# INFLUENCE OF STRATEGIC POSITIONING ON THE PERFORMANCE OF MANUFACTURING COMPANIES IN KENYA, A CASE OF TEXTILE AND APPAREL COMPANIES IN KENYA

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**Abstract**

This study sought to explore the influence of strategic positioning on the performance of manufacturing companies in Kenya, taking a case of textile and apparel companies in Kenya. The study employed descriptive research design targeting 63 companies in textile and apparel manufacturing sub sector. Data was collected targeting the senior managers/operation managers in the selected firm using a questionnaire. Email method was used to distribute the questionnaires. The data collected was analyzed in SPSS and presented using charts and tables. Data collected was crosschecked for completeness before entering in SPSS for analysis. Both descriptive and inferential statistics. The study found strategic resourcing, research and development, and marketing strategies had statistically significant effect on the performance of apparel and textile firms in Kenya. The study concludes that strategic positioning is an effective approach in sustaining the performance of manufacturing firms in Kenya.

**Keywords:** *Research and development, Strategic positioning, Strategic resourcing, Performance*

# Introduction

Strategic decisions have long-term implications and tend to be relatively irreversible. Within manufacturing industry, a key strategic decision concerns defining those operations (production, supply and service) that an organisation should carry out internally and those that should remain external. This is often referred to as the strategic positioning decision and concerns the degree and direction of vertical integration alternatives and links relationships with suppliers, distributors and customers (Lii & Kuo, 2016). Such positioning is directly impacted by actions associated with outsourcing, offshoring, joint ventures, make versus buy, etc., and so should be a key consideration for many manufacturers.

The concept of strategic positioning is one example of taking a more holistic view of manufacturing operations. In this context, strategic positioning refers to the decision process of choosing those production related activities that a manufacturer should carry out internally, and those that should be external and under the ownership and control of suppliers, partners, distributors and customers (Mackelprang, Bernardes, Burke & Welter, 2018). The strategic position itself can be thought of as the footprint or ‘competitive space’ that an organisation adopts within the network of supply chains that it operates.

Strategic positioning requires a more complex business operation, and managing this complexity increases overhead, and requires more sophisticated management techniques, tools and information (Rajkumar & Abraham, 2018). Businesses have adopted different approaches in effort to position themselves in global market network. These includes; research and development (Bai & Liu, 2019), product differentiation (Hill *et al.,* 2001), cost leadership (Valipour, Birjandi & Honarbakhsh, 2012), marketing strategy (Luo, 2017), multiple products line strategy (Onguko & Ragui, 2014), resourcing strategy (Onguko & Ragui, 2014) among others. However, this study will focus on the strategic resourcing, marketing strategy, and research and development strategic positioning approaches.

### Textile and Apparel manufacturing sector

Manufacturing industries play a critical role in economic growth and development. Manufacturing provides a significant source of demand for goods and services in other sectors of the economy, and these sales to other industries are not captured in measures of manufacturing sector GDP but are counted in the broader measure of its gross output. Based on the recent statistics, manufacturing contributes £ 6.7 trillion to the global economy (Suleiman, 2016). The manufacturing sector employed 12.4 million workers in 2015 or about 8.8 percent of total U.S. employment (Sueliman, 2016). Manufacturing industries generated $2.1 trillion in GDP (12.5 percent of total U.S. gross domestic product) in 2013. In the United Kingdom, manufacturing makes up 10% of GVA and 45% of UK exports and directly employs 2.7 million people (Merozwa, 2015).

In Kenya, the manufacturing sector real value added increased by 4.2 per cent in 2018 compared to a revised growth of 0.5 per cent in 2017. The sector’s volume of output expanded by 5.1 per cent in 2018 from a contraction of 0.8 per cent in 2017. The growth was because of increase in production of dairy products, tea, coffee and sugar due to favourable weather conditions. Declines in production were recorded in sub-sectors involved in the manufacturing of plastic products, wood and other products of wood, and other non-metallic mineral products (Kenya Association of Manufacturers [KAM], 2018).

