness, quicker turnaround, higher response rates, reduced respondent errors, and greater flexibility through adaptive questioning (Bryman, 2021). To comply with ethical research standards, the study secured an approval letter from the relevant university authority and obtained a NACOSTI research permit. Formal appointment requests and an official research authorization letter from KDC were also acquired to facilitate access to key respondents and data sources. These efforts strengthened the study's credibility, validity, and ethical rigor.

3.8 Validity of Research instrument

The dependability of the research tool was vital in ensuring that the investigation accurately assessed the intended factors and produced reliable outcomes. In this investigation exploring positioning strategies and the operational effectiveness of the KDC in Ruiru, Kiambu County, Kenya, validity was ensured through the evaluation of content validity, construct validity, and criterion-related validity. Content validity was attained by ensuring alignment between the research instrument with the study's objectives, ensuring that the questions comprehensively addressed key components such as integration strategies, product and service offerings, innovation, market

considerations, and organizational performance. Construct validity was evaluated by determining whether the instrument effectively captured the theoretical constructs underlying positioning practices and their impact on organizational performance. This was accomplished through expert reviews and pilot testing to enhance the clarity and precision of the questionnaire. Additionally, criterion validity was assessed by comparing responses with established benchmarks or similar research to verify consistency and relevance. Through these validity assessments, the research instrument strengthened the credibility and generalizability of the findings, offering valuable insights into KDC's positioning practices.

3.9 Reliability of Research instrument

Reliability of the research instrument referred to the consistency and dependability of the tool used to gather data, ensuring that it produced stable and repeatable results. In this study on Positioning Practices and Performance of the Kenya Development Corporation in Nairobi City County, reliability was assessed to confirm that the questionnaire and other data collection tools yielded consistent responses over time. To accomplish this, a pilot study was conducted among a small sample comparable to the main respondents, which facilitated the identification of any inconsistencies or ambiguities in the instrument. The Cronbach's Alpha coefficient was applied to measure internal consistency, with a reliability benchmark of 0.7 or above indicating that the instrument was suitable for data collection. Additionally, a test-retest technique was employed to verify stability across repeated applications. By ensuring reliability, the study sought to strengthen the credibility of the findings and offer valid insights into the link between positioning practices and the performance of the Kenya Development Corporation.

3.10 Data analysis and presentation

This study utilized both descriptive and inferential statistical techniques to analyze the relationship between positioning strategies and the operational efficiency of the KDC within Nairobi City County. As noted by Mugenda and Mugenda (2019), data analysis entails the organized use of statistical and logical procedures to condense, interpret, and assess collected information. Likewise, Kothari (2014) highlighted that the selection of analytical tools is influenced by the research framework and the characteristics of the data obtained. Descriptive measures such as averages, standard

deviations, and frequency tables were employed to summarize the dataset. Inferential methods, including correlation and multiple regression analyses, were used to explore the connections between the predictor and outcome variables.

Empirical Model

The study employed a multiple regression model to determine the impact of positioning practices on KDC's performance. The general regression equation was stated as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Where:

- Y = Organizational Performance (Dependent Variable)
- X1 = Integration Strategy
- X2 = Product and Service Offers
- X3 = Innovation
- X4 = Market Consideration
- β_0 = Constant
- $\beta_1, \beta_2, \beta_3, \beta_4$ = Regression Coefficients
- ϵ = Error Term

Diagnostic Tests

To ensure the validity and reliability of the regression model, the following diagnostic tests were conducted:

1. **Multicollinearity Test** – Using the VIF, multicollinearity among independent variables will be checked. A VIF value greater than 10 indicates high multicollinearity.
2. **Normality Test** – The Shapiro-Wilk test and graphical methods such as histograms and Q-Q plots will be used to assess if the data follows a normal distribution.
3. **Heteroscedasticity test**– The Breusch-Pagan test will be used to determine if the variance of residuals is constant across all levels of independent variables.

4. **Autocorrelation Test** – The Durbin-Watson test will be employed to check for autocorrelation in residuals. A value close to 2 indicates no autocorrelation.

Data Presentation

The analyzed data were presented using tables, graphs, and charts to facilitate interpretation. Regression results were displayed in tabular format, while graphical representations were employed to demonstrate trends and relationships among variables.

Table 3.3 Operationalization and measurement of variables

Variable	Type of Variable	Indicators	Operationalization	Measurement Scale
Integration Strategy	Independent	Mergers, Partnerships, Supply Chain Efficiency	Degree of Implementation	Likert Scale (5-1)
Product and Service Offers	Independent	Service Variety, Customization	Number of Offerings	Nominal
Innovation	Independent	Technological Adoption, Process Improvement	Innovation Index	Likert Scale (5-1)
Market Consideration	Independent	Customer Needs, Competitive Positioning	Market Expansion Rate	Likert Scale (5-1)
Organizational Performance	Dependent	Revenue Growth, Customer Satisfaction, Market Share	Performance Index	Likert Scale (5-1)

3.11 Ethical considerations

Throughout the data collection phase and the entire research process, ethical considerations were prioritized. Principles such as confidentiality, transparency, and informed consent guided the study during survey administration. Participants were provided with complete details regarding the survey's purpose, and their voluntary consent to participate was obtained and recorded. Individuals involved in the survey had the right to withdraw at any stage of the process. The researcher implemented and maintained measures to protect respondent anonymity by refraining from collecting names or personally identifiable information on the survey instrument. To uphold privacy, the researcher remained the sole custodian of the research data. Additionally, all publicly sourced secondary data used in the study were verified as reliable and legally permissible for academic purposes. The study strictly adhered to the ethical standards and code of conduct of MMU (assumed to reference a specific institution). Finally, all required approvals from relevant authorities were secured prior to initiating the study in the designated research area to ensure compliance with ethical norms.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1 Introduction

This section reviews and analyzes the results. It is structured into several components, such as the rate of responses, demographic details of the respondents, and both descriptive and statistical evaluations.

4.2 Response Rate Analysis

In this study, the researcher distributed a total of 67 survey forms, with 60 duly filled and submitted, as illustrated in Table 4.1.

Table 4.1: Response Rate

Parameter	Frequency	Percent
Sample Size	67	100.00%
Responded	60	89.55%
Not Responded	7	10.45%

Source: Research data (2025)

Table 4.1 above indicates a participation rate of 89.55%. In alignment with Mugenda and Mugenda (2008), a response rate exceeding 69% is deemed adequate for analytical purposes. Consequently, the recorded rate of 89.55% was more than ample to support a comprehensive evaluation.

4.3 Participants' Demographic Information

This segment outlines the demographic characteristics of the study's respondents, encompassing their age groups, highest attained educational qualifications, and duration of service within the current department. The information is displayed in Table 4.2 below.

