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Organizational Performance as an outcome of Market Expansion Strategies in the Context of Supermarkets in Kenya

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Abstract
Supermarkets in Kenya are facing a revolution brought by competition, growth of Kenya to a middle - income economy and advancement in technology. The following were the objectives that guided the study. To find out the effect of market development expansion strategies, diversification expansion methods, product development expansion strategies and marketing expansion strategies on supermarkets' organizational effectiveness in Nairobi. This study used a descriptive research design and population of the study entailed employees from the selected Supermarkets and the sample size was 77 employees. The study population covered finance, human resource, marketing, operations and ICT departments. The primary tool for gathering data was a questionnaire, and a statistical package for social sciences was used to evaluate the data. The response rate was seventy nine percent. Mean scores, standard deviations, percentages, and frequency distribution were specifically employed to summarize the responses and demonstrate the degree of similarity and difference. Tables and charts were used to present the findings. The results from the first research objective showed that applying market differentiation strategy strongly and significantly but negatively contributes to organizational performance of the Supermarkets in Nairobi City County. The results from the second research objective then revealed that applying product development strategy strongly and significantly contributes positively to organizational performance Supermarkets in Nairobi City County. The results from the third research objective showed that applying market development strategy strongly and significantly contributes positively to organizational performance. Finally, the results from the fourth research objective showed that applying diversification strategy strongly and significantly contributes positively to organizational performance. In order to reach out to new customers, there is need for Supermarkets should modify their pricing to get more customers. There is also need to increase the amount of money going into marketing and advertising. Enhancing the product's functionality and/or updating it to better address client issues or obstacles will go a long way in attracting more customers. Product re-engineering is necessary to create competitive, innovative, and excellent products. The branch managers need to have sufficient skills and knowledge on how to develop and implement product development strategies. The most important step in developing a market strategy is identifying the best opportunities to concentrate on. Supermarkets should assess the ideal client profiles to determine what is already working for them. Supermarkets in Nairobi City County need to adopt the different forms of diversification as they seek to capture more market share in the retail industry. There is need to conduct similar studies in other counties such as Mombasa, Nakuru and Kisumu.

Keywords: *Diversification, Electronic Commerce, Expansion Strategy, Market Development Strategy, Market Penetration, Market Performance, Organizational Profitability, Product Development and Organizational Performance.*

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I. Introduction

Organizational performance is a subjective perception of reality, which explains the multitude of critical reflection on the concept and its measuring instruments (Lebas, 2018). At present, there are a variety of definitions attributed to the concept of organizational performance due to its subjective nature. Thus, the concept of organizational performance has gained increasing attention in recent decades, is pervasive in almost all spheres of human activity. Organizations perform various activities to achieve their organizational objectives. Quantified repeatable activities help to utilize processes for the organization to be successful in order to ascertain the level of performance and management to make informed decisions on where, if needed, within the processes to actions to improve performance. Therefore, it is possible to claim that there is a close relationship between the organizational objective and the concept of organizational performance.

Nevertheless, organizational performance is one of the most argued concepts about which there has never been an agreement among various researchers and theorists. (Cameron, 2019) mentions an absence of adequate understanding or explanation in the definition of the concept of performance. In the lack of any operational definition of performance upon which the majority of the relevant scholars agree, there would naturally be different clarifications and inferences opined by various people according to their perceptions. As a result, a commonly acknowledged definition of the concept looks various difficulties, which means that the possibility of any definitions and originating some standards to arrive at the desired definition is still questionable.

Moreover, organizational performance has always had a significant influence on the actions of companies (Bratton, 2017). One of the concerns of this effect is the increase in the number and variety of means and methods to measure the performance accurately and, gradually establishing a vital research field for both companies and academics. Unluckily, there is no agreement in the literature on how to measure organizational performance, and the problem is multilevel. Hence, both academic scholars and managers continuously examined performance. Although prescriptions for improving and managing organizational performance are widely available, the issues of terminology, levels of analysis and conceptual bases for assessment of performance preoccupied the academic community.