## The problem

Manufacturing industry plays a major role in Kenyan economy. It generated an average of 8.9% of Kenyan over all wealth in Kenya since 2014 (KNBS, 2019). In 2018, Export Processing Zone sold products worth KSh 77.2 billion through export. Apart from sales made to foreign market, manufacturing sector has important implication on other industries such as service industry. It also falls under President Kenyatta big four transformational sector and part of Kenyan vision 2030. However, Kenya manufacturing industry has been declining in its contribution to the country’ GDP over the last 5 years with the year 2017 reporting the worst performance in the industry’s contribution to GDP (KAM, 2018).

Kenya textile and apparel sector is faced with difficult business environment, Low labour productivity and a mismatch in the supply and demand for relevant labour skills, difficulties in maintaining and upgrading technology and equipment, insufficient supply of quality raw materials; coupled with high input costs, challenges in increasing demand in and access to domestic and international markets(GOK, 2018). However, little is known about strategic positioning by manufacturing companies in Kenya. Kenyan manufacturing sector face challenges of cheap Chinese products. According to study conducted by Kenya Association of Manufacturers (2018), 63% of the manufacturers, cited influx of cheap products from china as the major problem encountered in years 2018. Cotton Africa, (2016) observed the apparel and textile companies in Kenya are face with unfair competition from large import of second-hand used clothing (mitumba) of good quality which are sold at very competitive prices in selected shops and by street vendors hence weakening Apparel and textile industry. World economic forum also purport that Kenyan apparel and textile industry is faced with challenges including expensive power, high wages and out-dated machine, which all leads to poor production capacity or expensive products compared to imported goods.

This implies that the key challenge for Kenyan manufacturers depends on defining their own strategic position among companies in the manufacturers’ global market that should be tailored to the organization’s context. Increasingly, these challenges cannot be effectively met by isolated change to specific organizational units, but instead depend on the relationships and interdependencies among different elements in the production and business environment, and those that are unable to do so increasingly face the danger of losing their existing markets. The competitive advantage of a company is very much bound up with the dynamics of the business environment in which it participates, and each company has its own strategic ‘position’, a selection of internal and external activities that the organization owns, and controls in the business environment. It is against this background that this study sought to examine the influence of strategic positioning on the performance of manufacturing companies in Kenya, case of textile and apparel companies in Kenya.

**Objectives**

This paper sought to address the following objectives.

1. To assess the influence of strategic resourcing on the performance of the textile and apparel manufacturing companies in Kenya,
2. To determine influence of research and development on the performance of the textile and apparel manufacturing companies in Kenya,
3. To investigate the influence of marketing strategy on the performance of the textile and apparel manufacturing companies in Kenya.

# Literature Review

### Strategic resourcing and the performance

Several approaches of strategic resourcing are used by organisations in efforts to boast their performance. For instance, combining of several organisations helps in the market penetration of a product (Porter, 2017). Inter-organizational relationships create the opportunity to share the resources and capabilities of firms while working with partners to develop additional resources and capabilities as the function for new competitive advantages. Bringing together expertise and capabilities from various organizations improves the performance of a product. Further, combining financial resources and strategic alliances help in improving the performance of a product. The strategic resources, however, which are generally of an intangible nature, are neither easily identifiable nor rapidly developed (Phillips, 2017; Onguko & Ragui, 2014).

### Research and development, and the performance

Companies have become more motivated to carry out R&D as a result of the fact that most of the world`s economies have embarked policies reforms on market-oriented liberalization aimed at promoting economic performance (Salim & Bloch, 2009). Additionally, the spill over effects from R&D is beneficial not only to firms but also to economies. Therefore, corporate R&D activities as well as public R&D activities will produce R&D spillovers that will eventually yield benefits to the entire society (Bednyagin & Gnansounou, 2012).

### Marketing strategy and the performance

Organization’s marketing mix influences an organization’s performance in the manufacturing industry largely. The manufacturing companies were using advertisements in radio, television, twitter, Facebook, billboards and promotion activities as their marketing strategies. Product differentiation influences products' performance in the manufacturing industry largely. In addition, cost leadership had influence on firm’s performance in the manufacturing industry largely. Further, the study found that product placement influences products' performance in the manufacturing industry largely. Additionally, advertising influenced organization’s performance (Noreen, 2015).