Table 4.2: Participants' Demographic Information

Parameter	Frequency	Percent
Age		
Below 25	12	20%
25-50	36	60%
over 50 years	12	20%
Total	60	100.00%
Highest education level		
Diploma	5	8.33%
Degree	20	33.33%
Masters	10	16.67%
PhD Degree	25	41.67%
Total	60	100.00%
Period in present department		
Not more than 5 years	10	16.67%
6 to 15 years	20	33.33%
above 15 years	30	50.00%
Total	60	100.00%

Source: Research data (2025)

Table 4.2 presents the demographic distribution of respondents participating in the study on the Strategies and Performance of Kenya Development Corporation in Nairobi City County. The findings indicate that the majority of respondents, 36 (60%), were aged between 25 and 50 years, while 12 (20%) were below 25 years, and another 12 (20%) were above 50 years. This age composition suggests that most participants were in their prime working years and likely possessed relevant experience and exposure to the corporation's strategic practices and performance trends.

Regarding educational qualifications, a substantial proportion of the respondents, 25 (41.67%), held doctoral degrees (PhD), while 10 (16.67%) had attained master's degrees. Additionally, 20 (33.33%) had bachelor's degrees, and 5 (8.33%) held

diplomas. The high academic attainment among respondents implies that they were well-equipped to understand and evaluate complex strategic concepts such as integration strategies, product and service offerings, innovation, and market considerations in relation to organizational performance indicators like revenue growth, customer satisfaction, and market share.

In terms of tenure within their current departments, half of the respondents, 30 (50%), had served for more than 15 years, while 20 (33.33%) had been in their departments for 6 to 15 years, and 10 (16.67%) for not more than 5 years. This distribution demonstrates that a majority (83.33%) had long-term experience within the organization, which enhances the credibility of their responses, as they are likely to have in-depth knowledge of how strategic initiatives influence performance at Kenya Development Corporation.

4.4 Descriptive Statistics Results

4.4.1 Integration Strategy and Organizational Performance

The initial objective of the research was to assess the influence of the Integration Strategy on the operational outcomes of the Kenya Development Corporation within Nairobi City County. In particular, the study concentrated on core elements of the integration strategy, such as corporate mergers, strategic alliances, and supply chain optimization, and their impact on different aspects of organizational performance, including revenue expansion, client satisfaction, and competitive market positioning. The results are summarized in Table 4.3 below.

Table 4 3: Integration Strategy and Organizational Performance

Statement	M	SD
Kenya Development Corporation has effectively utilized mergers to expand its operational capacity.	3.36	1.03
Strategic partnerships have contributed positively to the corporation's service delivery.	4.06	0.94
The organization has formed alliances that improve access to new markets and technologies.	4.13	0.89
Integration with other firms has led to improved performance and efficiency.	4.18	0.95
Our supply chain systems are streamlined through collaborative integration with partners.	3.84	0.96
Mergers and partnerships have enhanced coordination across departments and stakeholders.	3.91	0.88
Aggregate	3.90	0.95

Source: Research data (2025)

According to the results in Table 4.3, the respondents showed moderate agreement with the statement that Kenya Development Corporation has effectively utilized mergers to expand its operational capacity (M=3.36; SD=1.03). They agreed that strategic partnerships have positively contributed to the organization's service delivery (M=4.06; SD=0.94) and affirmed that alliances formed by the corporation have improved access to new markets and technologies (M=4.13; SD=0.89). Furthermore, there was strong agreement that integration with other firms has enhanced performance and operational efficiency (M=4.18; SD=0.95). Participants also agreed that the supply chain systems are streamlined through collaborative integration (M=3.84; SD=0.96), and that mergers and partnerships have improved coordination across departments and stakeholders (M=3.91; SD=0.88). The overall aggregate mean of 3.90 (SD=0.95) indicates a high influence of integration strategies on organizational performance at Kenya Development Corporation.

These findings demonstrate that strategic integration through mergers, partnerships, and supply chain efficiencies has significantly enhanced organizational performance in terms of revenue growth, customer satisfaction, and market share. The results are

consistent with the observations by Muthaa and Muathe (2018), who found that effective integration strategies play a critical role in boosting institutional performance through improved coordination, resource utilization, and market positioning. Similarly, Jonyo et al. (2018) argued that the strategic integration of functions and partnerships is central to driving institutional growth and efficiency. Moreover, this study confirms the assertions by Waiganjo and Njeru (2017) and Ng'ang'a et al. (2017), who established that strategic direction, which includes mergers and partnerships, has a strong bearing on the performance of both private and public organizations. By leveraging integration strategies, Kenya Development Corporation is better positioned to meet its development finance mandate, streamline its supply chains, and enhance stakeholder engagement. Therefore, the adoption and effective execution of integration strategies are essential for sustaining high performance and achieving long-term institutional objectives in Nairobi City County.

4.4.2 Product and Service Offers and Organizational Performance

Moreover, the study sought to ascertain the effects of selected strategic factors namely integration strategy, product and service offers, innovation, and market consideration on the performance of the Kenya Development Corporation in Nairobi City County. The analysis focused on key indicators such as mergers, partnerships, supply chain efficiency, service variety, customization, technological adoption, process improvement, customer needs, and competitive positioning. Table 4.4 below presents the findings related to how these strategic components influence the Corporation's performance in terms of revenue growth, customer satisfaction, and market share;

Table 4.4: Product and Service Offers and Organizational Performance

Statement	M	SD
Kenya Development Corporation provides a wide variety of products and services to meet diverse client needs.	4.00	0.76
The range of services offered enhances customer satisfaction and organizational performance.	4.08	0.90
Services provided are tailored to meet specific customer requirements.	3.84	0.88
Customization of services has improved client retention and satisfaction levels.	3.42	1.20
Offering specialized financial services has contributed to improved market positioning.	3.52	0.87
The corporation's service variety gives it a competitive edge in the financial sector	3.60	1.12
Aggregate	3.71	0.94

Source: Research data (2025)

The results indicate that respondents generally agreed that the variety of products and services offered by Kenya Development Corporation positively influences its performance (M=4.00; SD=0.76). This aligns with previous studies such as Yu et al. (2019), Lotayif (2018), Al-Hawary & Al-Hamwan (2017), and Okwemba & Njuguna (2021), which demonstrated a positive correlation between product/service diversity and institutional performance. Additionally, the study established that the breadth of service offerings significantly contributes to customer satisfaction and organizational growth (M=4.08; SD=0.90), a finding also observed in various public and private sector organizations in Kenya (Nkemchor & Ezeanolue, 2021; Okwemba & Njuguna, 2021).

Furthermore, the findings confirmed that the corporation offers services tailored to meet specific customer requirements (M=3.84; SD=0.88), and that customization of services has played a role in improving client satisfaction and retention (M=3.42; SD=1.20). This supports the notion that customer-centered service design is essential in enhancing institutional competitiveness and market relevance. Additionally, offering specialized financial services was found to contribute to improved market

positioning (M=3.52; SD=0.87), and the overall service variety was seen as providing a competitive edge in the financial sector (M=3.60; SD=1.12).

