PRODUCT LIFE CYCLE EXTENSION STRATEGIES, MARKET BASED POLICIES, CUSTOMER LOYALTY AND PERFORMANCE OF FAST MOVING CONSUMER GOODS FIRMS IN KENYA

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DECLARATION

This thesis is my original work and has not been presented elsewhere for a degree or any other award.

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DEDICATION

This thesis report is dedicated to my son Theophilus Iregi Muturi.

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TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

LIST OF APPENDICES

ABBREVIATIONS AND ACRONYMS

EU	European Union
FMCG	Fast Moving Consumer Goods
GDP	Growth Domestic Product
ICT	Information and Communication Technology
IMF	International Monetary Fund
KAM	Kenya Association of Manufacturers
KEBS	Kenya Bureau of Standards
KES	Kenya Shilling
KS	Kolmogorov Smirnova
NACOSTI	National Commission for Science, Technology and Innovation
OLS	Ordinary Least Square
PLC	Product Life Cycle
ROA	Return on Asset
SSA	Sub Saharan Africa
UK	United Kingdom
US	United States
VIF	Variance Inflation Factor

DEFINITION OF TERMS

Customer loyalty	A measure of customer's faithfulness and commitment for repeat purchases of a firm's products regardless of other competitors (Agha & Khan, 2021).
Extension strategy	Unifying pattern of decisions used by marketing managers to increase market share for a given product and thus keeping it in a maturity phase of product life cycle rather than going into decline. It is intended to define and extend product performance in a competitive market environment (Iveson et al., 2022).
Fast moving consumer goods	Non-durable short shell life products such as food and beverages that are the end results of manufacturing consumed by average consumers at relatively low cost (Li & Akhtar, 2021).
Market based policies	Market based policies are standards and regulations aimed at a greater open door policy of the economy by removing some barriers to trade and altering the incentives structure in favour of trade of FMCG (Ndubai, 2018)
Performance	Measure of execution of actions that may not only depend on the efficiency of a specific manufacturing firm but also on the market where it operates. It is also an outcome of management's developed and executed strategic objectives for the realization of the firm's vision and mission (Wanjiru & Kinyua, 2019).

Product	Physical good that is offered in the market to satisfy the needs of consumers (Stark, 2022).
Price adjustment	Changes to the product price as may be required from time to time by both manufacturers and consumers as a result of turbulent market environment for sustained profits (Nagle & Muller, 2018).
Product life cycle	Process in which a product is introduced into a market, grows in popularity and is then removed as demand drops gradually to zero. It includes introduction, growth, maturity and decline stages (Stark, 2022).
Promotion	Any type of communication used to inform and persuade consumers to continue purchasing a particular product (Widjaja, 2022).
Rebranding	Realigning product's core emphasis with changing market preferences (Beise-Zee, 2022).
Repositioning	Redefining marketing mix variables so that target consumers regain a clear, distinctive and desirable understanding of what the product will continue to do or represent in comparison with competing products (Iyer et al., 2019).

ABSTRACT

Proliferations of strategic interplay among manufacturing firms threaten the sustainability of fast-moving consumer goods in Kenya. In realization of vision 2030, manufacturing was envisaged as a core area in job creation and poverty eradication. Unfortunately, previous statistics showed that there has been a downward trend on performance of manufactured fast moving consumer goods in Kenya. It is in this regard that this study sought to determine the influence of product life cycle extension strategies, market-based policies and customer loyalty on performance of fast-moving consumer goods firms in Kenya. The study was anchored on three theories namely; game theory that was used to model the study, marketing mix theory and economic theory of regulation from which the variables were derived. The study adopted pragmatism research philosophy and cross-sectional research design. Through census, study population was 193 fast moving consumer goods firms. Secondary data was collected using questionnaires and data collection schedules for the period covering 2017-2021 for 161 firms since 32 did not respond to the questionnaires hence expunged from the study. Data was analyzed using multiple linear regression models. Study found that repositioning, promotion, price adjustment and rebranding strategies had positive and significant effect on performance of fast-moving consumer goods firms in Kenya. Secondly, the study established that market-based policies had a negative and significant moderating effect on the relationship between product life cycle extension strategies and performance of fast-moving consumer goods firms in Kenya. Lastly, the results indicated that customer loyalty had positive and significant mediating effect on the relationship between product life cycle extension strategies and performance of fast-moving consumer goods firms in Kenya with evidence of partial mediation. The study concluded that adoption of PLC extension strategies namely repositioning, promotion, price adjustment and rebranding strategies were important in enhancing performance of FMCG firms in Kenya. The study further concluded that market-based policy led to poor performance while adopting product life cycle extension strategies played an important role in enhancing customer loyalty which would lead to improved performance. The study recommends that senior management staff of the firms should embrace and enhance implementation of the four PLC extension strategies for prolonged profit reaping. In addition, management should improve the current implementation approaches of PLC extension strategies as a whole so as to enhance customer loyalty that will lead to high rate of repeat and referral customers. Further, the study recommends that relevant Kenyan Government authorities and policy makers reconsider and revise current market-based policies regarding input tariffs on fast moving consumer goods so as to improve performance. The study contributes to the existing body of knowledge in this area.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Fast moving consumer goods (FMCG) firms are viewed as key drivers of the economy since they largely contribute to national output, exports and job creation. Turbulent market environment has been a key drawback for the sector in the endeavor for sustainable profits culminating in the need to re-valuate existing strategies for survival (Otieno & Maina, 2022). Poor performance of FMCG is common among manufacturing firms as a result of lack of inadequate sales promotion leading to limited market share (Binuyo et al., 2019). Competitive dynamics of turbulent environment inspire manufacturers of FMCG to take innovative actions to sustain and extend their products in the market especially at maturity stage of product life cycle (PLC) (Forrest, 2019). Bjorkdahl (2020) argued that manufacturing firms must strive to gain a competitive edge as a result of stiff competition and regulatory changes for improved performance.

Globally, many countries have been struggling to sustain their FMCG in the market. According to a report by World Economic Outlook (2020), Germany and Japan manufacturing of FMCG was lower in 2020 than 2019, from 0.6 to -0.6 and 0.7 to -5.3 respectively while its growth slowed considerably in China, United Kingdom (UK) and United States (US) from 6.1 to 1.9, 1.5 to -7.1 and 2.2 to -4.3 respectively. Some of the factors affecting Germany's FMCG sector included product perishability as well as capacity disruptions (Ivanov & Rozhkov, 2020). According to De and Kammerlander (2018), lack of human resource also contributed to low performance. In 2014, Japan was 14th largest importer of FMCG but total imports decreased by 12.4 percent. Japanese buyers focused more on local producers than international suppliers as consumers became more health conscious on imports (Secreta, 2021). According to Diaz and Camara (2020), some of the factors affecting FMCG firms in Japan included poor labeling that warranted health related claims leading to low performance.

In China, environmental pollution offered the greatest challenge to sustainable FMCG sector in the endeavor to meet the requirements of ever-increasing population with consumers increased demand for more industrial production units with improved technology leading to increased cost of production (Khan & Chang, 2018). Other challenges included skills shortage, unsustainable products and inadequate strategies for sustainability of FMCG (Muller & Voigt, 2018). Key global dynamics informing performance of FMCG include reorganization of Chinese economy where consumers were given the first priority as a result of decrease in sales (Nezhyva & Mysiuk, 2022).

Contribution to UK economy manufacturing's economic output in terms of gross value added was in decline for many decades from 27% in 1970 to 10% in 2018 and 2 % in 2019 as a result of high production costs, poor access to low materials and fast growing consumer markets (Manufacturing statistics & policy, 2020). American manufacturing sector is also surrounded by a number of challenges such as shift in demand to developing economies as well as low access to inputs (Adam & Hatem, 2018). In the first half of 2019, the volume of global trade stood at 1 percent above its value which was the slowest pace of growth for any six-month period since 2012 leading to poor performance. The biggest challenge was stiff competition for organized trade leading to low profits (Kaya et al., 2020).

Regionally, Africa has not yet been able to caution FMCG firms from performance challenges regardless of the enabling economic policy frameworks. FMCG market is expected to reduce poverty through social economic transformation but unfortunately, it plays a rather limited role in promoting growth domestic product (GDP) and job creation compared with global economies. The main challenges facing FMCG include; poor information and communication technology (ICT), little capital, limited access to finance by manufacturing firms and poor transport infrastructure (African Development Bank, 2020). Market rivalry among competitors curtailed the survival of some of the firms manufacturing FMCG leading to low profits (Feela, 2020). Although manufacturing is the engine of the economy in most African countries, FMCG thrive under tempestuous environment leading to unpredictable performance (Chukwudi et al., 2020). Intraregional trade for FMCG in East Africa was also low accounting for 8.3

percent of total trade in 2017 which was static for five years and less than the continental average of 14.5 percent (East African Economic Outlook, 2019).