## Conceptual framework

**Independent variable**

**Dependent variable**

**Performance**

* Employees turn over
* Market share
* Repeated order/Customer return
* Defective products
* Product stock out

**Marketing strategy**

* Advertising
* Product differentiation
* Product placement
* Cost leadership

**Strategic resourcing**

* Strategic financial resources
* Strategic expertise and capabilities

**Research and development**

* Successful products
* Meeting customer needs
* Use of new production methods

**Intervening variable**

* CEO attributes
* Number of products
* Business environment

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# Methodology

This study adopted descriptive survey design. The design was chosen as the study intends to describe a population with respect to important study variables. The targeted population of the study comprised of 63 textile and apparel companies in Kenya (KAM, 2018). The unit of analysis in this study was the firm. The study targeted senior manager or operational manager as the respondent to the questionnaire.

A census study provides a true measure of the population by eliminating the sampling error. Census also provides study with a benchmark data that may be obtained for future studies and detailed information about all the small sub-groups within the population that is more likely to be available. For these reasons, the researcher did not do sampling but census design as it is appropriate for the study. The study used semi-structured questionnaire for primary data. Semi-structured questionnaires were chosen because they were easy to administer and analyse therefore time saving. It also provides limited effect of validity and reliability. Questionnaire was preferred because it is efficient, cheap and easy to administer in terms of monetary cost and time. The pre-test was conducted targeting managers of manufacturing textile and apparel companies in Kenya to help determine the reliability of the tool in collecting the facts.  The researcher sent a Google form contain questions where the respondent filled and submitted at their own time. Respondents were accorded maximum of two weeks to answer the questionnaires and submit the instruments back.  Primary data from the field was edited to eliminate errors that could have been made by the respondents. To determine the influence of independent variable on change in dependent variable, multiple regression model was used. Further, the study also used Chi-square and interval-by-interval Pearson correlation to explore the relation between independent variable and dependent variable. The statistical model will be as follows:

**Y = β0 + β1X1 + β2X2 + β3X3 + ε**

Whereby

**Y** = Performance of manufacturing companies in Kenya, **X1**= Strategic resourcing, **X2**= Research and development, **X3**= Firms’ marketing strategies, β1, β2, β3 = Coefficients of Determination, **ε** = Error Term.

To ensure the ethical process was observed, intention to carry out the research was also communicated to all involved parties. There was also important in explaining the nature of the study to all respondents. After the research had been explained the nature of the study, respondents were required to fill and submit the questionnaire. In carrying out the study, the researcher sought the informed consent of respondents, and respondents were not in any way compelled to participate in giving information.

# Results

## Strategic Resourcing and the performance of apparel and textile firms

*Table 4. 1: Strategic Resourcing and the performance of apparel and textile firms*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Statements** | **Strongly Disagree** | **Disagree** | **Neutral** | **Agree** | **Strongly Agree** | **Mean** | **Std. Deviation** |
|  | n  (%) | n  (%) | n  (%) | n  (%) | n  (%) |  |  |
| The firm has sustainable financial back up plan | 0  (0.0) | 0  (0.0) | 2  (3.7) | 10  (18.5) | 42  (77.8) | 4.74 | .521 |
| The firms budget always focuses on the business expansion | 0  (0.0) | 2  (3.4) | 12  (20.7) | 34  (58.6) | 10  (17.2) | 4.29 | .562 |
| The organization has got the skills and manpower that is needed for expansion | 0 | 4  (6.9) | 11  (19.0) | 33  (56.9) | 10  (17.2) | 4.48 | .504 |
| The firm has maintained adequate work capital | (0.0) | 2  (3.4) | 15  (25.9) | 34  (58.6) | 7  (12.1) | 4.24 | .572 |
| The firm has adequate source of additional raw materials | 1  (1.7) | 2  (3.4) | 4  (6.9) | 40  (69.0) | 11  (19.0) | 4.31 | .467 |
| The firms has access to additional manpower | 0 | 5  (8.6) | 9  (15.5) | 37  (63.8) | 7  (12.1) | 4.31 | .537 |
| The firm right technology for extra production needs | (0.0) | 2  (3.6) | 5  (8.9) | 40  (71.4) | 9  (16.1) | 4.31 | .537 |
| The firm has enough organized production zone | 0  (0.0) | 4  (6.9) | 7  (12.1) | 40  (69.0) | 7  (12.1) | 4.17 | .534 |