Based on the aggregate mean (M=3.71; SD=0.94), the study concludes that product and service offerings have a significant effect on the organizational performance of Kenya Development Corporation. These findings are consistent with the research by Yu et al. (2019), who found that well-structured service strategies positively influence performance outcomes. Similarly, Okwemba & Njuguna (2021) also identified a strong link between service delivery innovations and institutional success. Despite contextual differences across studies, this study affirms the critical role that diverse and customized product and service strategies play in enhancing performance within development finance institutions.

4.4.3 Innovation and organizational Performance

The third aim of the study was to investigate the impact of innovation on the performance of the Kenya Development Corporation within Nairobi City County. This objective centered on evaluating the extent to which the adoption of new technologies and enhancements in operational processes influence key performance metrics, including revenue expansion, client satisfaction, and market penetration. The results corresponding to this objective are displayed in Table 4.5 below..

Table 4 5: Innovation and organizational Performance

Statement	M	SD
Kenya Development Corporation has adopted modern technologies to enhance service delivery.	3.40	1.21
Investment in digital platforms has improved operational efficiency.	3.80	0.91
Innovative processes have reduced service delivery time.	3.31	1.10
Technological innovation has contributed to the corporation's competitive advantage.	3.62	1.08
The organization regularly updates its processes for better efficiency and customer experience.	3.22	1.25
Innovation is a key driver of growth and performance at Kenya Development Corporation.	3.61	0.93
	3.50	1.06

Source: Research data (2023)

The aggregate mean score (M=3.50; SD=1.06) indicates that innovation has a positive influence on the organizational performance of Kenya Development Corporation (KDC). The study findings reveal that various aspects of innovation, including technological adoption and process improvement, play a vital role in enhancing efficiency, reducing service delivery time, and improving customer satisfaction. Specifically, the organization's investment in digital platforms has been noted to enhance operational efficiency (M=3.80; SD=0.91), while the adoption of modern technologies has improved service delivery (M=3.40; SD=1.21). Furthermore, the implementation of innovative processes has helped reduce service delivery time (M=3.31; SD=1.10), demonstrating the direct impact of innovation on performance.

These findings align with the work of Sadiq (2019), who emphasized that the strategic application of technological innovation and process enhancement significantly contributes to improved organizational outcomes. Similarly, the results support Wagithunu et al. (2019), who found that innovation, particularly in resource use and process optimization, greatly influenced institutional performance.

Moreover, the current study confirms Chepkosgei and Atambo's (2018) assertion that continuous improvement and adoption of innovative practices, such as updating

internal processes and technological infrastructure, are essential for achieving competitive advantage. This is reflected in KDC's commitment to updating its processes regularly for better efficiency and customer experience (M=3.22; SD=1.25), and its acknowledgment of innovation as a key driver of growth and performance (M=3.61; SD=0.93). Additionally, the perception that technological innovation has contributed to the Corporation's competitive positioning (M=3.62; SD=1.08) further reinforces the critical role innovation plays in enhancing market share and customer satisfaction.

Although the overall outlook is positive, the standard deviation values suggest some variation in responses, possibly indicating differing levels of implementation or perception across departments or respondent categories. Nevertheless, the evidence strongly supports the conclusion that innovation through the adoption of technology and continuous process improvements significantly contributes to the performance of Kenya Development Corporation in Nairobi City County.

4.4.4 Market Consideration and Organizational Performance

Furthermore, the study sought to examine the effects of strategic initiatives specifically integration strategy, product and service offers, innovation, and market consideration on the performance of the Kenya Development Corporation in Nairobi City County. Table 4.6 below displays the results, emphasizing essential metrics such as revenue expansion, client satisfaction, and market penetration;

Table 4.6: Market Consideration and Organizational Performance

Statement	M	SD
Kenya Development Corporation regularly assesses and responds to evolving customer needs.	3.53	1.00
The corporation develops services based on customer feedback and market trends.	3.86	0.90
Understanding customer needs has enhanced service relevance and uptake.	3.66	0.92
The corporation is well positioned to compete with other development finance institutions.	3.59	1.17
Competitive strategies adopted by the organization have improved its market share.	3.60	1.01
Kenya Development Corporation maintains a strong awareness of industry competition.	3.84	0.97
Aggregate	3.70	0.99

Source: Research data (2025)

Based on the aggregate mean ($M=3.70$; $SD=0.99$), the study establishes that market consideration significantly influences the organizational performance of Kenya Development Corporation (KDC) in Nairobi City County. Market-related strategies such as aligning services with customer needs and understanding competitive dynamics are integral in improving organizational outcomes, particularly customer satisfaction, revenue growth, and market share. These findings support those of Omagwa and Nyang'au (2021), who emphasized the importance of institutional responsiveness to stakeholder needs and market trends in driving strategic performance outcomes. Similarly, Gitau et al. (2020) identified that market-oriented practices like strategic communication and leadership support are essential for organizational growth.

The present study shows that KDC consistently assesses and responds to evolving customer needs ($M=3.53$; $SD=1.00$), which has led to enhanced service relevance and uptake ($M=3.66$; $SD=0.92$). In line with this, the corporation actively integrates customer feedback and market trends in the development of its services ($M=3.86$; $SD=0.90$). These findings affirm Hussein's (2020) perspective that responsive

organizational practices grounded in market realities significantly contribute to improved service delivery and performance.

Additionally, KDC appears to have established a competitive edge in the development finance space, with respondents affirming the organization's strong awareness of industry competition (M=3.84; SD=0.97) and improved market share resulting from competitive strategies (M=3.60; SD=1.01). The corporation is also seen as well-positioned to compete with other development finance institutions (M=3.59; SD=1.17), indicating that market positioning is a critical aspect of its strategic approach. This is consistent with the findings of Jahfa (2021), who emphasized that market-driven strategies foster organizational competitiveness and long-term sustainability.

Furthermore, the study underscores the importance of ongoing market scanning and customer feedback mechanisms, which help KDC remain aligned with dynamic client expectations and competitive pressures. The inclusion of customer perspectives and market insights in strategic planning fosters better service innovation and product relevance, as highlighted by Abdi (2017). By continuously engaging with market considerations, KDC enhances its ability to meet client needs effectively and maintain a strong position in an increasingly competitive financial landscape.

4.4.5 Organizational Performance of Kenya Development Corporation

The study sought to evaluate the overall organizational performance of the Kenya Development Corporation in Nairobi City County, Kenya. The analysis focused on key strategic areas including integration strategies, product and service offerings, innovation, and market considerations. Organizational performance was evaluated using metrics such as revenue expansion, client satisfaction, and market penetration, with the outcomes summarized in Table 4.7.