Locally, Kenya has a vibrant FMCG manufacturing sector but its performance has been on the decline. Growth of FMCG via manufacturing sector in relation to GDP has been on a fluctuating trend with 5.7 percent in 2015, 5.9 percent in 2016, 4.9 percent in 2017, 6.3 percent in 2018, 5.4 percent in 2019 and 1.5 percent in 2020 compared to the previous average contribution of 10 percent (Kenya Economic Outlook, 2020). One of the key challenges facing FMCG in Kenya has been poor access to markets as a result of stiff competition resulting to low performance (Kilonzo, 2018). According to Oberoi (2019) proliferation of new entrants, globalization and failure to maintain consumer brand value also contributed to poor performance of FMCG. Firms manufacturing FMCG in Kenya can make wonderful investments if strategically positioned (Kilonzo, 2018). Manufacturing of FMCG is still viewed as one of the prospective sectors due to increasing population growth (Hossain et al., 2020). The vulnerability of FMCG to risks such as unclear strategies, reiterates the critical importance for the manufacturing sector to be strategically positioned to overcome unforeseen challenges thus ascertain strategies that can sustain and improve performance (Jiang, 2020).

1.1.1 Product Life Cycle Extension Strategies

Product life cycle (PLC) is the process in which a product is introduced into the market, grows in popularity and is then removed from the market as demand drops to zero and includes introduction, growth, maturity and decline stages (Stark, 2022). Similarly, PLC extension strategies are unifying pattern of decisions used by management to sustain competitive advantage (Iveson et al., 2022). The study lays its emphasis at the maturity stage where maximum profit generation should be sustained. The aim of PLC extension strategies therefore is to increase product revenues as well as maximize the value of the product portfolio for both manufacturing firms and consumers respectively (Stark, 2022).

Whilst marketing managers do not expect products to sell forever, FMCG firms aim at earning decent profits to cover all the efforts and risks involved at the introduction stage (Feela, 2020). A study by Santos and Micosky (2022)postulated that FMCG firms are

experiencing a revolution relative to timeframe between production and absorption as compared to consumers' demand for personalized products. FMCG marketing manager's persistence with the use of PLC extension strategies continue to have a competitive advantage over those that do not (Nezhyva & Mysiuk, 2022). Clear strategies aid manufacturing firms in managing their product portfolios across all stages of product life cycle (MacCarthy & Pasley, 2021). A study by Acikgoz (2018) asserted that poor repositioning, inadequate promotion, untimely pricing strategies and poor rebranding lead to poor performance of FMCG. Meanwhile, Zou (2018) affirmed that consumers and key stakeholders demand products that minimize costs and whose product attributes meet their expectations.

Product life cycle stages especially maturity stage are becoming increasingly shorter as a result of increased competition culminating in the need for FMCG firms to understand the extent to which PLC extension strategies affect performance (Santos & Micosky, 2022). PLC extension strategies under this study comprise of repositioning strategy as postulated by Dmitrijevs (2020), promotion as postulated by Izadi and Ghasemian (2021), price adjustments as postulated by Guan (2020) and rebranding as postulated by Joseph et al. (2021).

Repositioning strategy involves educating consumers about new locating (Iyer et al., 2019). It helps constrained market power by enabling consumers to react positively to changes in product lines and product attributes (Ebere & Onuoha, 2022). It also helps in mitigating loss of revenue as products approach decline stage (Mukeshimana et al., 2019). Repositioning is one of the main carriers of corporate FMCG product elevation that includes image repositioning, tangible repositioning, intangible repositioning and product repositioning (Ye & Zhou, 2019). If well-articulated, repositioning can be valuable for both consumers and manufacturers of FMCG (Izadi & Ghasemian, 2021). According to Siregar et al. (2020) consumers would only buy a few of the firm's FMCG if they were left to decide on their own. FMCG marketing managers must hence have enough salesmen with clear strategies so as to persuade consumers into buying (Chen & Li, 2020).

Promotion is a type of communication used to inform and persuade consumers to continue purchasing a particular product for enhanced firm performance (Widjaja, 2022). It includes advertising, personal selling, sales promotion and public relations. If well-articulated, promotion can be valuable for both consumers and manufacturers (Li & Huang, 2016). A study by Ghosh (2020) asserted that in today's FMCG sector, most consumers are spoilt for choice while the manufacturing firms are swamped by unrelenting competition thus without promotion, some businesses would be faced out of the market due to lack of visibility. Therefore, FMCG firms must develop effective strategies to improve performance and prevent their products from collapsing (Blythe & Martin, 2019).

Pricing strategies influence performance of FMCG firms (Guan, 2020). Price adjustment strategy can be viewed as changes made on the product's price as may be required from time to time by both manufacturers and consumers as a result of turbulent environment for sustainable profits (Nagle & Muller, 2018). Consumers' buying behavior is highly influenced by changes in product pricing (Xie, 2018). Before products approach decline stage, manufacturers should be in a position to adjust prices (Bloom & Terry, 2018). A variety of strategies designed to mitigate loss of revenue in FMCG should include price cuts in relation to demand and competition (Hong & Weng, 2020). Key aspects of price that affect performance of firms manufacturing FMCG to a large extent include price adjustment strategies (Nair, 2019). A study by Binuyo (2019) postulated that a clear pricing strategy can have a significant effect on profitability of firms manufacturing FMCG. Increased consumer entry can be enhanced by lowering prices thus, discounts, geographical, psychological and dynamic pricing are of key essence (Nair, 2019).

Rebranding means realigning product's core emphasis with changing market preferences (Beise-Zee, 2022). It is used in order to reach more customers, fulfill customer demands as well as promote growth (Indangasi, 2018). For a firm to succeed, it must have a unique brand for sustainability. There is need to realign product's core emphasis with changing market preferences (Beise-Zee, 2022). Rebranding is used to stimulate change in consumer attitudes, perceptions and behavior geared towards generating positive market growth (Beise-Zee, 2022). It should therefore be used as a way of reinventing the

wheel through line extensions, brand extensions, multi-brands and co-brands since when expectations of consumers on the products coincide, FMCG are bound to be bought for a prolonged period of time (Ali et al., 2019).

1.1.2 Customer Loyalty

Customer loyalty is an endless commitment to buying of products regardless of prevailing competition that may interfere with customers buying behaviour (Agha & Khan, 2021). Mostly, loyal customers have long lasting commitment towards the firm's products (Akhmedova et al., 2020). When customer's cardinal and emotional needs are satisfied, they are bound to stay loyal to the products (Lina, 2022). According to Kantarelis (2019), loyal customers help in recouping of profits in the long run. When consumers are contented with the firm's products, their preference is always higher compared to other products regardless of any other effort by other marketing managers (Willys, 2018). Basit and Durrani (2018) asserted that customer loyalty leads to sustainable profits.

A study by Arslan (2020) asserted that customer loyalty is an effective strategy that creates long term and sustainable relationship between customers as well as the firm's products. It is the base of a lasting performance (Anabila & Alomenu, 2022). Customer loyalty also cautions the firms from losing customers out of dwindling competition (Dwilianingsih & Indradewa, 2022). Again, it helps in the achievement of a firm's long term growth leading to sustainable performance (Hajar et al., 2022). Xu and Yang (2023) emphasized that it is cheaper to maintain existing customers than attracting new ones. At the same time, Suarniki and Lukiyanto (2020) postulated that customers are not usually loyal to firm products hence marketing managers must integrate other marketing strategies in the endeavour to improve performance. Ahmad and Akbar (2023) asserted that customer loyalty enhances the effect of marketing strategies in relation to performance consequently the need to use it as a mediator in this study.

1.1.3 Market Based Policy

Market based policies are standards and regulations aimed at a greater open door policy of the economy by removing some barriers to trade and altering the incentives structure

in favour of trade of FMCG (Ndubai, 2018). Firms that are supported by favourable regulatory instruments such as subsidies and tariffs thrive better than those with unfavourable regulatory instruments (Xie, 2018). Mwai (2019) asserted that there is need for Kenya to maintain a stable marketing environment by lowering tariffs and increasing subsidies of FMCG. Lowering of input tariffs help in improving firm's productivity therefore, market based policy reform should take both input and output tariffs into consideration in ensuring favourable trade environment (Jongwanich & Kohpaiboon, 2020).

Although a unilateral tariff raises a country's comparative wage and increases the size and productivity of each sector, input tariffs increase production cost leading to poor performance (Antràs & Tintelnot, 2022). Awaga and Zhang (2020) argued that market based policies can affect the performance of other strategies if all factors are not held constant. At the same time, Guo and Li (2020) affirmed that firm performance can be reinforced by an increase in government subsidies. A study by Handley and Yu (2020) asserted that the uncertainties of trade-based policy can affect a firm's performance regardless of the strategies employed. Market-based policy is therefore likely to affect performance of FMCG as well as of the whole economy both positively and negatively regardless of PLC extension strategies employed. There is need to use it as a moderator in this study (Yao 2019).