Organizational performance in the Supermarkets is dependent on the fit between the organization itself and the environment, thus it should adapt to the changing environment for survival and success. Some of the challenges experienced in the Supermarkets include cash flow mismanagement, poor reporting structures, poor payment planning of the suppliers and pilferage by staff and customers. These challenges have seen giants in the retail industry like Nakumatt and Uchumi supermarkets close almost all their branches. The retail sector in Kenya is facing a revolution brought by competition, growth of Kenya to middle - income economy and advancement in technology. Supermarkets has recorded continued growth over the last decade with large supermarkets expanding to different towns in Kenya. The expansion is in a bid to improve their performance of these supermarkets (Mugo, 2017).

II. Theoretical Literature Review

The agency theory was developed by Jensen and Meckling. This theory is an agency relationship as a contract under which one or more persons (the principal (s) engage another person (the agent) to perform some service on their behalf which involves delegating some decision - making authority to the agent. Agency theory analyses the relationship between two parties: investors and managers. The agent (manager) undertakes to perform certain duties for the principal (investors) and the principal undertakes to reward the agent. According to the agency theory, a firm consists of a nexus of contracts between the owners of economic resources (the principals) and managers (the agents) who are charged with using and controlling those resources. The theory posits that agents have more information than principals and that this information asymmetry adversely affects the principal's ability to monitor whether or not their interests are being properly served by agents (Jensen & Meckling, 1976).

Ross (1987) says that Agency theory focuses upon relationships between parties where one delegates some decision - making authority to the other. The principal would delegate some decision-making authority to the agent who, in turn, would be responsible for maximizing the principal's investment in exchange for an incentive, such as a fee. Agency relationships are designed to increase value to the parties involved. However, there are costs involved including engaging in the relationship, monitoring its progress and enforcing it. These costs are influenced by the different attitudes of principals and agents to risk and their different access to information ('information asymmetries'). The agent for instance has private information to which the principal does not have access and cannot observe accurately. This can allow the agent to increase their bargaining power in the relationship.

Where the desires of the principal and agent conflict, and the agents are not provided with proper incentives or are constrained in some manner, perhaps through the terms of contract, agents may act more in their own interests than those of the principal. This is known as an 'agency problem'. In the relationship between shareholders and management the agency problem is often portrayed as shareholder principals having goals of value maximization while management agents' goals are those of self-aggrandizement; the consumption of value to build their own empires.

Whinston (1986) asserts that in an organizational context, the agency theory is very significant. The agency theory explains how to best organize relationships in which one party (the principal) determines the work, which another party (the agent) undertakes. The implications for performance management as a discipline are considerable, as in organizational context, the objectives of individuals, teams and the entity as a whole can be in conflict. Goal conflict can motivate incompatible actions and this has the potential to impact performance. Thus, alignment between individual and group objectives is important for maximizing performance.

Critics of agency theory and its applications to the issues of organizational performance focus on such problems as unrealistic premises concerning managers' motivations and actions, ineffective recommendations inferred from the theory and dubious legal interpretations of organizational performance being made on its basis (Hatchuel, 2018).

Limits of applicability of agency theory are determined mainly by the premises assumed in modelling various agency relationships. Simplistic premises concerning nature of actions involved in relationships between subjects (opportunism, homo oeconomicus, pursuit of one's own interests exclusively), do not cover all the complexities of human actions. This theory is one-sided (Mesjasz, 2017), emphasizing some economic factors, and not including (among other things) political factors, internal problems of governance or the roles of other stakeholders.

Moreover, the critics of agency theory have noticed as well that control mechanisms suggested on the basis of agency theory are not only expensive, but also economically ineffective, because mechanisms protecting shareholders' interests may interfere with realization of strategic decisions, may restrict collective actions, distort investment plans and ignore interests of other stakeholders, which may lead to decreasing their commitment to creation of economic value. Other authors express numerous legal doubts concerning ways of presenting relationships between shareholders and managers on the basis of agency theory. For instance, shareholders are not the only group that bears the risk. Other stakeholders involved in creation of value contribute their resources vital for the firm and bear risk arising from its activities (Evans, 2016).

In this current study, agency theory supports diversification expansion strategies and market development expansion strategies. In an organizational context, the agency theory explains how to best organize relationships in which one party (the principal) determines the work, which another party (the agent) undertakes. The implications for organizational performance as a discipline are considerable, as in organizational context, the objectives of individuals, teams and the entity as a whole can be in conflict. Goal conflict can motivate incompatible actions and this has the potential to impact performance. Thus, alignment between individual and group objectives is important for maximizing performance in an organization. In the implementation of strategies, several stakeholders are involved such as the government, suppliers among others.