The study found most firms had sustainable financial back up plan as implied by 77.8% of respondents who strongly agreed. The mean of 4.74 and standard deviation of 0.521 implies that there was a strong harmony in the responses. Respondents also argued that the firms’ budget always focused on the business expansion (agree=58.6% and strongly agree=17.2%). It was further noted that the organizations studied had the skills and manpower that was needed for expansion as shown by 56.9% of those who agreed and 17.2% of those who strongly agreed. Firms also reported that they had adequate working capital (agreed=58.6% and strongly agreed=12.1%) and adequate source of additional raw materials as shown by a 69.0% of those agreed and 31.0% of those who strongly agreed. On access to additional manpower over 75% of firm generally report agreement that they had access to additional manpower (63.8% of those agreed and 12.1% of those who strongly agreed. Firms further reported that they had right technology for extra production needs (agreed=71.4% and strongly agreed=16.1%), and enough organized production zone (Agreed=69.0% and strongly agreed=12.1%).

## Research and Development and the performance of apparel and textile firms

*Table 4. 2: Research & development and the performance of apparel and textile firms*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Statements** | **Strongly Disagree** | **Disagree** | **Neutral** | **Agree** | **Strongly Agree** | **Mean** | **Std. Deviation** |
|  | n  (%) | n  (%) | n  (%) | n  (%) | n  (%) |  |  |
| Our firm utilizes R & D to enhanced product innovation | 0  (0.0) | 4  (6.9) | 7  (12.1) | 36  (62.1) | 11  (19.0) | 4.48 | .569 |
| Our firm uses R & D to secure high adoption of new product by the market | 0  (0.0) | 3  (5.3) | 11  (19.3) | 31  (54.4) | 12  (21.1) | 4.32 | .602 |
| Our firm uses R &D for product improvement | 0  (0.0) | 0(0) | 9  (15.8) | 39  (68.4) | 9  (15.8) | 4.37 | .522 |
| Our firm uses R & D develop new and efficient production method | 0  (0.0) | 0  (0) | 13  (23.2) | 36  (64.3) | 7  (12.5) | 4.25 | .580 |
| R & D is used in our firm to discover new technologies | 0  (0.0) | 6  (10.3) | 8  (13.8) | 32  (55.2) | 12  (20.7) | 4.41 | .497 |
| R & D is adopted in monitoring product at the consumer point | 0  (0.0) | 3  (5.4) | 13  (23.2) | 31  (55.4) | 9  (16.1) | 4.25 | .640 |
| R & D is adopted in management of talents in our organisation | 0  (0.0) | 4  (6.9) | 25  (43.1) | 22  (37.9) | 7  (12.1) | 3.90 | .718 |

On research and development, the study found firms strongly utilized R & D to enhanced product innovation (agreed=62.1%, strongly agreed=19.0%). It was also observed that research and development was used to secure high adoption of new product by the market (agreed=54.4%, strongly agreed=21.1 %.) and product improvement (agreed=68.4%, strongly agreed=15.8%). The study further found R & D helped firms in developing new and efficient production method (agreed=64.3%, strongly agreed=12.5%), discovering new technologies (agreed=55.2%, strongly agreed=20.7 %.) and monitoring product at the consumer point (agreed=55.4 %, strongly agreed=16.1 %.). Most respondents were not sure how R and D was used in managing talents in their organisations (Neutral=43.1 %.).