1.1.4 Performance of Fast-Moving Consumer Goods Firms in Kenya.

Performance of FMCG via manufacturing firms is viewed as one of the major drivers of Kenya's economy. It is elucidated as an outcome of management's developed and executed strategic objectives for the realization of the firm's vision and mission (Wanjiru & Kinyua, 2019). In Kenya, manufacturing was identified as a key sector under the economic pillar of Vision 2030 which was expected to spur economic growth (Economic survey, 2020). Although the priority agenda launched in 2020 for Kenya manufacturing was to establish a competitive manufacturing led economy for job and wealth creation, manufacturing of FMCG happens to be one of the most competitive compared with other products (KAM Directory, 2020).

Growth of FMCG has been on a downward trend at 1.8 percent in 2015, 1.4 percent in 2016, 1.3 percent in 2017, 1.6 percent in 2018, 1.4 percent in 2019 and 0.6 percent in 2020 compared to 5.8 percent in 2010 (Kenya National Bureau of Statistics, 2020). The downward trend has led to the sector's low contribution to GDP which has remained stagnant in the last 30 years, contributing an average of 10 percent from 1964 to 1973, rising marginally to 13.6 percent from 1990 to 2007 and averaging below 10 percent from 2008 to 2018 (KAM, 2018). In 2019, FMCG contribution to GDP was at 5.4 percent and lowest in 2020 at 1.5 percent (Kenya Economic Outlook, 2020). Based on these statistics, it is difficult to argue against the necessity of looking at how PLC extension strategies affect FMCG companies' success in Kenya (Kimiti & Murigi, 2020).

1.2 Statement of the Problem

In realization of vision 2030, manufacturing was envisaged as a fundamental sector in combating poverty by creating employment, promoting innovation, attracting foreign exchange and contributing to GDP. Unfortunately, FMCG at the maturity stage of product life cycle have been facing many challenges in the endeavor to sustain profits. Some of the challenges include market rivalry, poor access to markets, unclear strategies and high tariffs leading to low performance. The growth of FMCG via manufacturing sector in relation to GDP has been inconsistent with 5.9 percent in 2016 and 4.9 percent in 2017, went up slightly to 6.3 percent in 2018, down again at 5.4 percent in 2019 and 1.5 percent in 2020 leading to decline in profits (Kenya Economic Outlook, 2020).

Although PLC extension strategies have been studied before, some findings presented contradicting opinions with some indicating that there was positive relationship while others had a negative relationship on performance. For example, Shahid et al. (2019) and Garachkovska (2021) provided evidence that repositioning strategy is associated with enhanced firm revenues while Hoskins (2021) found that repositioning did not have a significant effect on firm performance. A study by Izadi and Ghasemian (2021) revealed that promotion strategy positively influenced consumer buying behaviour leading to improved performance while Lu (2022) established that promotion strategy interfered with profits leading to low firm performance. Meanwhile, Nair (2019) established that

price adjustment affected firm performance positively while Ji and Xiao (2019) revealed that price adjustment affected manufacturer's revenue negatively. Thus presents empirical gaps.

Other studies were conducted in other countries (Shahid & Zafar, 2019; Ebere & Onuoha, 2022; Mukeshimana et al., 2019; Izadi & Ghasemian, 2021; Hanaysha, 2018; Nair, 2019; Kambey, 2018; Indangasi, 2018; Ali et al., 2019), while others were conducted in other sectors other than manufacturing (Shafique, 2022; Kawira, 2021; Bamfo, Dogbe & Osei-Wusu, 2018) thus presenting conceptual gaps. A few studies preferred exploratory study (Zhang & Xu, 2017; Li & Wei, 2018) while others had a small sample size (Wawaka & Muchelule, 2018; Adedayo & Babatunde, 2022) hence presenting methodological gaps. This study therefore was an attempt to fill in the identified gaps by investigating the relationship between product life cycle extension strategies, market based policies, customer loyalty and performance of FMCG firms in Kenya.

1.3 Research Objectives

The study was guided by both the general and specific objectives.

1.3.1 General Objective

The main objective of the study was to investigate the relationship between product life cycle extension strategies, market-based policies, customer loyalty and performance of fast-moving consumer goods firms in Kenya.

1.3.2 Specific Objectives

The specific objectives of this study were;

1. To analyze the effect of repositioning strategy on performance of fast-moving consumer goods firms in Kenya.
2. To analyze the effect of promotion strategy on performance of fast-moving consumer goods firms in Kenya.
3. To assess the effect of price adjustment strategy on performance of fast-moving consumer goods firms in Kenya.

4. To establish the effect of rebranding strategy on performance of fast-moving consumer goods firms in Kenya.
5. To investigate the moderating effect of market-based policies on the relationship between product life cycle extension strategies and performance of fast-moving consumer goods firms in Kenya.
6. To determine the mediating effect of customer loyalty on the relationship between product life cycle extension strategies and performance of fast-moving consumer goods firms in Kenya.

1.4. Research Hypotheses

The study was guided by the following research hypotheses:

H_{01}: Repositioning strategy has no significant effect on performance of fast moving consumer goods firms in Kenya.

H_{02}: Promotion strategy has no significant effect on performance of fast-moving consumer goods firms in Kenya.

H_{03}: Price adjustment strategy has no significant effect on performance of fast moving consumer goods firms in Kenya.

H_{04}: Rebranding strategy has no significant effect on performance of fast moving consumer goods firms in Kenya.

H_{05}: Market based policy has no moderating effect on the relationship between product life cycle extension strategies and performance of fast moving consumer goods firms in Kenya.

H_{06}: Customer loyalty has no mediating effect on the relationship between product life cycle extension strategies and performance of fast moving consumer goods firms in Kenya.

1.5. Scope of the Study

The study focused on the relationship between product life cycle extension strategies and performance of FMCG via manufacturing firms in Kenya. It was limited to FMCG manufacturing companies which are members of Kenya Association of Manufacturers

(KAM) under food and beverage sector, are registered by Ministry of Trade and Industrialization as at December 2020 and whose product quality is enforced by Kenya Bureau of Standards (KEBS). Secondary data was obtained from the firm's financial statements for a period of five years (2017-2021).

1.6. Significance of the study

The findings of the study are helpful to Kenyan Government because through identification of key challenges affecting the firms, the regulatory bodies will develop favourable policies that will decrease input tariffs so as to improve performance which will turn around the economy in the long run. Through policy reviews, the overall enhanced performance will turn around the economy ultimately which will help the Government in the realization of the big four agenda as well as vision 2030.

Meanwhile, the study will enable the firm's senior management staff to understand the relationship between PLC extension strategies, market based policies and customer loyalty on performance of FMCG in Kenya. In the endeavour to gain a competitive edge, marketing managers will be in a position to embrace customer loyalty for sustainable profits. The study will contribute to the existing body of knowledge and other scholars will find value in this study while establishing the relationship between PLC extension strategies, market based policies and customer loyalty on performance of FMCG firms in Kenya. The study will also be useful to researchers in the identification of the areas in need of more investigation on PLC extension strategies via manufacturing firms.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents the theoretical and empirical review of literature, the conceptual framework, summary of the literature review and research gaps related to this study.

2.2 Theoretical Review

This study is anchored on three theories. The theories are; Game theory that was used to model the study and marketing mix theory under which independent and mediating variables were derived. Economic theory of regulation was also used to derive the moderating variable.

2.2.1 Game Theory

Game theory was advanced by Neumann (1937). It is the study of mathematical models of analyzing strategic interaction among rational decision-makers (Alothman & Alqahtani, 2020). It was propelled under the premise that it is a set of tools for studying strategic behavior and seeks to understand business rivalries by using a method of analysis specifically designed to understand games of all types (Parkin, 2019). Proponents of game theory believed that it is applicable in marketing models to describe firms' rational interactions and competing behaviors for certain payoffs that depend on the strategy that each marketing manager employs (German & Ionescu, 2018). It is also an interaction in which each firm chooses a strategy and then receives profits depending on other player's choice of strategy employed (Sandholm, 2020). Game theory is a powerful tool for using strategic analysis to identify the best interactions between multiple manufacturing firms (Tang & Li, 2019). Newton (2018) asserted that the process by which a profile of strategies in a game changes, can be survival of the fittest arising from deliberative choices made by the marketing managers of each firm that lead to predictions of medium and long term outcomes.

Game theory involves a strategy of reacting to the actions of competitors and emphasizes on four basic elements namely; players, strategies, payoffs and information (Parkin, 2019). Each decision maker in a game is called a player which applies to manufacturing firms' marketing managers in this study. The second element is strategy which is the player's choice in the game which acts as a set of contingent plans of action available to the manufacturers of FMCG. The third element is payoffs which are the returns to the players at the conclusion of the game which apply to profits the manufacturing firms are likely to derive after applying the right strategy. The last element is information which is prior knowledge on previous strategies employed by competitors. In this case strategies to be used by other competitors are only known by FMCG marketing managers whereby strategic interplay may lead to unstable payoffs. The target of firms manufacturing FMCG is hence a positive sum game in a win-win situation in order to sustain products in the market regardless of market rivalry (Jiang et al., 2020).