H_0: *There is no relationship between market expansion strategies and performance of Supermarkets in Nairobi City County*

III. Research Methodology

The study adopted a descriptive research design. Descriptive design aims to describe or define a subject or phenomenon. It is basically the plan and structure of investigation. It's designed to establish factors associated with certain occurrences, outcomes, conditions or type of behaviour. It is carefully designed to ensure a complete description of the situation, making sure that there is minimum bias in collecting the data and to reduce errors in interpreting data to be collected (Cooper, 2018). More specifically, it helps answer the what, when, where, and how questions regarding the research problem, rather than the why. The study focused on market expansion strategies and organizational performance of Supermarkets in Nairobi City County, Kenya. A simple regression model was utilized for the purpose of guiding the statistical analysis. In this case, market expansion strategy was regressed on performance as shown in model 3.1

Performance = $\beta_1 + \beta_1$ Market Expansion Strategy + ε ……….3.1

The population of this study comprised of employees working in different departments of from the selected Supermarket in Nairobi City County. Simple random sampling technique was used in selecting a representative sample of 77 employees from the strata deriving from the various different departments in the selected Supermarkets. The selection of the simple random technique was appropriate given the heterogeneous nature of the target population from the selected Supermarkets. It was also ideal as it reduced the biasness in the selection of the respondents from different strata.

In the research, primary and secondary sources of data were used. In the case of primary data, it was collected using a questionnaire which facilitated the collection of quantitative data. The questionnaire had two major sections for general information about the respondents and specific information regarding the objectives of the study. Secondary data for this study was collected through document review from published records. The researcher ensured that a pilot study was carried out on the data collection tool. As such, the test involved 10 managers from different Supermarkets who were not part of the current research but they share common characteristics thus making them the most ideal for pilot testing. On the validity of the data collection instrument, the validity of the instruments was done by revising the questionnaires and consulting the supervisor to ensure that every component of the questionnaire is well framed. Adjustments were made according to the advice of the supervisor.

To ensure reliability, Mugenda (2019) postulates that consistency with that form or take a look at things are answered or people scores stay comparatively identical was determined through the test - retest methodology at two totally different times. The measuring instrument's reliability was established when determining the association between the scores obtained through unique administrations of the tool. The Cronbach's Alpha is one the most reliable information that is currently available. The study relied on the Cronbach's Alpha to measure internal consistency where the reliability cycle was determined through the use of more than one question in the questionnaire. The Cronbach's coefficient reliability ranges from 0 to 1. Therefore, high level of internal consistency is determined by the proximity of the alpha coefficient to 1. Conversely, the level that is not acceptable is above 0.7 whereas an alpha of more than 0.7 means that the data gives reliable results. The researcher administered the questionnaire using an online platform. The completed questionnaires were later submitted to the researcher through the same online platform.

IV. Results and Discussion

The researcher distributed 77 questionnaires to the employees of the selected Supermarket in Nairobi City County. However, 61 completed questionnaires were collected and returned in the online platform which translated to 79%. This response rate was considered favourable and adequate for making generalizations to the population of the study as recommended by Matula et al., (2018).

4.1 Descriptive Analysis of Study Variables

The sample measures that were considered relevant to the objective of this study were sample mean, sample standard deviation and coefficient of variation. These statistical measures were used for summarizing, describing and comparing the characteristics of the sample with respect to the research variables of interest.

Table 1: Market Penetration Strategy

Statements on Market Penetration Strategy	Mean	SD
The adoption of new distribution channels enhances market penetration.	3.82	1.18
The retail stores have its products competitively priced.	3.97	1.03
Market penetration strategies leads to increment in advertising expenditures.	4.01	0.99
Indoor promotion activities enhance marketing.	4.25	0.75
Increasing advertising expenditures enhances market penetration.	4.12	0.88
Modifying product characteristics to increase client value through higher-quality products.	4.29	0.71
The retail store sets the right market prices.	4.30	0.70
Marked penetration is effectively achieved with improved product quality.	4.08	0.92
The supermarket provides unique products with a special appeal to the market.	4.40	0.60
There is improved intensity of distribution for goods on offer	3.55	1.45
Aggregate Scores	**4.08**	**0.92**

Source: Survey Data (2022)

As indicated in the findings, most respondents agreed that the supermarket provides unique products with a special appeal to the market with a mean score of (M = 4.4, SD = .600). There was also high agreement that marked penetration is effectively achieved with improved product quality (M = 4.078, SD = .922). Additionally, the respondents agreed that the retail store sets the right market prices (M = 4.30, SD = .700). However, the respondents seemed to be neutral to the statements on the adoption of new distribution channels enhances market penetration (M = 4.02, SD = 0.980) as well as the retail stores have its products competitively priced (M = 4.23, SD = .770).