## Marketing Strategies and the performance of apparel and textile firms

*Table 4. 3: Marketing Strategies and the performance of apparel and textile firms*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Statements** | **Strongly Disagree** | **Disagree** | **Neutral** | **Agree** | **Strongly Agree** | **Mean** | **Std. Deviation** |
|  | n  (%) | n  (%) | n  (%) | n  (%) | n  (%) |  |  |
| Our firm has a clear market leadership strategy | 0  (0.0) | 5  (8.6) | 11  (19.0) | 34  (58.6) | 8  (13.8) | 4.48 | .504 |
| Our firm has market spread strategy | 0  (0.0) | 5  (8.6) | 9  (15.5) | 34  (58.6) | 10  (17.2) | 4.50 | .572 |
| The firm has well outline customer service strategy | 0  (0.0) | 4  (6.9) | 12  (20.7) | 36  (62.1) | 6  (10.3) | 4.45 | .502 |
| Our firm has invested on social responsibility market strategy | 0  (0.0) | 4  (6.9) | 20  (34.5) | 24  (41.4) | 10  (17.2) | 4.45 | .567 |
| Our firm has a clear marketing personnel management strategy | 0  (0.0) | 3  (5.2) | 5  (8.6) | 38  (65.5) | 12  (20.7) | 4.34 | .479 |
| Our firm conduct regular evaluations on the efficiency of marketing and promotion | 0  (0.0) | 3  (5.2) | 4  (6.9) | 40  (69.0) | 11  (19.0) | 4.52 | .504 |
| Cost leadership determines the market position in manufacturing Industry | 0  (0.0) | 0  (0.0) | 13  (22.4) | 38  (65.5) | 7  (12.1) | 4.31 | .537 |

Majority of firms reported that they had clarity of market leadership strategy as shown by a 58.6% of those who agreed and 13.8% of those who strongly agreed. Majority also reported that their firms had market spread strategy as implied by 58.6% of those who agreed and 17.2% of those who strongly agreed. It was further noted that firms had well outline customer service strategy, which is implied, by 62.1% agreement, and 10.3% of that strong agreement. The study also examined firms’ investment on social responsibility market strategy, which received overwhelming responses, which reported a 41.4% agreement, and 17.2% of that strong agreement. Firms also reported that they had a clear marketing personnel management strategy (agreed=65.5%, strongly agreed=20.7%), regular evaluations on the efficiency of marketing and promotion (agreed=69.0%, strongly agreed=19.0%) and expressed agreement that cost leadership determined the market position in manufacturing Industry (agreed=65.5%, strongly agreed=12.1%).

## Performance of apparel and textile Manufacturing Companies

The study further assessed performance of apparel and textile manufacturing companies using various set of indicators. The study sought to find whether the change over the period of one year for various indicators was decrease, increase or no charge. These parameters include; market share, customer retention and loyalty, repeated order/customer return, brand recognition, customer satisfaction, product stock out, defective products and employee turn over

*Table 4. 4: Performance of apparel and textile Manufacturing Companies*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Indicators** | **Decreased** | **Remained the same** | **Increased** | **Mean** | **Std. Deviation** |
|  | n (%) | n (%) | n (%) |  |  |
| Market share | 0(0.0) | 14(24.1) | 44(75.9) | 2.76 | .432 |
| Customer retention and loyalty | 0(0.0) | 6(10.7) | 50(89.3) | 2.89 | .312 |
| Repeated order/Customer return | 0(0.0) | 12(20.7) | 46(79.3) | 2.79 | .409 |
| Brand recognition | 0(0.0) | 8(13.8) | 50(86.2) | 2.86 | .348 |
| Customer satisfaction | 0(0.0) | 12(20.7) | 46(79.3) | 3.14 | 2.551 |
| Product stock out | 0(0.0) | 16(27.6) | 42(72.4) | 2.72 | .451 |
| Defective products | 32(55.2) | 26(44.8) | 0(0.0) | 1.45 | .502 |
| Employee turn over | 0(0.0) | 20(34.5) | 38(65.5) | 2.66 | .479 |

On the performance of apparel and textile manufacturing companies in Kenya, the study found that market share of most apparel and textile firms had increased as shown by a mean of 2.76 and standard deviation of 0.432. The study found 89.3% felt the customer loyalty in their firms had increased while 79.3% reported increased repeated order/customer return. It was also noted that 86.2% firms felt that brand recognition had increased. The respondents further reported increased (79.3%) customer satisfaction, increased (72.4%) product stock out, average decrease in defective products and increased (65.5%) employee turnover.