Table 4.7: Organizational Performance Of Kenya Development Corporation

Statement	M	SD
Kenya Development Corporation has recorded consistent revenue growth over the past three years.	3.54	1.15
Customers are generally satisfied with the services provided by the organization.	3.54	0.80
The corporation's market share has increased in the development finance sector.	3.15	1.11
There is a noticeable improvement in customer loyalty and retention.	3.50	1.04
Service delivery improvements have positively influenced overall organizational performance.	3.23	1.11
The corporation effectively measures and tracks performance indicators.	3.01	1.37
Aggregate	3.34	1.10

Source: Research data (2023)

The aggregate mean ($M=3.34$; $SD=1.10$) indicates that Kenya Development Corporation (KDC) has recorded a moderate level of organizational performance, suggesting room for improvement in certain strategic areas. These findings, significant at a 95% confidence level, are consistent with prior studies which affirmed the positive influence of strategic management practices on organizational performance. Studies by Okwemba and Njuguna (2021), Alawneh and Al-Zoubi (2020), Munyai, Chiroma, and Ongeti (2020), as well as Muthaa and Muathe (2018), concluded that well-aligned strategic frameworks are key drivers of improved outcomes, regardless of institutional or sectoral context.

According to the study results, respondents agreed that KDC has experienced consistent revenue growth over the past three years ($M=3.54$; $SD=1.15$), and that customer satisfaction levels remain relatively high ($M=3.54$; $SD=0.80$). These findings reflect the organization's effectiveness in implementing performance-oriented strategies. This supports Muthaa and Muathe's (2018) assertion that strategic planning positively influences organizational sustainability, particularly through improvements in service quality and customer-centric operations.

However, there was some neutrality in responses regarding the corporation's overall market position, with respondents only moderately agreeing that market share has increased in the development finance sector (M=3.15; SD=1.11). Similarly, while there is a noted improvement in customer loyalty and retention (M=3.50; SD=1.04), perceptions on the effect of service delivery improvements on overall performance were less strong (M=3.23; SD=1.11). These mixed responses suggest that while certain strategic gains have been achieved, challenges remain in fully translating service improvements into measurable performance gains such as market expansion and brand positioning.

In terms of internal performance measurement, the findings show neutrality regarding the corporation's effectiveness in tracking and managing performance indicators (M=3.01; SD=1.37), highlighting a potential gap in monitoring systems and data-driven decision-making. This gap underscores the importance of institutionalizing performance measurement tools and aligning them with strategic objectives to ensure accountability and continuous improvement.

These insights align with past research by Makori and Waithaka (2018), Jonyo et al. (2018), and Ng'ang'a et al. (2017), who emphasized the relevance of strategic performance management systems in driving operational efficiency and long-term success. The findings, therefore, reinforce the importance of consistent strategic evaluation, customer responsiveness, and performance tracking in enhancing the overall performance of Kenya Development Corporation.

4.5 Inferential Analysis

The aim of the inferential analysis in this research was to evaluate the association between the independent variables Integration Strategy, Product and Service Offerings, Innovation, and Market Orientation and the dependent variable, namely the Organizational Performance of the Kenya Development Corporation in Nairobi City County. Pearson's correlation analysis was utilized to measure the strength and direction of the relationships between each strategic factor and performance indicators such as revenue expansion, client satisfaction, and market penetration.

Additionally, a multiple regression analysis (MRA) was conducted to develop a predictive model that explains the extent to which the independent variables collectively and individually influence the performance of Kenya Development Corporation. The analysis used a significance threshold of $p \leq 0.05$, ensuring that only

statistically meaningful relationships were considered. This approach provided empirical evidence on how strategic initiatives, including mergers, partnerships, service customization, technological adoption, and competitive positioning, contribute to the corporation’s overall performance.

4.5.1 Diagnostic Tests

This section outlines the outcomes of diagnostic evaluations carried out to confirm the assumptions underlying the Classical Linear Regression Model (CLRM) within the framework of the study on strategic approaches and the performance of the Kenya Development Corporation in Nairobi City County. The diagnostics specifically examine the assumptions of normal distribution, linear relationships, absence of multicollinearity, and homoscedasticity. These tests are essential for ensuring the credibility and consistency of the regression analysis assessing the influence of integration strategy, product and service offerings, innovation, and market orientation on organizational performance reflected in revenue expansion, customer satisfaction, and market share. The normality of the data was assessed using the Kolmogorov-Smirnov test, which is suitable for large sample sizes. A p-value exceeding 0.05 suggests that the data do not significantly diverge from a normal distribution. The findings from the normality assessment are presented in Table 4.8.

Table 4.8: Tests of Normality

	Kolmogorov-Smirnov ^a		
	Statistic	df	Sig.
Organizational Performance	.081	85	.200*
Integration Strategy	.125	85	.002
Product and Service Offers	.134	85	.001
Innovation	.137	85	.000
Market Consideration	.242	85	.000

Source: Research data (2025)

The Kolmogorov-Smirnov test was conducted to assess the normality of the study variables. The p-values for Integration Strategy ($p = 0.002$), Product and Service Offers ($p = 0.001$), Innovation ($p < 0.001$), and Market Consideration ($p < 0.001$) were all less than 0.05, indicating that these variables were not normally distributed. However, Organizational Performance recorded a p-value of 0.200, which is greater

than 0.05, suggesting it was normally distributed. Since most independent variables violated the normality assumption, data transformation techniques such as square root and natural logarithms were applied to normalize the data before further analysis, as presented in Table 4.9.

Table 4.9: Tests of Normalised Data

	Kolmogorov-Smirnov ^a		
	Statistic	df	Sig.
Organizational Performance	.072	85	.200*
Integration Strategy	.090	85	.084
Product and Service Offers	.074	85	.200*
Innovation	.093	85	.064
Market Consideration	.089	85	.096

Source: Research data (2025)

The Kolmogorov-Smirnov test results indicated that the p-values for all the key variables Integration Strategy ($p = 0.084$), Product and Service Offers ($p = 0.200$), Innovation ($p = 0.064$), Market Consideration ($p = 0.096$), and Organizational Performance ($p = 0.200$) were greater than the threshold of 0.05. This implies that the data for each of these variables was normally distributed, meeting one of the key assumptions for parametric statistical analysis. Furthermore, the assumption of linearity between the independent variables (IVs) and the dependent variable (DV), organizational performance, was confirmed since the p-values indicate no significant deviation from linearity. Therefore, Integration Strategy, Product and Service Offers, Innovation, and Market Consideration are statistically appropriate predictors of the performance of Kenya Development Corporation in Nairobi City County. The summarized results are presented in Table 4.10.

Multicollinearity tests

Multicollinearity assessments were conducted to verify that the independent variables did not reflect the same underlying association. The presence of multicollinearity is indicated when the Variance Inflation Factor (VIF) exceeds 10 and the Tolerance

value falls below 0.1. Table 4.11 presents the outcomes of the multicollinearity evaluation.

Table 4.10: Multi-collinearity Tests on Independent variables

	Tolerance	VIF
Integration Strategy	.824	1.214
Product and Service Offers	.971	1.030
Innovation	.825	1.211
Market Consideration	.921	1.086

Source: Research Data (2025)

Table 4.11 presents the multicollinearity test results for the independent variables. The tolerance values were as follows: Integration Strategy (0.824), Product and Service Offers (0.971), Innovation (0.825), and Market Consideration (0.921). Since all the tolerance values are greater than 0.1, this indicates that multicollinearity is not a concern. Additionally, the Variance Inflation Factor (VIF) values for all variables were below the threshold of 10 Integration Strategy (1.214), Product and Service Offers (1.030), Innovation (1.211), and Market Consideration (1.086) further confirming the absence of multicollinearity. Therefore, none of the variables needed to be excluded from the regression analysis.