The mean range analyzed on the Likert-Scale provided a mean range of 3.80 to 4.40. This range indicated that a good number of the respondents either agreed or agreed strongly that market penetration presented in the research instrument are applied by the supermarkets. The standard deviation range for the responses is between 0.600 and 1.001.The highest variation of 1.001 between those who disagreed, agreed or were neutral. The least standard deviation was 0.600 for the supermarket provides unique products with a special appeal to the market. This implies very little variation in opinion of the responses provided for this statement.

Table 2: Product Development Strategy

Statement	Mean	Std. Dev
The supermarket has a product line extension in its production.	4.25	0.75
There is systematic product replacement for all slow-moving products.	4.24	0.76

The supermarket has policies on product upgrading to enhance the product performance.	4.13	0.88
The store has products that have a broad market appeal.	3.94	1.07
The supermarket utilizes product design and technology for both the production and delivery of its products.	4.26	0.74
The supermarket ensures the offerings' dependability and quality gain importance.	4.07	0.93
The retail store product strategy is realistic and accurate.	3.85	1.15
Early adopters are used by supermarkets to provide feedback and ideas for new products.	3.84	1.16
The supermarket carries goods for various client segments (based on need).	3.77	1.23
Process innovation is prioritized in Supermarkets to enhance performance	4.24	0.76
Aggregate Scores	**4.06**	**0.09**

Source: Survey Data (2022)

From the findings, most respondents agreed that the supermarket has a product line extension in its production (M = 4.25, SD =0.750). The respondents also highly agreed that there is systematic product replacement for all slow-moving products (M= 4.24, SD =0.76). Additionally, they agreed that the supermarket has policies on product upgrading to enhance the product performance (M = 4.13, SD = 0.88). The respondents seemed to be neutral to the statements on the supermarket carries goods for various client segments (based on need). (M = 3.77, SD = 1.23). They were also neutral with the statements on early adopters are used by supermarkets to provide feedback and ideas for new products (M = 3.84, SD = 1.16).

The mean range analyzed on the Likert-Scale provided a mean range of 3.48 to 4.25. This range indicates that majority of the respondents either agreed or agreed strongly that the product development strategy presented in the research instrument are applied by the supermarkets. The standard deviation range for the responses is between 0.65 and 1.23.The highest variation of 1.23 between those who disagreed, agreed or were neutral when asked whether the supermarket carries goods for various client segments (based on need). The least standard deviation was 0.65 which indicated that the supermarket ensures the offerings' dependability and quality gain importance. This implies very little variation in opinion of the responses provided for this statement.

Table 3: Market Development Strategy

Statements on Market Development Strategy	**Mean**	**SD**
The new markets/branches are meant to enhance the supermarkets' market.	4.44	0.56
The supermarket has adopted strategic partnerships initiatives for improved market share.	4.42	0.58
The supermarket positioning is measured through the supermarkets' performance.	3.52	1.48
The supermarket has psychographic segmentation to attract new customers.	4.35	0.65
The supermarket has made investments in high-performance machinery to guarantee the high-quality of the products and options rendered.	4.18	0.82
The supermarket provides delivery services to the customers resulting into excellent customer experience.	4.05	0.95
The supermarket has opened branches a various major town in Kenya.	4.07	0.93
Adding new product aspects, such as alternative price strategies to appeal to various customer demographics or prospective customers.	3.92	1.08
There is introduction of new demographic segments	3.77	1.23
The supermarket has in place competitor analysis guideline to stay ahead of the competitors	4.44	0.56
Aggregate Scores	**4.11**	**0.89**

Source: Survey Data (2022)

The study findings indicated that most respondents agreed that the new markets/branches are meant to enhance the supermarkets' market. (M = 4.44, SD = 0.56). The supermarket has adopted strategic partnerships initiatives for improved market share (M = 4.42, SD = 0.58). It was also followed by undisputable agreement that the supermarket positioning is measured through the supermarkets' performance (M = 4.25, SD = 0.55). There was also neutrality on the adding new product aspects, such as alternative price strategies to appeal to various customer demographics or prospective customers (M = 3.77, SD = 1.23). The supermarket has opened branches a various major town in Kenya (M = 4.13, SD = 0.88).