Critics of game theory believed that excessive competition can lead to decline of the firm's profits in the long run (Liljeblom et al., 2019). Others argued that although the goal of game theory should be to find solutions for all games, it is thought to apply to binding and non- binding economic environments (Roth & Wilson, 2019). Naveed and Uzir (2021) asserted that although game theory is the most appropriate approach for making decisions in many fields such as business, engineering and project management, it has been underutilized.

Some scholars have used game theory to study strategic interaction because it offers mathematical precision of modeling techniques while imposing fewer constraints on the actions of firms' management (Ross, 2018). Additionally, strategically positioned manufacturing firms represent the future direction of firm's development and are crucial in stimulating the overall and long-term development of Kenya's economy (Liu & Yang 2018). Gao and Jia (2018) postulated that manufacturing companies generally prefer to spend less in averting competition consequently the interaction between PLC extension strategies and firm performance are modeled as a game. Game theory approach as a

decision-making tool in turbulent environments such as of FMCG is suggested for planning and adopting optimal marketing strategy (Abedian & Jo uzdani, 2022).

The benefits of game theory in this study therefore is that in a strategic setting, it helps predict a turbulent environment, lays out real scenarios and produces optimal solutions for competing FMCG firms in Kenya in the endeavor to find out the best strategy for minimizing losses as well as maximizing profits. The theory was also used to model the study.

2.2.2 Marketing Mix Theory

Marketing mix theory was postulated by Jerome (1960). The theory states that the foundations of marketing principles are the four elements namely; product, place, price and promotion (4Ps) (Meena, 2019). The elements serve as tools used by organization's survival in a competitive environment. There is therefore, the need for firms to be ahead of competitors (Darmawan & Grenier, 2021). Proponents of marketing mix theory argue that the specific strategies of competitors in the market influence the selection of the appropriate marketing strategy by the individual firms (Abedian & Jouzdani, 2022). A study by Inan and Kop (2018) asserted that manufacturing firms achieve better results under a well formulated marketing strategy. The theory further argued that firms must maintain customers by aiming at the right product, the right place, the right price, the right promotion, right psychological evidence and right amount of quality performance for survival (Eti, 2020).

Critics of marketing mix theory redefined the original 4Ps concept and expanded it with adding people, process and physical evidence (Lahtin & Rundle, 2020). Others argued that promotional tools depend upon the type of product to be sold, the price to be charged and the procedure of reaching customers considering product's manufacturing cost, promotion cost and amount incurred on distribution channels (Eti, 2020). A study by Al-Fady (2020) postulated that price value and price advantage are perceived as important pricing strategy that are vital to customer satisfaction.

Under marketing mix theory, price adjustment strategies include discount pricing, segmented pricing, psychological pricing and dynamic pricing while repositioning

strategies include image, tangible, intangible and product (Thabit & Raewf, 2018). Promotion strategies include advertising, sales promotion, personal selling and publicity (Mintz et al., 2021). The theory supports this study in the identification of the independent and mediating variables. The study also adopts marketing mix theory because it helps in the investigation of PLC extension strategies for the purposes of effectiveness of the most viable strategy and customer loyalty in relation to forecasting future performance.

2.2.3 Economic Theory of Regulation

Economic theory of regulation was posited by Stigler (1971). It predicts that firms use coercive state power to alter product's entry, production and pricing for future investments (Decker, 2023). It underscores on Government regulation of firm's entry, production, pricing and strategies and lays its emphasis on two assumptions namely; capture and public interest (Stigler, 2021). Under capture, regulatory agencies are controlled by the firms that they are supposed to regulate while under public interest, regulators seek to promote the general welfare of the public rather than of the interest groups (Kong & Lee, 2019).

Supporters of economic theory of regulation argue that although the rationale for regulatory intervention is promotion of public interest, regulation of taxes and subsidies have become a major determinant of business performance since all FMCG firms are subjected to specific taxes and standards besides general laws and regulations applicable across other industries (Mathis & Tor, 2021). According to Ogun (2018), regulations were formulated to eliminate distortions in various markets as well as closer monitoring of market forces for development of most applicable policies. The theory further emphasizes that inadequate, uncoordinated and risk based tax capabilities as well as lack of political commitment resulting from regulatory capture are likely to interfere with effectiveness of PLC extension strategies in relation to performance (Chu, 2021).

Critics of economic theory of regulation argue that too much or too little of government regulation burden in form of taxes does not help firms achieve the best economic performance. However, relationship balancing can yield better firm performance (Shang & Dong, 2021). Although the theory states that regulation of firms contribute to

promotion of public interest, some regulations are associated with less entrepreneurship and higher income inequality (Decker, 2023). Government regulatory bodies have always been pressurized to uphold economic values of the prevailing unfriendly policies while being responsive to societal pressures that cherish non-economic values (Besselink & Yesilkagit, 2021).

Economic theory of regulation thus emphasizes on government's control over market activities in relation to accountability and safety where market based policies are taken as an option for manufacturing firm's sustainability (Betz & Kim, 2021). The theory relates to this study in that the government has the power to prohibit or compel subsidies and tariffs through its regulatory agencies. Regardless of capture or public interest assumptions, subsidies and tariffs can influence firms manufacturing FMCG either positively or negatively irrespective of the PLC extension strategies employed. It also helps in investigating the moderating effect of market based policies on the relationship between PLC extension strategies and performance of FMCG firms in Kenya.

2.3 Empirical Review

Under PLC, products have limited life since sales pass through distinct stages under unpredictable environment as profits rise and fall. This requires different strategies at each stage (Rezaei et al., 2021). Although marketing managers do not expect products to sell forever, manufacturing firms aim at earning decent profits to cover all the efforts and risks involved in product launch (Alhawamdeh, 2021).

A classic product has four stages; introduction, growth, maturity and decline whereby, marketing managers are expected to come up with robust strategies to maintain profits at the longest period possible during maturity stage (Vimal et al., 2021). In this study, PLC extension strategies comprise of repositioning as postulated by Dmitrijevs (2020), promotion as postulated by Izadi Ghasemian (2021), price adjustments as postulated by Guan (2020) and rebranding as postulated by Joseph et al. (2021).

2.3.1 Repositioning Strategy and Performance of FMCG Firms

The study analyzed the effect of repositioning strategy and firm performance. Many firms reposition their products with the intention of sustaining profits as a result of

increasing competition (Iyer, 2019). Repositioning strategy includes image repositioning, tangible repositioning, intangible repositioning and product repositioning. A study by Shahid et al. (2019) interrogated the relationship between repositioning strategies and firm performance among Pakistanian firms. Using data from 607 respondents, the study used inferential analysis and found that repositioning strategy was associated with enhanced firm revenues. On the contrary, a study by Mehmood and Chani (2019) examined the impact of corporate diversification on the firm's performance. Data was collected from 520 manufacturing firms in Pakistan, India, Sri Lanka, and Bangladesh whereby two step dynamic panel approaches was used to analyze data. The study found that repositioning can lead to a decrease in firm performance. The study was however conducted in four countries simultaneously while the current study is conducted in one country.

In a study on the effect of repositioning strategy on organizational performance of firms based in Rwanda with a focus on the independent Power Producer, Mukeshimana et al., (2019) established that repositioning strategies affected firm performance positively. It used a descriptive survey where quantitative primary data was collected during the survey based on a sample of 30 respondents. By employing symmetric equilibrium, Cong et al., (2019) researched on effect of repositioning and competition and found that in a competitive and uncertain environment image repositioning prolongs sales thus improves firm performance. A study by Sheth (2020) on whether repositioning had a competitive advantage on sales of FMCG firms established that repositioning led to increase in revenue generation thus improved firm performance. The study was conducted in Rwanda while this study was carried out in Kenya.

While examining the effect of repositioning on consumer preference, a study by Villas (2018) found that, as the cost of tangible repositioning went up, the firm's need to reposition minimized leading to low performance. The study used dimensional model while the current study used linear regression model. Another study by Hoskins (2021) on the endeavor to find out how marketing strategies influenced firm performance found that too much of product repositioning did not have a significant effect on firm

performance. The study used panel regression model while the current study used multiple linear regression model to analyze data.

A study by Ebere et al. (2022) examined the relationship between repositioning strategy and performance of enterprises dealing with manufacturing in the Rivers State of Nigeria. Using a sample size of 291 firms, quantitative data was collected and analyzed through Pearson product moment correlation and found that intangible repositioning had a substantial positive link with indicators of performance. The study however, revealed a contextual research gap because it concentrated on a scenario outside of Kenya making it unable to extrapolate the results to a Kenyan environment. Another study by Sundstrom (2021) sought to find out the effect of repositioning strategy on plant based meat firms in Finland. The findings indicated that product repositioning was a highly complex strategic decision in relation to competitive landscape hence unsuccessful repositioning considerably weakened the overall firm reputation. The study used thematic analysis while the current study used regression analysis. Similarly, Bunea (2019) conducted a study on repositioning and firms sustainable competitive advantage in Romania. Through multiple regression analysis, it was found that product repositioning had a negative influence on sales. However, the finding was contradicted by the work of Garachkovska (2021) which found that repositioning strategy brings benefits to both producers and consumers in which if mixed with other strategies it increases firm performance.