Heteroscedasticity test

Concerns related to heteroscedasticity between variables emerge when the p-value is at or below 0.05. The presence of heteroscedasticity was assessed using the Breusch-Pagan test. The outcomes of this evaluation are presented in Table 4.12.

Table 4.11: Heteroscedasticity Test

	Unstandardized		Standardized	t	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
Integration Strategy	.037	.048	.075	.765	.446
Product and Service Offers	.025	.035	.062	.697	.487
Innovation	.042	.054	.075	.771	.442
Market Consideration	-.038	.036	-.096	-1.054	.294

a. Dependent Variable: Unstandardized Value

Source: Research Data (2023)

From the results presented in the table above, the p-values for all the independent variables Integration Strategy ($p = 0.446$), Product and Service Offers ($p = 0.487$), Innovation ($p = 0.442$), and Market Consideration ($p = 0.294$) are all greater than the conventional significance level of 0.05. This indicates that none of the variables exhibit signs of heteroscedasticity. Therefore, the study concludes that the variance of the error term is constant across observations, and the data is homoscedastic, satisfying one of the key assumptions of linear regression.

4.5.2 Correlation Analysis

In this research, correlation analysis was performed to explore the association between the independent variables Integration Strategy, Product and Service Offerings, Innovation, and Market Orientation and the dependent variable, Organizational Performance of the Kenya Development Corporation in Nairobi City County. The study utilized Pearson's Product-Moment Correlation Coefficient (PPM) at a 5% significance level ($\alpha = 0.05$) to evaluate both the strength and direction of these associations. The results are displayed in Table 4.13.

Table 4. 12: Correlation Analysis statistics

		Correlations				
		Organizational Performance	Integration Strategy	Product and Service Offers	Innovation	Market Consideration
Organizational Performance	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	85				
Integration Strategy	Pearson Correlation	.383**	1			
	Sig. (2-tailed)	.000				
	N	85	85			
Product and Service Offers	Pearson Correlation	.183	-.071	1		
	Sig. (2-tailed)	.047	.259			
	N	85	85	85		
Innovation	Pearson Correlation	.386**	.393**	-.088	1	
	Sig. (2-tailed)	.000	.000	.2112		
	N	85	85	85	85	
Market Consideration	Pearson Correlation	.450**	.211	.114	.198	1
	Sig. (2-tailed)	.000	.026	.149	.035	
	N	85	85	85	85	85

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

Source: Research Data (2025)

The correlation analysis revealed that each of the independent variables Integration Strategy, Product and Service Offers, Innovation, and Market Consideration was positively associated with the organizational performance of the Kenya Development Corporation in Nairobi City County, although the strength of association varied.

A moderate and statistically significant correlation was found between Integration Strategy and Organizational Performance ($r = 0.383$, $p < 0.01$), suggesting that practices such as mergers, partnerships, and supply chain efficiency play a meaningful role in improving revenue growth, customer satisfaction, and market share. These findings align with the work of Okwemba and Njuguna (2021), who reported a significant link between strategic integration and institutional performance. The result also resonates with Alawneh and Al-Zoubi (2020), whose study highlighted the positive contribution of structured integration efforts to organizational performance.

Product and Service Offers were also found to be significantly, though weakly, correlated with performance ($r = 0.183$, $p = 0.047$). This implies that offering a variety of services and customization options modestly enhances the corporation's performance. These results support the observations by Lotayif (2018), who linked product diversity to improved organizational outcomes, and by Nkemchor and Ezeanolue (2021), who demonstrated that customer-responsive service design contributes to performance growth.

Innovation showed a moderate and statistically significant correlation with organizational performance ($r = 0.386$, $p < 0.01$), indicating that adoption of new technologies and process improvements contribute notably to performance enhancement. This supports previous findings by Issack and Muathe (2017), who found that innovation strategies are key drivers of competitiveness and performance in organizations. Similarly, the results reinforce conclusions from Omesa et al. (2019), who emphasized the importance of innovation in sustaining long-term performance.

The strongest relationship observed was between Market Consideration and Organizational Performance ($r = 0.450$, $p < 0.01$), signifying that understanding customer needs and maintaining competitive positioning are critical to the corporation's success. These findings corroborate those of Gitau et al. (2020), who highlighted the role of market responsiveness in performance improvement. The outcome also agrees with Ndegwa (2020) and Abdi (2017), who emphasized the importance of aligning strategic operations with market dynamics for optimal performance outcomes. The study confirms that strategic approaches especially market consideration, integration, and innovation have significant positive effects on the performance of Kenya Development Corporation, thus supporting prior research and highlighting key focus areas for policy and managerial action.

4.5.3 Regression Analysis

Table 4.13: Model Summary

Model Summary			
R	R Square	Adjusted R Square	Std. Error of the Estimate
.605 ^a	.3662	.3345	.0572793

a. Predictors: (Constant), Integration Strategy, Product and Service Offers, Innovation, Market Consideration

Source: Research Data (2023)

In accordance with the results in the Model Summary table, the coefficient of determination (R^2) of 0.3345 indicates that 33.45% of the variation in the performance of Kenya Development Corporation in Nairobi City County can be explained by the combined effect of integration strategy, product and service offers, innovation, and market consideration. This suggests that these strategic factors play a significant role in influencing organizational performance, including revenue growth, customer satisfaction, and market share.

The ANOVA statistics were employed to test the significance of the overall regression model in estimating the influence of strategic factors namely Integration Strategy, Product and Service Offers, Innovation, and Market Consideration on the performance of Kenya Development Corporation in Nairobi City County.

Specifically, the hypothesis tested was whether all the regression coefficients were equal to zero ($\beta_1 = \beta_2 = \beta_3 = \beta_4 = 0$), indicating that the independent variables have no significant effect on organizational performance. Alternatively, the rejection of this null hypothesis (at least one $\beta_i \neq 0$) would suggest that the model is statistically significant in explaining the variations in performance outcomes, such as revenue growth, customer satisfaction, and market share. Table 4.15 presents the ANOVA results.

Table 4.14: ANOVA

ANOVA ^a					
	Sum of Squares	df	Mean Square	F	Sig.
Regression	.152	4	.038	11.555	.000 ^b
Residual	.262	80	.003		
Total	.414	84			

a. Dependent Variable: Organizational Performance

b. Predictors: (Constant), Integration Strategy, Product and Service Offers, Innovation, Market Consideration

Source: Research Data (2025)

The results demonstrate the statistical significance of the model, with an F-value of 11.555 and a p-value of .000, indicating that the overall regression model is a good fit for the data. This suggests that at least one of the strategic variables Integration Strategy, Product and Service Offers, Innovation, or Market Consideration significantly contributes to explaining the Organizational Performance of Kenya Development Corporation in Nairobi City County. The significance of the model implies a meaningful relationship between the chosen strategies and key performance indicators such as revenue growth, customer satisfaction, and market share.