The mean range analyzed on the Likert-Scale provided a mean range of 4.05 to 4.07. This range indicates that majority of the respondents either agreed or agreed strongly that the focus strategies presented in the research instrument are applied by the supermarkets. The standard deviation range for the responses is between 0.95 and 0.93. The highest variation of 0.93 between those who disagreed, agreed or were neutral when asked whether adding new product aspects, such as alternative price strategies to appeal to various customer demographics or prospective customers. The least standard deviation was 0.95 on whether the supermarket has psychographic segmentation to attract new customers. This implies very little variation in opinion of the responses provided for this statement.

Table 4: Diversification Strategy

Statements on Diversification Strategy	Mean	SD
Diversification influences good decision making that enhance performance.	4.88	0.12
The supermarket has adopted a point-of-sale system better managing the inventory.	4.22	0.59
Adoption of lateral diversification provides new opportunities for the supermarket.	3.8	1.20
The store has products that have a broad market appeal.	4.19	0.81
Through conglomerate diversification, the supermarket has developed a number of unrelated products/goods.	4.09	0.91
The supermarket provides mobile and card payment options improving customers convenience.	4.34	0.67
The supermarket has adopted horizontal diversification to overcome the stiff competition.	4.73	0.27
Risk mitigation strategies are reinforced through diversification in the organization	3.98	1.02
Diversification is a priority for new customer acquisition strategies	4.27	0.73
The organization's ability to develop new services and products is enhanced through diversification	4.61	0.81
Aggregate Scores	**4.30**	**0.68**

Source: Survey Data (2022)

The study findings indicated that most respondents agreed that the diversification influences good decision making that enhance performance (M = 4.88, SD = 0.12). The respondents agreed that the supermarket has adopted a point-of-sale system better managing the inventory (M = 4.22, SD =0.59). The research findings indicated that adoption of lateral diversification provides new opportunities for the supermarket (M = 3.8, SD = 1.2). The respondents seemed to be neutral to the statements on the risk mitigation strategies are reinforced through diversification in the organization (M = 3.98, SD = 1.02). There was neutrality with the statements on diversification enhances new product and service features to enhance customer loyalty (M = 4.19, SD = 0.81).

From the research findings, the mean range analyzed on the Likert- Scale provided a mean range of 4.09 to 4.19. This range indicates that majority of the respondents either agreed or agreed strongly that the risk mitigation strategies are reinforced through diversification in the organization. The standard deviation range for the responses was between 0.38 and 0.61. The highest variation of 0.91 between those who disagreed, agreed or were neutral when asked whether diversification is a priority for new customer acquisition strategies. The least standard deviation was 0.22 which indicated that the organization's ability to develop new services and products is enhanced through diversification. This implies very little variation in opinion of the responses provided for this statement.

Table 5: Organizational Performance

Statement on Organizational Performance	Mean	SD
There has been increase the profits of the outlet.	4.72	0.28
There is increase in sales volume in the retail store.	3.19	1.88
The retail store outlets and services are easily identifiable by customers.	3.79	1.21
There exists mutual cooperation between the supermarket and its suppliers.	3.77	1.23
The penetration level of the retail outlet is increased.	4.24	0.76
The supermarket has many repeat customers indicative of a strong brand.	4.29	0.71
Performance helps in increasing market share of the retail outlet.	4.30	0.70
The supermarket mostly gives rise to emergent trends resulting to the growth of its market share.	3.67	1.33
The penetration level of the supermarket affirms its performance	4.30	0.70
Aggregate Scores	**4.06**	**0.93**

Source: Survey Data (2022)

From the findings, most respondents agreed that there has been increase the profits of the outlet (M = 4.72, SD = .280). There is increase in sales volume in the retail store (M = 3.19, SD = 1.87). The findings indicated that the retail store outlets and services are easily identifiable by customers (M = 3.79, SD = 1.21). On neutrality, the supermarket is attractive to most customers in the city (M = 3.42, SD = 0.67). They were also neutral with the statements on whether the supermarket mostly gives rise to emergent trends resulting to the growth of its market share(M = 1.33, SD = 1.67).