2.3.2 Promotion Strategy and Performance of FMCG Firms

The study analyzed the effect of promotion strategy and firm performance. Promotion is premeditated to inform and persuade consumers for continued purchases. Therefore, a promotion strategy is a plot that purposes to use promotion mix strategies such as advertising, personal selling, sales promotion and publicity to improve firm performance (Izadi & Ghasemian, 2021). A study by Dmitrijevs (2020) sought to find out the most innovative strategies in a competitive market. Through regression analysis, the study found that advertising influenced sales positively. The study was however limited to telecommunication industry in China while the current study targets FMCG firms in Kenya. Additionally, Qureshi (2021) conducted a study in Kuwait targeting media firms

on effect of advertising on firm performance. Using linear regression model, advertising was found to have substantial influence on sales although the degree varied from firm to firm. The study was however in a different geographical setting.

Through regression analysis, Kaveh and Abolghamsem (2020) sought to find out the effect of personal selling on sales of shoes industry in Iran. The study found that personal selling was positively related to purchase intention leading to growth in sales. This study was limited to sales while the current study targets return on assets (ROA). Again, the study was conducted in Iran while the current study was conducted in Kenya. Congruently, Shafique (2022) sought to find out the effect of personal selling in competitive share listed companies in China. Through time lagged survey, the study found that personal selling leads to sustainable buying behavior thus leading to improved performance. The study used boot trapping data analysis method while the current study uses multiple linear regression model to analyze data.

A study by Hanaysha (2018) assessed the effect of sales promotion on customer retention in a retail industry in Malaysia. Through structural equation modelling sales promotion was found to have positive effect on customer retention. The study targeted retail industry while the current study targeted manufacturing firms. Similarly, a study by Chen and Wu (2018) aimed at finding out the effect of sales promotion on firm performance. Through regression analysis, the study found that sales promotion plays a significant role in improving firm performance. The study targeted the financial sector while the current study targeted the manufacturing sector.

Meanwhile, a study by Claro (2021) investigated the effect of promotion strategy on personal care manufacturing firms' sales in America. Through estimated panel regression model, the study found that sales promotion had positive effect on manufacturing firms. Additionally, Izadi and Ghasemian (2021) did a study in Iran aimed at examining the effect of promotion strategies on consumers buying behaviour in sports manufacturing firms. The study found that sales promotion positively influenced consumer buying behaviour accordingly increasing performance. The study used logistic regression model to analyse data from 40 respondents while the current study used multiple linear regression model to analyse data from 161 respondents.

Similarly, Zahid and Amin (2018) carried out a study on purchase intention and publicity on green products. Using structured equation modeling the study found that publicity increases purchasing behavior leading to increased sales. While the study targeted green products in Malaysia, the current study targets fast moving consumer products in Kenya. On the contrary, a study by Deng et al. (2021) on interrogation of promotion and marketing activity established that firm performance can be affected by an ineffective personal selling campaign. Similarly, a study by Lu (2022) on sales promotion stereotype established that consumers in China were entangled when making promotion decisions that interfered with profits leading to low firm performance.

2.3.3 Price Adjustment Strategy and Performance of FMCG Firms

The study analyzed the effect of price adjustment strategy and firm performance. Price adjustment strategy increases sales and in the long run the overall profits (Guan, 2020). A similar study by Hong and Weng (2020) found that reduced prices at the maturity stage of PLC had a significant positive relationship with sales volume and profit margin. Additionally, Nair (2019) and Kambey (2018) documented that lower prices were associated with increased sales but low profits.

From a global focus, a study by Kambey (2018) focusing on firms dealing with processing of coconuts, interrogated the effect of price adjustment strategy as one of the determinants of firm performance in Romania. By conducting a panel data analysis of 19 firms through a combination of descriptive, explanatory approaches and random effect models, the study established that price adjustment strategy positively and significantly influenced firm performance. On the contrary, a study by Ehiedu and Priscilla (2022) explored on diversification strategies on performance of industrial goods in Nigeria. Through the use of least square regression analysis, price adjustment had no effect on the return on assets. The findings of the study were based on 14 manufacturing firms while the current study has 161 firms.

Correspondingly, a study by Nair (2019) focused on the dynamics of pricing and non-pricing strategies, revenue management performance and competitive advantage among firms in Brazil. Through a survey of 150 companies in the metal manufacturing sector, the study analyzed quantitative data through regression analysis and established that

discount pricing affected firm performance positively. The study differed contextually in that it focused on metal manufacturing sector which had different operational characteristics compared to FMCG sector. Zhang and Xu (2017) also carried out a study on consumer purchasing intentions in China. Through exploratory, the study found that psychological pricing influenced sales positively. While the study was exploratory, the current study was empirical.

Further, Nafuna (2019) conducted a study in Uganda and investigated the relationship between pricing strategies and financial performance of manufacturing firms. Quantitative data from a sample size of 184 firms was analyzed and results concluded that geographical pricing affected sales positively. The study also found that price adjustment and financial performance had a positive, strong and significant relationship. In the analysis of pricing strategy and its effect on the performance of enterprises in Kenya, a study by Kawira (2021) adopted a descriptive survey in Tharaka Nithi County. Based on a sample size of 368 enterprises, both qualitative and quantitative data was analyzed using content analysis where pricing strategy had a positive effect on the company's performance. Though the study used simple linear regression, the current study used multiple linear regressions to analyze data.

Another study by Wawaka and Muchelule (2018) confirmed the effect of price change strategies on the competitive advantage of selected cement manufacturing companies in Kenya. Focusing on a total of 5 cement manufacturing firms based in Kenya, the study collected quantitative data through the use of structured questionnaires. Multiple regression results showed that value-based pricing strategies had a positive and significant impact on the competitive advantages of selected Kenyan manufacturing firms. The study used a sample size of 5 companies therefore the results could not be generalized. Another study was conducted by Ji and Xiao (2019) on dynamic pricing of perishable products and hybrid purchasing behavior of consumers in China. Through the use of consumer utility function, the study found that dynamic pricing affected manufacturer’s revenue negatively.

2.3.4 Rebranding Strategy and Performance of FMCG Firms

The study established the effect of rebranding strategy and performance of FMCG firms. Rebranding involves makeover, renewal, refreshment and reinvention so as to retrigger consumer's positive feelings about the products. Indangasi (2018) and Beise-Zee (2022) established that marketing managers of FMCG are supposed to ensure that their products are always relevant to consumers by rebranding regularly and in response to market information and intelligence. Several studies have been conducted to determine the relationship between rebranding strategies and firm performance.

A study was conducted in Pakistan by Ali (2019) to establish whether corporate rebranding affected non-financial firm performance. Using structured questionnaires, the study conducted a survey on 300 food and beverage manufacturing firms and analyzed using multiple linear regression. The study established that line extensions affected non-financial firm performance significantly. Meanwhile, Li and Wei (2018) carried out a study on service branding in China. Through exploratory research design, the study found that rebranding attracts customers and influences sales positively. The study targeted the service sector while the current study targeted product sector.

Correspondingly, Mukabwa (2018) did a study on the influence of branding strategy on performance of large-scale manufacturing firms in Nairobi, Kenya. From a sample size of 208, data was analyzed through descriptive statistics, correlation and regression methods. The results showed that rebranding strategy had a positive and significant impact on the performance of large manufacturing firms in Nairobi. This study however focused on all the sub sectors of manufacturing firms. While that may provide a general overview of the industry, it may not necessarily provide an accurate picture of FMCG firms given that firms in different sub-sectors operate under different conditions. A study by Oduor (2022) was conducted in Kenya to examine the relationship between network relationships and corporate rebranding on corporate performance in Kenya. The study conducted a survey of all the 107 large manufacturing firms based in Nairobi City County and used semi-structured questionnaires to collect both qualitative and quantitative data. By using both content analysis and multiple regressions methods to analyze data, the findings indicated that brand extension had no significant effect on

firm performance. While the focus was on all manufacturing sub sectors, the current study narrowed down to FMCG manufacturing firms sector only.

On the contrary, there exist studies which provided evidence that rebranding strategy does not significantly affect firm performance. A study by Nana et al. (2019) on the effect of rebranding on brand equity and business performance among South African firms was conducted. Data was analyzed using a sample size of 372 respondents through multiple linear regression method. The study established that rebranding does not significantly improve performance of enterprises. Consonantly, a study by Bamfo et al., (2018) investigated the effect of rebranding on both customer loyalty and firm performance in Ghana. A linear regression model established that rebranding had a positive but not significant effect on non-financial performance.