## Association between Strategic resourcing and the performance of apparel and textile firms

The study further sought to establish association between strategic resourcing and the performance of apparel and textile companies in Kenya. This was computed using Chi-square test of association and strength of association determined using interval-by-interval Pearson correlation coefficient. The study found the relationship between strategic resourcing and the performance of apparel and textile firms had a Pearson’s Chi-square (X2) =169.911. The association was found to be statistically significant at α=0.05(table 4.5).

*Table 4. 5: Association between Strategic resourcing and the performance of apparel and textile firms*

|  |  |  |  |
| --- | --- | --- | --- |
| **Chi-Square Tests** | | | |
|  | Value | df | Asymp. Sig. (2-sided) |
| Pearson Chi-Square | 169.911a | 56 | .000 |
| Likelihood Ratio | 141.126 | 56 | .000 |
| Linear-by-Linear Association | 44.077 | 1 | .000 |
| N of Valid Cases | 55 |  |  |
| a. 72 cells (100.0%) have expected count less than 5. The minimum expected count is .02. | | | |

The study also assessed the strength of association between strategic resourcing and the performance of apparel and textile firms. The study found a positive Pearson correlation of 0.903 between the relationship between strategic resourcing and the performance of apparel and textile firms (Table 4.6). This implies that for every unit increase in strategic resource, the apparel and textile firm performance will increase by 0.903 units.

*Table 4.6: Strength of the relationship between strategic resource and performance of apparel and textile firms in Kenya*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Symmetric Measures** | | | | | |
|  | | Value | Asymp. Std. Errora | Approx. Tb | Approx. Sig. |
| Interval by Interval | Pearson's R | .903 | .035 | 15.344 | .000c |
| Ordinal by Ordinal | Spearman Correlation | .917 | .051 | 16.714 | .000c |
| N of Valid Cases | | 55 |  |  |  |
| a. Not assuming the null hypothesis. b. Using the asymptotic standard error assuming the null hypothesis. c. Based on normal approximation. | | | | | |

## Association between research and development and the performance of apparel and textile firms

The study further sought to establish association between research and development, and the performance of apparel and textile companies in Kenya. This was computed using Chi-square test of association and strength of association determined using interval-by-interval Pearson correlation coefficient. The study found the relationship between research/development, and the performance of apparel and textile firms had a Pearson’s Chi-square (X2) =349.094. The association was found to be statistically significant at α=0.05.

*Table 4. 7: Association between research & development and the performance of apparel and textile firms*

|  |  |  |  |
| --- | --- | --- | --- |
| **Chi-Square Tests** | | | |
|  | Value | df | Asymp. Sig. (2-sided) |
| Pearson Chi-Square | 349.094a | 91 | .000 |
| Likelihood Ratio | 168.154 | 91 | .000 |
| Linear-by-Linear Association | 44.987 | 1 | .000 |
| N of Valid Cases | 54 |  |  |
| a. 112 cells (100.0%) have expected count less than 5. The minimum expected count is .02. | | | |

Assessing the strength of association between the relationship between research/development and the performance of apparel and textile firms, the study found a positive Pearson correlation of 0.921 (Table 4.8). This implies that for every unit increase in research and development, the apparel and textile firm performance will increase by 0.921 units.

*Table 4. 8: strength of the relationship between research & development and performance of apparel and textile firms in Kenya*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Symmetric Measures** | | | | | |
|  | | Value | Asymp. Std. Errora | Approx. Tb | Approx. Sig. |
| Interval by Interval | Pearson's R | .921 | .027 | 17.086 | .000c |
| Ordinal by Ordinal | Spearman Correlation | .945 | .027 | 20.887 | .000c |
| N of Valid Cases | | 54 |  |  |  |
| a. Not assuming the null hypothesis. b. Using the asymptotic standard error assuming the null hypothesis. c. Based on normal approximation. | | | | | |

## Association between Market strategies association and the performance of apparel and textile firms

Finally, on association between variables, the study analysed association between market strategies and the performance of apparel and textile companies in Kenya. This was computed using Chi-square test of association and strength of association determined using interval-by-interval Pearson correlation coefficient. The study found the relationship between market strategies and the performance of apparel and textile firms had a Pearson’s Chi-square (X2) =256.278. The association was found to be statistically significant at α=0.05.