The mean range analyzed on the Likert-Scale provided a mean range of 4.46 to 4.62.This range indicates that majority of the respondents either agreed or agreed strongly that organizational performance is realized in the supermarket. The standard deviation range for the responses is between 0.70 and 7.14. The highest variation of 0.81 between those who disagreed, agreed or were neutral when asked whether there has been increase the profits of the outlet. The least standard deviation in the research findings was 0.38 which indicated that the penetration level of the supermarket affirms its performance. It can be concluded that this implies very little variation in opinion of the responses provided for this statement.

4.2 Test of Hypothesis

Simple regression analysis was used to facilitate the statistical test for the relationship between the research variables. Product development strategy was regressed on performance as shown in Table 2.

Table 6: Results of Regression Analysis for Product Development Strategy

Coefficients					
Model	UnstandardizedCoefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig
Constant	1.766	.085		20.856	.000
Product Development Strategy	0.440	0.24	8.50	18.299	.000

Source: Survey Data (2022)

The multiple linear regression analysis showed that product development strategy significantly predict organizational performance of Ssupermarkets in Nairobi City County, $R^2 = 0.720$, $F(1,61) = 334.840$, $p < .01$; $\beta = 0.440$, $p < .01$. This implies that 72% of the variation in organizational performance in of Ssupermarkets in Nairobi City County can be explained by the cost leadership strategy. The regression model was found to be statistically significant in predicting the relationship between the product development strategy and organizational performance as it is shown by a significant *F*-statistic. The coefficient for product development strategy means that each unit increase in product development causes an increase in organizational performance by about 0.440 units. The null hypothesis in this case that product development strategy has no significant effect on organizational performance was rejected. This led to a conclusion that the product development strategy has a significant effect on organizational performance of Ssupermarkets in Nairobi City County.

From the study findings, the model equation for product development was:

$$\mathbf{Y = \beta 0+\beta 1X1+ \mathcal{E};}$$

Y = 1.766 + 0.440 Product Development Strategy + 0.024.

Table 7: Results of Regression Analysis for Market Development Strategy

Coefficients					
Model	UnstandardizedCoefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig
Constant	1.208	.167		7.224	.000
Market Development Strategy	.623	050	.739	12.476	.000

Source: Survey Data (2022)

The multiple linear regression analysis established that market development strategy significantly predictorganizational performance of Ssupermarkets in Nairobi City County, $R^2 = 0.543$, $F(1,61) = 155.654$, $p < .01$; $\beta = 0.623$, $p < .01$. This implies that 54.3% of the variation in organizational performance in Ssupermarkets in Nairobi City County can be explained by the market development strategy. The regression model was found to be statistically significant in predicting the relationship between the market development strategy and organizational performance as it is shown by a significant *F*-statistic. The coefficient for the focus strategy implies that each unit increase in focus strategy results to an increase in organizational performance by

about 0.6233 units. The study thus rejected the null hypothesis that there is no statistically significant relationship between market development strategy and organizational performance. The market development strategy therefore has a significant effect on organizational performance.
Considering the study findings, the model equation for market development strategy was:

$$\mathbf{Y = \beta_0+\beta_1X_1+ \varepsilon;}$$

Y = 1.208 + 0.623 Market Development Strategy + 0.050.

Table 8: Results of Regression Analysis for Diversification Strategy

Coefficients					
Model	UnstandardizedCoefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig
Constant	1.815	.052		19.664	.000
Diversification Strategy	0.350	0.29	7.25	17. 154	.000

Source: Survey Data (2022)

The multiple linear regression analysis showed that diversification strategy significantly predict organizational performance of Supermarkets in Nairobi City County, R^2 = 0.812, F(1,116) = 361.815, $p < .01$; $\beta = 0.350$, $p < .01$. This implies that 67% of the variation in organizational performance in of Supermarkets in Nairobi City County can be explained by the diversification strategy. The regression model was found to be statistically significant in predicting the relationship between the diversification strategy and organizational performance as it is shown by a significant *F*-statistic. The coefficient for diversification strategy means that each unit increase in diversification causes an increase in organizational performance by about 0.440 units. The null hypothesis in this case that diversification strategy has no significant effect on organizational performance was rejected. This led to a conclusion that the diversification strategy has a significant effect on organizational performance of Ssupermarkets in Nairobi City County.
From the study findings, the model equation for diversification was:

$$\mathbf{Y = \beta_0+\beta_1X_1+ \varepsilon;}$$

Y = 1.815 + 0.350 Diversification Strategy + 0.29.