2.3.5 Customer Loyalty and Performance of FMCG Firms

Several studies have investigated the moderating effect of market based policies on the relationship between PLC extension strategies and firm performance. A study by Sundstrom (2019) found that customers and management of companies that manufacture FMCG have a mutually loyal relationship with each other that is based on conjoint dependency and trust. The findings of this study demonstrated that customer loyalty enhanced the impact of firm identity, image reputation of products leading to increased performance. In establishing the link between competitive strategies, market orientation, customer loyalty and firm performance, Khalifa (2018) conducted a survey of firms in the hospitality industry in Egypt where quantitative approaches were adopted. Through regression analysis, the study established that adoption of suitable strategies such as price discounting strategies enhanced customer loyalty which then led to increased revenue through repeat customers.

Similarly, a study by Adedayo et al. (2022) interrogated the link between business level strategies, customer loyalty and firm performance of Nigerian based service firms. Through a survey of 24 firms, regression modeling was used to analyze data. The study provided evidence that business level strategies enhanced customer loyalty which then affected firm performance positively and significantly. In Kenya, Gakuya and Njue (2018) interrogated the effect of a firm's differentiation strategy on firm performance

through customer loyalty. The study focused on pharmaceutical companies in Nairobi, Kenya. By using regression analysis, differentiation strategy had a positive effect on customer loyalty which in turn mediated the relationship on firm performance. While the study focused on pharmaceutical firms, the current study centered on FMCG firms. The study on customer loyalty was used by Sundstrom (2019) as a mediator in the context of financial institutions and FMCG respectively. This motivated the need to find out mediation effect of customer loyalty on the relationship between product life cycle extension strategies and performance of FMCG firms in Kenya.

2.3.6 Market Based Policies and Performance of FMCG Firms

The study sought to determine the mediating effect of customer loyalty on the relationship between PLC extension strategies and firm performance. Market-based policies are indirect regulatory instruments which influence the manufacturing firms management behavior by changing their economic incentive structure hence may have a big impact on both the independent and the dependent variables (Ndubai, 2018). Subsidies and tariffs play an important role in making strategic choices for firms manufacturing FMCG since they ultimately affect performance. A study by Yao (2019) found that government subsidies and tariffs neither improved performance of FMCG nor reduced it since the choice of subsidy was strongly influenced by government's will and priority agenda where firms had no option other than to adjust accordingly.

A study by Bigsten (2018) carried out in Ethiopia examined the effects of trade liberalization on firm performance. Through regression analysis, the study found no evidence that output tariff reduction improved productivity. The study found a significant positive effect of input tariff reductions. On the contrary, a study by Fiorini et al. (2018) interrogated the relationship between input tariffs, roads and firm performance seeking evidence from Ethiopia. Through the use of census, the study demonstrated that a reduction in input tariffs had a strong positive effect on productivity of firms located in towns with better road infrastructure.

Correspondingly, a study by Linarello (2018) investigated the direct and indirect effects of trade liberalization on firm performance in the manufacturing sector. The study focused on establishing the effect of a reduction of foreign tariffs on the productivity of

manufacturing and exporting firms. Using a panel of Chilean plants during a period of trade liberalization with the European Union in the United States, and the Republic of Korea, the study provided evidence that tariff cuts induce firms to acquire new machinery and pay higher wages to skilled workers which could perhaps stimulate productivity growth after the abolition of output and input tariffs. Another study was carried by Githaiga (2021) on comprehensive subsidies and tariffs and comparative advantage within manufacturing established that input-oriented subsidies improved productivity through reduction of production costs.

2.3.7 Performance of FMCG Firms

High performance of firms that manufacture FMCG lead to continuous profits culminating to progressive sustainability of each firm (Binuyo, 2019). The most essential function of performance measurement is to evaluate whether the organizational strategy is attained or not, predict future internal and external situations as well as make decisions dependent on environmental circumstances (Taouab & Issor, 2019). A study by Mwazo (2020) sought to examine the non-financial performance of the firms operating within the FMCG industry in Kenya. The study analyzed data from 263 firms using descriptive and inferential analysis and found that marketing strategies significantly influenced firm performance. Another study by Otieno and Maina ((2022) on business excellence practices and performance of FMCG manufacturing firms in Kenya targeted 20 firms in Nairobi. Through the use of inferential statistics the study found that strategic management had a significant positive relationship with performance of FMCG firms. Similarly, Binuyo (2019) on effect of innovative strategies on the growth of selected FMCG firms in Nigeria used both descriptive and inferential statistics and the study revealed that innovative strategies had a significant effect on growth of FMCG firms. Another study was conducted by Islami (2020) in the Republic of Kosovo on the effect of generic strategies and firm performance. Through the use of Pearson's correlation and multivariate regression analysis on data from 113 firms, the study found that firms that used low cost strategy had improved firm performance.

2.4 Conceptual Framework

The study assumed that PLC extension strategies had an effect on performance of FMCG firms in Kenya while other factors remained constant. The study further assumed that market-based policy had a moderating effect while customer loyalty had a mediating effect on the relationship between PLC extension strategies and performance of FMCG firms. The relationship between the independent, moderating, mediating and dependent variables was diagrammatically conceptualized as in Figure 2.1.

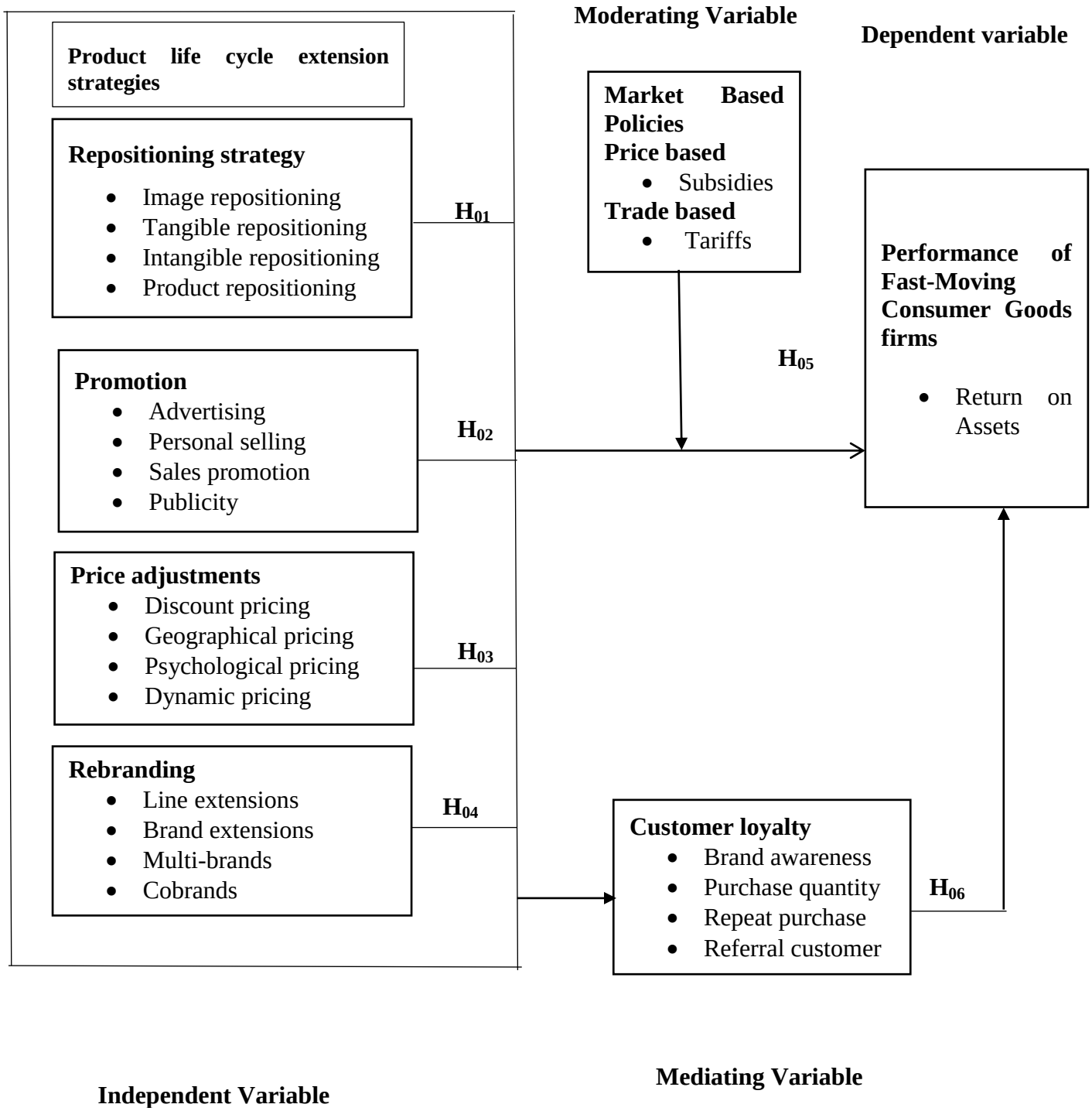

Figure 2.1: Conceptual Framework

2.5 Summary of Literature Review

The theoretical review captured three theories related to this study namely; game theory, marketing mix theory and economic theory of regulation. The relevance of game theory in this study applied to independent, moderating, mediating and dependent variables in which theoretical models were developed. Marketing mix theory was also used to derive independent variables while economic theory of regulation was used to derive the moderating variable. The theories were also used under the premise that, performance of FMCG firms is related to ROA which can be increased through PLC extension strategies thus avert switching of consumers to other competitors.