The study conducted a regression analysis of all the independent variables Integration Strategy, Product and Service Offers, Innovation, and Market Consideration against the dependent variable, Organizational Performance of Kenya Development Corporation in Nairobi City County. The objective was to estimate the study model as guided by Equation (i). Table 4.16 presents the results of the regression analysis.

Table 4.15: Regression Coefficients

	Coefficients ^a				
	Unstandardized		Standardized		
	Coefficients		Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.021	.045		.456	.649
Integration Strategy	.237	.101	.229	2.337	.022
Product and Service Offers	.155	.076	.183	2.028	.046
Innovation	.269	.107	.247	2.517	.014
Market Consideration	.256	.072	.332	3.582	.001

a. Dependent Variable: Organizational Performance

Source: Research Data (2025)

The findings of the study demonstrate that all four strategic factors Integration Strategy, Product and Service Offers, Innovation, and Market Consideration have a statistically significant effect on the performance of Kenya Development Corporation (KDC) in Nairobi City County. The results show that Integration Strategy ($t = 2.337$; $p = 0.022$) significantly influences organizational performance. Since the p-value is less than 0.05 at a 5% significance level, there is sufficient evidence to conclude that Integration Strategy is a meaningful predictor of KDC's performance.

Similarly, the results reveal that Product and Service Offers ($t = 2.028$; $p = 0.046$) are also significant contributors to performance. The p-value being below the 0.05 threshold confirms that Product and Service diversification and customization are effective levers for enhancing performance at KDC. Furthermore, Innovation ($t = 2.517$; $p = 0.014$) has a strong, statistically significant impact on performance. This implies that increased investment in technological adoption and process improvement contributes positively to the Corporation's revenue growth, customer satisfaction, and market share.

The most influential factor, based on the t-values, is Market Consideration ($t = 3.582$; $p = 0.001$), which includes responsiveness to customer needs and competitive positioning. With the lowest p-value and the highest standardized beta coefficient ($\beta = 0.332$), Market Consideration emerges as the most robust predictor of organizational performance.

Overall, the regression results suggest that all four independent variables Integration Strategy ($\beta = 0.237$), Product and Service Offers ($\beta = 0.155$), Innovation ($\beta = 0.269$), and Market Consideration ($\beta = 0.256$) have positive coefficients. This indicates that improvements in any of these strategic dimensions are associated with corresponding increases in organizational performance at KDC.

Based on the coefficients provided, the regression model for predicting organizational performance of Kenya Development Corporation in Nairobi City County is:

$$\hat{Y} = 0.021 + 0.237X_1 + 0.155X_2 + 0.269X_3 + 0.256X_4$$

Where:

\hat{Y} = Organizational Performance

X_1 = Integration Strategy

X_2 = Product and Service Offers

X_3 = Innovation

X_4 = Market Consideration

This model implies that, in the absence of these strategic interventions, KDC's performance baseline starts at 0.021 units. A one-unit improvement in Integration Strategy is expected to increase performance by 0.237 units, while equivalent unit increases in Product and Service Offers, Innovation, and Market Consideration are expected to increase performance by 0.155, 0.269, and 0.256 units, respectively. Therefore, all the strategic components under investigation positively and significantly influence the performance of Kenya Development Corporation, and are suitable estimators for enhancing organizational effectiveness within Nairobi City County.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a recap of results, interpretations derived from the study's outcomes, and proposals for policy and future scholarly inquiry.

5.2 Summary of Study Findings

The results are structured around the study's four primary objectives: to investigate the impact of the Integration Strategy on the performance of the; to evaluate the effect of Product and Service Offerings on organizational outcomes; to analyze the role of Innovation in influencing the Corporation's performance; and to assess how Market Orientation affects performance indicators. The study focused on the strategic variables of integration (measured through mergers, partnerships, and supply chain efficiency), product and service offerings (including service variety and customization), innovation (in terms of technological adoption and process improvement), and market considerations (reflected in customer needs and competitive positioning). These were examined in relation to organizational performance indicators such as revenue growth, customer satisfaction, and market share. The results reveal that all the strategies under investigation significantly influence the performance of Kenya Development Corporation, providing a comprehensive understanding of how strategic implementation shapes institutional effectiveness in the Nairobi City County context.

5.2.1 Findings on Integration Strategy and Organizational Performance

This study revealed that Integration Strategy has a significantly positive and moderate effect on the performance of Kenya Development Corporation (KDC) in Nairobi City County ($\beta = 0.237$, $p = 0.022$; $r = 0.383$). Key components of the integration strategy including mergers, partnerships, and supply chain efficiency were shown to contribute meaningfully to KDC's organizational performance as measured by revenue growth, customer satisfaction, and market share. The findings indicated that strategic partnerships enhanced service delivery, alliances facilitated access to new markets and technologies, and integration with other firms improved operational efficiency.

Furthermore, streamlined supply chain systems and enhanced coordination across departments were also linked to improved performance outcomes.

The results align with existing literature, which emphasizes that well-implemented integration strategies are essential for institutional growth, resource optimization, and better market positioning. By embedding integration efforts within its operational framework, KDC has been able to advance its mandate in development finance, strengthen stakeholder relationships, and increase institutional resilience.

Importantly, the evidence suggests that integration strategy is not only a structural tool but also a strategic lever that ensures cohesive collaboration, efficiency in service delivery, and adaptive capacity in a competitive environment. As such, KDC's deliberate focus on integration mechanisms through both horizontal (mergers and partnerships) and vertical (supply chain) strategies has contributed to its sustainable organizational performance in Nairobi City County.

5.2.2 Findings on Product and Service Offers and organizational Performance

The results indicate that Product and Service Offerings have a notable impact on the organizational performance of the Kenya Development Corporation (KDC) in Nairobi City County. The analysis demonstrated a statistically meaningful association between the diversity of products and services and critical performance metrics, including revenue expansion, client satisfaction, and market penetration ($p = 0.046$; $\beta = 0.183$). Respondents agreed that the Corporation offers a diverse range of products and services ($M = 4.00$; $SD = 0.76$), which enhances its ability to meet a broad spectrum of client needs. Furthermore, the breadth of these services was seen to directly contribute to customer satisfaction and institutional growth ($M = 4.08$; $SD = 0.90$).

Customization emerged as another critical factor. KDC was found to tailor services to meet specific customer requirements ($M = 3.84$; $SD = 0.88$), with evidence suggesting that this customization supports higher levels of client retention and satisfaction ($M = 3.42$; $SD = 1.20$). Offering specialized financial services has also improved the organization's market positioning ($M = 3.52$; $SD = 0.87$), while the variety of offerings has granted KDC a competitive advantage in the financial services sector ($M = 3.60$; $SD = 1.12$). These results support existing literature (e.g., Yu et al., 2019; Okwemba & Njuguna, 2021), which links service diversity and personalization to superior institutional outcomes.