V. Conclusion and Recommendations

The objective of this study was intended to establish the market expansion strategies and organizational performance of supermarkets in Nairobi City County, Kenya. The findings indicate that implementing market penetration strategies significantly and positively affect organizational performance of supermarkets in Nairobi City County, but that the lack of positive expansion on the performance of the organization can be largely attributed to the market penetration strategies already in place. Any variation in organizational performance in retail supermarkets can be explained by the market penetration strategy, meaning each unit increase in market penetration strategy can increase organizational performance by as much as The study therefore came to conclude that the market penetration strategy has a substantial effect on the performance of the organization of Supermarkets in Nairobi City County, rejecting the null hypothesis that the strategy has no significant impact on organizational performance.

The findings indicate that implementing a product development strategy positively impacts organizational performance of supermarkets in Nairobi City County. A variation in organizational performance in supermarkets can be attributed to the product development strategy in place, which means that each unit increase in the product development strategy results in an increase in organizational performance of supermarkets. Thus, the study disproved the null hypothesis that the product development strategy had no appreciable impact on organizational effectiveness in supermarkets in Nairobi City County. This led to the conclusion that the product development strategy has a big impact on how well supermarkets run their businesses in Nairobi City County.

The results show that applying market development strategy contributes to organizational performance of Supermarkets in Nairobi City County, the application of the market development strategies is also attributed to the growth in organizational performance of Supermarkets in Nairobi City County. Any variation in organizational performance in Supermarkets in Nairobi City County can be explained by the market development plans that have been put in place meaning each unit leads to an increment market development plan causes an increment in organizational performance Supermarkets in Nairobi City County. The study thus rejected the null hypothesis that there is no statistically significant relationship between market development strategies and organizational performance in Supermarkets in Nairobi City County. This led to a conclusion that the focus strategy has a significant effect on organizational performance of Supermarkets in Nairobi City County.

The results show that application of the diversification strategy significantly contributes to the performance of Supermarkets in Nairobi City County but can highly be attributed to the negative expansion of an organization to the diversification strategy in place, any variation in organizational performance in retail supermarkets can be explained by the diversification strategy each unit increase in diversification strategy causes a decrease in organizational performance. The study thus rejected the null hypothesis that market diversification strategy has no significant effect on organizational performance of Supermarkets in Nairobi City County leading to a conclusion that the market penetration strategy has a significant effect on organizational performance of Supermarkets in Nairobi City County.

On the recommendations, the supermarkets must change their prices (by raising or lowering them) in order to attract new customers. directing additional funds on marketing and advertising initiatives. modifying the product to better meet consumer issues or challenges and/or enhancing its functionality.

Product re-engineering should be carried out to create innovative, remarkable products that are competitive in the market and specifically designed for target customers. The researcher further suggests that there should be clear formulation and implementation plans for the strategies, which should be followed, and that branch managers should have the necessary knowledge and skills for developing and implementing such strategies because their success or failure depends on it.

The most crucial step of a market development strategy is finding the right opportunities to focus on. Supermarkets should figure out what's working for them right now. And that means analyzing the ideal customer profiles that the Supermarkets are currently focusing on, learning as much as possible about their demographics, preferences, purchasing habits, and anything else that might be relevant.

Diversification is a growth strategy that involves entering into a new market and comes in different form. Supermarkets in Nairobi City County need to adopt the different forms of diversification as they seek to capture more market share in the retail industry. Those diversification strategies include horizontal diversification, vertical diversification and lastly conglomerate diversification.

Notably, the findings and conclusions of this study are limited to the Supermarkets in Nairobi City County. Further research will be necessary to include other retail supermarkets and other major cities such as Mombasa, Eldoret and Kisumu to be able to generalize findings on the Kenyan retail market. This way the problem which has been prevailing within the retail players can be addressed. The study was also concentrating on market expansion strategies and does not give time to the environment where the retail stores are operating which is equally important to survival and performance of organizations. There is a need for research which will clearly indicate how market expansion strategies and organization performance of retail supermarkets related with each other with the operating environment as a moderating variable is recommended.

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