Empirical review detailed on PLC extension strategies which was the independent variable versus performance of FMCG firms. PLC extension strategies included repositioning, promotion, price adjustment and rebranding strategies. Literature from empirical review exhibited that performance of FMCG firms had been on decline due to inadequate information on strategies that could have been used for prolonged maturity stage of FMCG in the endeavor to sustain profits. The study therefore sought to fill in the research gap by answering the question on whether performance of FMCG firms was affected by PLC extension strategies in conjunction with market-based policies and customer loyalty in Kenya.

2.6 Research Gaps

The empirical, contextual and conceptual gaps reviewed by the literature outlined a number of challenges facing performance of FMCG firms as products navigated through the stages of PLC. Although many studies had been conducted on the area of FMCG, they were limited on effect of specific PLC extension strategies and performance of FMCG firms in Kenya. Most studies reviewed in the recent past on FMCG were conducted in other countries other than Kenya (Shahid & Zafar, 2019; Ebere & Onuoha, 2022; Mukeshimana et al., 2019; Izadi & Ghasemian, 2021 ; Hanaysha, 2018; Nair, 2019; Kambey, 2018; Indangasi, 2018; Ali et al., 2019). Their findings could not be generalized to a Kenyan setting. This was because of the differences in operational frameworks and environmental conditions. Other studies were conducted in other sectors other than manufacturing (Shafique, 2022; Kawira, 2021; Bamfo et al., 2018).

Their findings could not be generalized to a manufacturing sector setting because of the differences in operational frameworks across sectors. A few studies preferred exploratory study (Zhang & Xu, 2017; Li & Wei, 2018) which could not provide conclusive results. Other studies had a very small sample sizes (Wawaka & Muchelule, 2018; Adedayo & Babatunde, 2022) from which results could not be replicated. A summary of the research gaps is presented in Appendix V.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter details the research methods that were used in this study. It presents the research philosophy, research design, theoretical model and study population. It further discusses data collection instruments and procedures, data processing and analysis and test of assumptions.

3.2 Research Philosophy

The study was approached from pragmatism philosophical point of view. Pragmatism philosophy denotes the practicalities of inviting an anodyne alternative and expediency in guiding the process of enquiry as the situation demands for the best conclusion to the analyzed data (Simpson, 2018). A study by Maarouf (2019) asserts that many researchers consider pragmatism as the most common philosophical justification for research approach because it integrates both quantitative and qualitative data. Pragmatism produces a rationale for rigorous research, useful knowledge and best answer to data through inductive, deductive, cognitive and numerical reasoning for informative management decisions (Mitchell & Education, 2018).

In this study, pragmatic approach gave the researcher the leeway to choose the theories, techniques and procedures of research based on research objectives that opened doors to various suppositions and methods for gathering and analyzing data (Creswell, 2018). A study by Kelly and Cordeiro (2020) postulated that pragmatism offers a guiding epistemological framework anchored in the inquiry process and research practicality which is a worthy paradigm employed to manufacturing firms' strategies. It is a reflective process of enquiry initiated by a sense of doubt in the endeavor to find the best strategy to be employed for sustainable profits. Since the study used cross-sectional research design, pragmatism philosophy was most suited because both consider qualitative and quantitative data.

3.3 Research Design

The study employed cross-sectional research design where data was collected at once and provided for the collection of relevant evidence with optimum effort, time and expenditure (Pandey & Pandey, 2021). The design had the ability to provide potential alternatives for relationships among variables (Spector, 2019). According to Kesmodel (2018), cross-sectional data is used for both descriptive and analytical purposes of associations between exposures and outcomes in a specified period. In this study the outcome and exposure related to the effect of product life cycle extension strategies and performance of FMCG firms in Kenya from 2017 to 2021.

Cross-sectional design gave the researcher the leeway to investigate assumptions between multiple variables at the same time in order to approve or disapprove hypothesis (Buer & Sgarbossa (2021). According to Aggarwal and Ranganathan (2019), cross-sectional research is convenient because data is usually collected from a reliable source in this case manufacturing firms whose validity of results was dependent on census. It helped the researcher reach the intended respondents through questionnaires under the concept of before and after leading to conclusive results on how PLC extension strategies affected performance of FMCG firms (Ribeiro & Steiner, 2018).

3.4 Theoretical Model

The model employed by the study assumed that performance of firms dealing with fast moving consumer goods was a function of product life cycle extension strategies namely repositioning strategy, promotion strategy, price adjustment strategy and re-branding strategy. Mathematically, this is presented as in Equation 3.1.

$$Y = f(X_1, X_2, X_3, X_4) \quad \text{3.1}$$

Where Y was the dependent variable (performance of FMCG firms), X_1, X_2, X_3 and X_4 were the independent variables of repositioning, promotion, price adjustment and rebranding respectively.

The model was therefore presented as in Equation 3.2.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon \quad \text{3.2}$$

Where Y was the dependent variable, β_0 was a constant term, B_1 to β_4 were the beta coefficients, X_1 to X_4 were the independent variables and ε was the error term.

To test the effect of the independent on the dependent variables for hypothesis one to four, the linear regression model in Equation 3.2 is written as Equation 3.3.

$$Y = \beta_0 + \beta_1 R + \beta_2 P + \beta_3 PA + \beta_4 R + \varepsilon \quad \text{.....3.3}$$

Where *Y* was performance of FMCG firms, β_0 was a constant term, β_1- β_4 were beta coefficients of the independent variables, R was repositioning strategy, P was promotion strategy, PA was price adjustment strategy, R was Rebranding strategy and ε was error term.

To test for moderation effect, the following Moderated Multiple Linear Regression (MMR) model was adopted.

$$Y = \beta_0 + \beta_1 X_1.Z + \beta_2 X_2.Z + \beta_3 X_3.Z + \beta_4 X_4.Z + \varepsilon \quad \text{.....3.4}$$

Where: Y is performance of FMCG firms, β_0 is constant, β_1 - β_4 are beta coefficient, X_1 is the repositioning strategy, X_2 is promotion strategy, X_3 is price adjustment strategy, X_4 is rebranding strategy, Z is the corresponding coefficient for the moderating variable while ε is the error term.

To test the mediation effect to achieve objective six, this study borrowed from the work of Baron and Kenny's (1986) regression approach whereby four suggested steps of testing mediation where direct and indirect effect was established (Abrar et al., 2015). Figure 3.1 demonstrates direct and indirect effects.

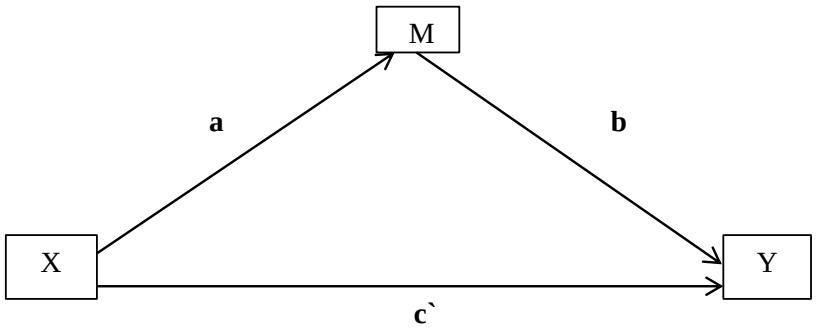

Figure 3.1: Mediation Model

In Figure 3.1, the direct effect (c') was established to find the effect of the independent variable X on dependent variable (Y). Path 'a' estimated the effect of the independent variable (X) on the mediator (M), path "b" estimated the effect of the mediator variable (M) on the dependent variable (Y) while controlling for independent variable (X) since independent variable and mediating variable cause the dependent variable (Y). In testing mediation, estimation of path 'a' and path 'b' was necessary (Meule, 2019). Therefore, this study adopted the argument in testing the mediation effect.

To test for mediation of customer loyalty required fours steps. Step one required the estimation of path "c", which was done in Equation 3.3. Step two required estimation of path 'a' when life cycle strategies are used as predictors of customer loyalty as shown in Equation 3.5.

$$CL = \beta_0 + \beta_1 IR + \beta_2 TR + \beta_3 IN + \beta_4 PR + \varepsilon \quad \text{...} \; 3.5$$

Where CL was customer loyalty.

Step three required estimation of path 'b' where customer loyalty predicted the FMCG performance as in Equation 3.6.

$$Y = \beta_0 + \beta_1 CL + \varepsilon \quad \text{..} \; 3.6$$

Lastly, an estimation of product life extension strategies and customer loyalty predicting FMCG performance was conducted in Equation 3.7.

$$Y = \beta_0 + \beta_1 IR + \beta_2 TR + \beta_3 IN + \beta_4 PR + \beta_5 CL + \varepsilon \quad \text{......................................} 3.7$$

Where Y was the performance of FMCG of firms and CL was the mediator (customer loyalty).