In light of these findings, the study affirms that Product and Service Offers, particularly those focused on service variety and customization, are essential to KDC's strategy for performance enhancement. By continually expanding and refining its product portfolio in response to dynamic market needs, KDC not only strengthens customer relationships but also positions itself competitively in the development finance landscape. As such, the corporation should maintain a proactive approach to service design, focusing on relevance, innovation, and responsiveness to client expectations, in order to sustain and grow its organizational performance in Nairobi City County.

5.2.3 Findings on Innovation and organizational Performance

The study established that innovation, specifically through technological adoption and process improvement, has a statistically significant and positive effect on the performance of Kenya Development Corporation (KDC) in Nairobi City County. With a standardized beta coefficient of $\beta = 0.247$ and a p-value of 0.014, innovation emerged as a moderate yet meaningful predictor of organizational performance. The findings indicate that investment in modern technologies and digital platforms has enhanced operational efficiency ($M = 3.80$; $SD = 0.91$), while process innovations have contributed to reducing service delivery time ($M = 3.31$; $SD = 1.10$) and improving the overall customer experience ($M = 3.22$; $SD = 1.25$).

The Corporation's commitment to regularly updating internal processes and embracing innovative practices was also perceived to support its competitive positioning in the development finance sector ($M = 3.62$; $SD = 1.08$). These outcomes align with prior research that emphasizes the role of innovation in fostering institutional growth, responsiveness, and long-term sustainability. Moreover, respondents agreed that innovation is a key driver of performance at KDC ($M = 3.61$; $SD = 0.93$), reflecting its central role in promoting revenue growth, customer satisfaction, and market share.

Overall, the results underscore the need for KDC to continue prioritizing innovation-related strategies by allocating sufficient resources for technological upgrades, encouraging a culture of continuous improvement, and strengthening organizational capabilities for implementing process changes. These efforts will be instrumental in sustaining high performance and ensuring that KDC remains adaptive and competitive in Nairobi City County's evolving development finance environment.

5.2.4 Findings on Market Consideration and organizational Performance

The study revealed that market consideration has a statistically significant and positive effect on the organizational performance of Kenya Development Corporation (KDC) in Nairobi City County ($p = 0.001$; $\beta = 0.332$; $r = 0.450$). This strong relationship demonstrates that aligning strategic decisions with evolving customer needs and maintaining competitive positioning are critical drivers of performance outcomes such as revenue growth, customer satisfaction, and market share. The findings indicated that KDC frequently assesses market trends and customer feedback, enabling the organization to tailor its services for greater relevance and uptake. The integration of client needs into service development has not only enhanced customer satisfaction but also strengthened the corporation's competitive position within the development finance sector.

Furthermore, the study emphasized that strategic market responsiveness allows KDC to maintain awareness of industry dynamics and adjust its offerings accordingly. By adopting competitive strategies and prioritizing client-centric approaches, KDC has experienced notable improvements in its market share and service delivery effectiveness. These findings suggest that continuous market scanning, responsiveness to customer preferences, and proactive adjustment to competition are essential elements in sustaining high organizational performance. As such, KDC is encouraged to institutionalize feedback mechanisms and stakeholder engagement processes to reinforce strategic alignment with market expectations and further enhance its developmental impact across Nairobi City County.

5.3 Conclusions

In conclusion, the study established that strategic approaches significantly and positively influence the performance of Kenya Development Corporation (KDC) in Nairobi City County at a 5% significance level. The integration strategy, encompassing mergers, partnerships, and supply chain efficiency, demonstrated a moderate yet significant positive impact on organizational performance ($\beta = 0.237$; $p = 0.022$). These strategies were found to enhance operational capacity, streamline service delivery, and promote coordination across departments, thereby improving revenue growth, customer satisfaction, and market share.

The study further concluded that product and service offers, particularly through service variety and customization, contribute positively to KDC's performance ($\beta = 0.155$; $p = 0.046$). Tailored and diversified service offerings enhanced client satisfaction, retention, and the corporation's competitive advantage in the financial sector. This affirms the importance of aligning offerings to client needs in strengthening institutional relevance.

Innovation, measured through technological adoption and process improvement, was also found to have a statistically significant and positive effect on performance ($\beta = 0.269$; $p = 0.014$). Investment in digital platforms, regular process updates, and innovative service delivery were shown to reduce service time and improve efficiency, thereby boosting customer experience and positioning KDC competitively in the market.

The most influential predictor of performance was market consideration ($\beta = 0.256$; $p = 0.001$), which involved responsiveness to customer needs and maintaining a competitive market posture. The study confirmed that integrating client feedback, assessing evolving market trends, and adopting competitive strategies significantly enhanced market share and service uptake.

Overall, the regression analysis revealed that 33.45% of the variation in KDC's performance can be explained by these four strategic variables. The findings emphasize that a comprehensive and responsive strategic framework grounded in integration, innovation, market analysis, and client-oriented services is vital for enhancing institutional performance. This study underscores the critical need for development finance institutions like KDC to embed adaptive strategies and performance measurement mechanisms to realize sustainable growth and fulfill their mandate effectively in Nairobi City County.

5.4 Recommendations

Based on the findings, this study recommends that Kenya Development Corporation (KDC) enhance its strategic execution across the four key strategic areas: integration strategy, product and service offerings, innovation, and market consideration, all of which were found to significantly influence organizational performance measured through revenue growth, customer satisfaction, and market share.

First, while integration strategies such as mergers, partnerships, and supply chain collaborations have positively impacted performance, the study recommends that KDC formulate clear integration policies to institutionalize these practices. There is a need for stronger frameworks to guide partnerships and alliances, with emphasis on shared objectives, knowledge transfer, and efficient coordination across departments to further boost operational capacity and stakeholder engagement.

Secondly, although the diversity and customization of products and services enhance performance, KDC should periodically review client feedback and emerging market trends to tailor its offerings more effectively. Introducing client-focused product development teams, and embedding service flexibility into operational policy, will allow KDC to improve client satisfaction and retention. Enhanced training for staff on customer-centric innovation may further support this approach.

Regarding innovation, the study revealed that technological adoption and process improvement significantly contribute to performance. Therefore, KDC should invest more in digital infrastructure and training programs aimed at fostering a culture of innovation. Establishing dedicated innovation units and incentivizing process improvement initiatives would help reduce service delivery time and improve competitive advantage. The organization should also develop a structured innovation roadmap aligned with national digital transformation policies.

Moreover, the findings show that market consideration particularly responsiveness to customer needs and competitive positioning is the most influential driver of organizational performance. It is recommended that KDC enhance its market intelligence systems to better anticipate and respond to changing customer preferences. This includes conducting regular market analysis, implementing dynamic customer feedback mechanisms, and integrating strategic communication plans to align with evolving stakeholder expectations.