*Table 4. 9: Association between Market strategies association and the performance of apparel and textile firms*

|  |  |  |  |
| --- | --- | --- | --- |
| **Chi-Square Tests** | | | |
|  | Value | df | Asymp. Sig. (2-sided) |
| Pearson Chi-Square | 256.278a | 88 | .000 |
| Likelihood Ratio | 152.943 | 88 | .000 |
| Linear-by-Linear Association | 48.048 | 1 | .000 |
| N of Valid Cases | 57 |  |  |
| a. 108 cells (100.0%) have expected count less than 5. The minimum expected count is .02. | | | |

Assessing the strength of association between the relationship, the study found market strategies and the performance of apparel and textile firms had a positive Pearson correlation of 0.926 (Table 4.10). This implies that for every unit increase in research and development, the apparel and textile firm performance will increase by 0.926 units.

*Table 4. 10: Strength of Association between Market strategies association and the performance of apparel and textile firms*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Symmetric Measures** | | | | | |
|  | | Value | Asymp. Std. Errora | Approx. Tb | Approx. Sig. |
| Interval by Interval | Pearson's R | .926 | .021 | 18.230 | .000c |
| Ordinal by Ordinal | Spearman Correlation | .955 | .011 | 23.740 | .000c |
| N of Valid Cases | | 57 |  |  |  |
| a. Not assuming the null hypothesis. b. Using the asymptotic standard error assuming the null hypothesis. c. Based on normal approximation. | | | | | |

*Table 4. 13: Significance of strategic positioning in predicting the performance of apparel and textile firms in Kenya*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Coefficientsa** | | | | | | |
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| B | Std. Error | Beta |
|  | (Constant) | 0.358 | .192 |  | 1.868 | .068 |
| Strategic resourcing | .197 | .097 | .225 | 2.039 | .047 |
| Research & Development | .261 | .058 | .449 | 4.515 | .000 |
| Marketing strategies | .231 | .083 | .314 | 2.785 | .008 |
| a. Dependent Variable: performance | | | | | | |

Fitting the data into the regression model, Performance = 0.358+ 0.197(Strategic resourcing) +0.261 (Research & Development) + 0.231 (Marketing strategies). These findings imply that the performance of apparel and textile firms would increase by 0.358 units even when the marketing strategies, research and development, and strategic resourcing are set at zero. Research & development was found to be the highest contributor to the performance of apparel and textile firms in Kenya followed by Marketing strategies, and finally strategic resourcing. This implies that the apparel and textile firms in Kenya can increase their performance more if they focused on enhancement of research and development as opposed to enhancement of marketing strategies and strategic resourcing.

## Recommendations and Areas for further study

The study recommends manufacturing firms to increase their strategic positioning approaches in effort to increase the performance of apparel and textile companies in Kenya. The study found strategic resourcing which include financial back up plan, skilled work force, enough working capital, source of additional raw materials etc. significantly influenced the performance of manufacturing companies and therefore companies in manufacturing should endeavour to intensify their strategic resourcing approach.

The study also observed that research and development is a critical factor in manufacturing companies; particularly, use of R & D in developing new and efficient production method, discover new technologies, and monitor products at the consumer point as well as management of talents. Therefore, the study recommends manufacturing companies to embrace R & D positioning strategy in enhancing the performance of manufacturing companies. Finally, the study observed marketing strategies such as clarity of market leadership strategy, invested on social responsibility market strategy, clear marketing personnel management strategy, regular evaluations on the efficiency of marketing and promotion were important in the performance of manufacturing companies. Therefore, this study recommends manufacturing firms to increase their marketing strategies in effort to advance the performance of their manufacturing firms.

## Conclusions

The study concludes that strategic positioning significantly affected the performance of manufacturing firms in Kenya. The study also concludes that strategic resourcing affected the performance of apparel and textile companies in Kenya. The study further concludes that the research and development affected the performance of apparel and textile companies in Kenya. Finally, the study concludes that marketing strategies significantly affect the performance of apparel and textile companies in Kenya. The study findings inform policy makers in effort to build Kenyan textile and apparel companies, and the future scholars in this subject. The findings also gives insight to players in the industry on how positioning would help them become competitive in the industry.

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