Finally, although performance tracking exists, the moderate ratings suggest room for improvement in performance measurement systems. KDC should institutionalize a performance monitoring framework that links strategic initiatives to key performance indicators. This will enable more effective resource allocation, accountability, and continuous improvement across departments.

By strengthening its strategies in integration, innovation, product/service design, and market engagement while embedding performance evaluation into its strategic plan KDC will be better positioned to enhance its organizational performance and fulfill its development mandate in Nairobi City County.

5.5 Recommendations for Future Research

This study adopted a quantitative approach to examine how strategic dimensions namely Integration Strategy, Product and Service Offers, Innovation, and Market Consideration affect the organizational performance of Kenya Development Corporation (KDC) in Nairobi City County. While valuable insights were obtained, the study faced several limitations that offer direction for future research.

Firstly, the study was geographically limited to Nairobi City County and institutionally confined to Kenya Development Corporation. Therefore, the findings may not be generalizable to other counties or to other development finance institutions operating under different environmental or structural conditions. Future studies should expand the scope to include other regions and similar institutions such as the Industrial and Commercial Development Corporation (ICDC) or the Tourism Finance Corporation (TFC) for broader comparative insights.

Secondly, although the study employed robust quantitative methods, it did not capture the nuanced perspectives that qualitative approaches can offer. For example, employee perceptions of innovation culture or strategic alignment may further enrich the understanding of performance outcomes. Therefore, future researchers are encouraged to adopt mixed-methods approaches to combine statistical rigor with contextual depth.

Moreover, this study focused only on the direct effects of the selected strategies on organizational performance. It did not explore potential mediating or moderating variables such as organizational structure, regulatory environment, or leadership styles that could influence or condition the effects observed. Future research should incorporate such variables to better understand the complexity and interdependence of strategic elements on performance.

Additionally, the regression analysis revealed that only 33.45% of the variation in performance could be explained by the four strategic factors examined Integration Strategy, Product and Service Offers, Innovation, and Market Consideration. This

leaves 66.55% of the performance variance unexplained. Future research should explore other potential determinants, including corporate governance, employee capacity, financial resource allocation, and digital transformation maturity.

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APPENDICES

Appendix I: Letter of Introduction

MORRIS MUNENE KATHATA

D53/OL/CTY/28281/2018

Dear Respondent,

RE : INTRODUCTION LETTER

As a Kenyatta University postgraduate student, I am researching This document is submitted in partial satisfaction of the academic prerequisites for the conferral of a Master of Business Administration degree from the University.

I respectfully ask for your involvement in the research by supplying the required data as outlined in the enclosed questionnaire. Please be assured that the confidentiality of your provided information is guaranteed.

Thank you,

MORRIS MUNENE KATHATA

D53/OL/CTY/28281/2018

Appendix II: Survey Questions

Respondent's Personal Data

Instruction: Please tick the column that best represents your response appropriately

Sex: Male Female

Age:

Below 25

25 – 50 years

Above 50

Educational Qualification:

Diploma

Bachelor's Degree

Masters PhD.

others

Current Department in Organization:

Marketing ,

ICT ,

Human Resources ,

Finance ,

CEO

Years of work experience:

Below 5 years ,

6 – 15 years

above 15 years

Good knowledge of Positioning Practices? Yes No

SECTION B

1. Integration Strategy

No	Statement	SD	D	N	A	SA
1	Kenya Development Corporation has effectively utilized mergers to expand its operational capacity.					
2	Strategic partnerships have contributed positively to the corporation's service delivery.					
3	The organization has formed alliances that improve access to new markets and technologies.					
4	Integration with other firms has led to improved performance and efficiency.					
5	Our supply chain systems are streamlined through					

	collaborative integration with partners.					
6	Mergers and partnerships have enhanced coordination across departments and stakeholders.					

How does Kenya Development Corporation's integration strategy influence its competitiveness and service delivery in Nairobi City County?

.....

2.0 Products and service

No	Statement	SD	D	N	A	SA
1	Kenya Development Corporation provides a wide variety of products and services to meet diverse client needs.					
2	The range of services offered enhances customer satisfaction and organizational performance.					
3	Services provided are tailored to meet specific customer requirements.					
4	Customization of services has improved client retention and satisfaction levels.					
5	Offering specialized financial services has contributed to improved market positioning.					
6	The corporation's service variety gives it a competitive edge in the financial sector					

How do the products and services offered by Kenya Development Corporation align with the needs of businesses and investors in Nairobi City County?

.....

.....

.....

3.0 Innovation

No	Statement	SD	D	N	A	SA
1	Kenya Development Corporation has adopted modern technologies to enhance service delivery.					
2	Investment in digital platforms has improved operational efficiency.					
3	Innovative processes have reduced service delivery time.					
4	Technological innovation has contributed to the corporation's competitive advantage.					
5	The organization regularly updates its processes for better efficiency and customer experience.					
6	Innovation is a key driver of growth and performance at Kenya Development Corporation.					

How does Kenya Development Corporation incorporate innovation in its positioning practices to enhance organizational performance in Nairobi City County?

.....

.....

.....

4.0 Market Consideration

No	Statement	SD	D	N	A	SA
1	<input type="checkbox"/> Kenya Development Corporation regularly assesses and responds to evolving customer needs.					
2	<input type="checkbox"/> The corporation develops services based on customer feedback and market trends.					
3	<input type="checkbox"/> Understanding customer needs has enhanced service relevance and uptake.					
4	<input type="checkbox"/> The corporation is well positioned to compete with other development finance institutions.					
5	<input type="checkbox"/> Competitive strategies adopted by the organization have improved its market share.					
6	<input type="checkbox"/> Kenya Development Corporation maintains a strong awareness of industry competition.					

How does Kenya Development Corporation take into account market dynamics, customer needs, and competitive forces when positioning its products and services in Nairobi City County?

.....

5.0 Organizational Performance

No	Statement	SD	D	N	A	SA
1	<input type="checkbox"/> Kenya Development Corporation has recorded consistent revenue growth over the past three years.					
2	<input type="checkbox"/> Customers are generally satisfied with the services provided by the organization.					
3	<input type="checkbox"/> The corporation's market share has increased in the development finance sector.					
4	<input type="checkbox"/> There is a noticeable improvement in customer loyalty and retention.					
5	<input type="checkbox"/> Service delivery improvements have positively influenced overall organizational performance.					
6	<input type="checkbox"/> The corporation effectively measures					


	and tracks performance indicators.					
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How do positioning practices influence the overall performance and strategic growth of Kenya Development Corporation in Nairobi City County?

.....

THANK YOU


Appendix III: Research Permit NACOSTI



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Date of Issue: 30/June/2025

RESEARCH LICENSE




This is to Certify that Mr. Morris Muneo Kathata of Kenyatta University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: POSITIONING STRATEGIES AND PERFORMANCE OF KENYA DEVELOPMENT CORPORATION IN NAIROBI CITY COUNTY for the period ending : 30/June/2026.

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