If one or more of the relationships in steps 1-3 was insignificant, customer loyalty was not a mediator. If there was significant relationship in steps 1-3, then one could proceed to step 4. Some mediation was supported if the effect of customer loyalty remained significant after controlling for product life extension strategies. If product life cycle extension strategies were no longer significant after controlling for customer loyalty, then customer loyalty fully mediated. If product life cycle extension strategies were still significant then, the findings supported partial mediation.

3.5 Population of the study

Through census, the study population was 193 FMCG manufacturing firms in Kenya. The study focused on only firms that had membership with KAM (2020) and under food and beverage sector. A period of five years was considered because manufacturing was among the key four agenda under the Jubilee Manifesto (2017) that was viewed as the engine for economic growth and development thus expected to turn around the economy. The respondents were marketing and finance managers who were required to respond to the questionnaires while the finance managers were required to respond to the interview schedule. The questionnaires were intended to collect primary data for measuring the independent, moderating and the mediating variables while data collection schedule was intended to collect data for measuring the dependent variable through ROA. Marketing and finance managers were considered to be the most suitable because they belonged to senior management team, had relevant skills and experience accordingly conversant with the firms operations (Majid, 2018).

3.6 Data Collection Instruments

Structured questionnaires and interview schedules were used to collect both primary and secondary data within a period of five years (2017-2021). The specific instruments were used because they were easy to administer as well as analyze. Moyo (2017) emphasized that data collection instruments provided the analytical basis in the quest for answers to a given research problem whereby instruments such as questionnaires are used to collect data. The most valued aspect of a questionnaire and interview schedules is the clarity of formulation of questions for the purposes of administration and adaptation to the target population (Thomas & Goulart, 2018).

3.7 Data Collection Procedure

To enable data collection, the researcher applied for a research permit. An approval letter and research clearance permit from National Commission for Science Technology and Innovation (NACOSTI) was issued to the researcher that was availed to all FMCG manufacturing firms. The researcher recruited and trained enumerators on the requirements of the research instruments, how to communicate with the respondents,

how to edit raw data in the field in instances where errors were detected as well as research ethics within a period of one month. With the help of the enumerators, the researcher embarked on actual quantitative data collection covering a period of five years (2017-2021) whereby structured questionnaires were administered to the FMCG firms' marketing and finance managers respectively through physical visits to each firm within four months in readiness for analysis in line with appendix IV. Data collected from secondary sources included demographic information, product life cycle extension strategies, customer loyalty, market based policies and firm performance.

3.8 Operationalization and Measurement of Study Variables

A summary of operationalization and measurement of study variables is presented in Table 3.1.

Table 3.1: Operationalization and measurement of Study Variables

Variable	Type of variable	Indicators	Measurements
Repositioning	Independent Variable	Image repositioning Tangible repositioning Intangible repositioning Product repositioning	Sales growth percentage
Promotion	Independent Variable	Advertising Personal selling Sales promotion Publicity	Sales growth percentage
Price adjustments	Independent Variable	Discount pricing Geographical pricing Psychological pricing Dynamic pricing	Retention rate
Rebranding	Independent Variable	Line extensions Brand extension Multi-brands Co-brands	Product line extension rate
Market based policies	Moderating Variable	Subsidies Tariffs	Percentage change in production cost
Customer Loyalty	Mediating Variable	Brand awareness Repeat purchase Purchase quantity Referral customer	Customer growth rate
Firm Performance	Dependent Variable	Return On Assets	Earnings after Tax (EAT) / Total assets

Table 3.1 indicates a summary of operationalization and measurement of study variables. The study adopted ROA as a measure of performance because it provided a more accurate view of how efficiently a firm manages its assets to generate profits. ROA measures the overall profitability of a company by taking into account all of its assets and liabilities (Mwazo, 2020). ROA therefore provided a more comprehensive picture of how well a company performed relative to its competitors, allowing investors to make more informed decisions about their investments.

3.9 Data Processing and Analysis

The study used both descriptive and inferential statistics to analyze data. Descriptive statistics were used to provide an overview of trends, mean and standard deviation statistics which were important in linking inferential statistics with the dependent variable. Inferential statistics included correlation and multiple linear regression. Multiple linear regression was utilized to forecast the dependent variable's outcome, while correlation was employed to ascertain the relationship between the independent and dependent variables (Senthilnathan, 2019).

3.10 Test of Assumptions

Before using the regression model, the assumptions of classical linear regression of normality, multi-collinearity, autocorrelation and heteroscedasticity were tested. Multicollinearity was tested through Variance Inflation Factor where a threshold above 10 indicated presence of multicollinearity. Autocorrelation was tested through Breusch-Goddfrey method where a P-value above 0.05 indicated absence of serial correlation. In regard to heteroscedasticity, Breusch-Pagan method was adopted where a P-value above 0.05 indicated absence of heteroscedasticity or presence of homoscedasticity. Lastly, normality of the dependent variable was tested through Kolmogorov-Smirnova test whereby a P-value above 0.05 indicated a normally distributed data (Oeta & Muchiri, 2019).

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

The chapter presents findings of the study. Frequency distributions are first reported followed by descriptive results then inferential statistics. The diagnostic results are also presented before the results on multiple linear regressions. Lastly, the findings on the moderating effect of market-based policies and mediating effect of customer loyalty are also presented. The findings are compared with those of previous studies.

4.2 Response Rate

A total of 193 questionnaires were administered to FMCG firms in Kenya classified under food and beverage sector and registered under KAM targeting marketing and finance managers. A total of 161 questionnaires were filled and returned. The response rate is presented in Table 4.1.

Table 4.1 Response Rate

	Frequency	Percentage
Questionnaires Responded to	161	83%
Non-response	32	17%
Total Number of Administered Questionnaires	193	100%

Table 4.1 indicates that a total of 161 (83%) questionnaires were correctly responded to and returned. A total of 32 (17%) of the questionnaires were not responded therefore extracted from the study. Response rate of 83% was adequate since according to Snyder (2019) a response rate of 60% and above is acceptable for analyzing and publishing.

4.3 Respondent's Demographic Characteristics

This section presents study findings on demographic characteristics comprising of respondent's gender, age bracket, highest academic qualification and work experience in their respective manufacturing firms. Establishing the respondents' demographics does

not change the link between study variables but provides insights into whether respondents are appropriate for the survey or not (Gupta, 2022).

4.3.1 Gender Distribution of the Respondents

The findings of the respondents by gender from the questionnaires are presented in Table 4.2.

Table 4.2 Gender Distribution of the Respondents

Demographic Factor	Category	Category	Percent
Gender	Male	77	48%
	Female	84	52%
Total		**161**	**100%**

Table 4.2 established that majority (52%) of the marketing and finance managers of the firms dealing with FMCG in Kenya were female. This number was however not significantly larger than the males who were (48%). This implied that implementation of one third gender rule was adhered to as required by Kenya Constitution 2010.

4.3.2 Distribution of Respondents by Age

The findings of the respondents by age are presented in Table 4.3

Table 4.3 Distribution of Respondents by Age

Demographic factor	Category	Frequency	Percentage
Age	Below 30 Years	56	35%
	Between 30 and 50 years	52	32%
	Above 50 years	53	33%
Total		**161**	**100%**

It was also established that (35%) of the marketing and finance managers were aged below 30 years, 32% were between 30 and 50 years while 33% were above 50 years. This implied that the respondents were mature enough in responding to the questionnaires objectively.

4.3.3 Academic Qualification of the Respondents

The findings of the highest and the lowest academic qualifications are indicated in Table 4.4

Table 4.4 Academic Qualification of the Respondents

Demographic factor	Category	Frequency	Percentage
Academic qualification	Diploma	42	26%
	Degree	57	35%
	Masters	53	33%
	PhD	9	6%
Total		**161**	**100%**

In relation to the highest level of education on Table 4.4, 26% of marketing and finance managers of the firms dealing with FMCG in Kenya had a diploma, 35% had a university degree, 33% had masters while 6% had PhD. This implied that all respondents had enough knowledge about the topic under study.

4.3.4 Work Experience of the Respondents

The findings of work experience by the respondents are as seen in Table 4.5

Table 4.5 The respondents' work experience

Demographic factor	Category	Frequency	Percentage
Work experience	Less than 5 Years	47	29%
	5 to 10 years	56	35%
	Above 10 years	58	36%
Total		**161**	**100%**

The study found that 29% of the respondents in Table 4.5 had less than 5 years' work experience, 35% had 5 to 10 years while majority (36%) had over 10 years. This implied that the respondents had a wide institutional memory and were resourceful in giving their opinion on the subject under study.

4.4 Descriptive Statistics

Descriptive statistics were used to describe the data. It provided an overview of trends, mean and standard deviation. The variables analyzed in descriptive statistics were important in linking to inferential statistics by finding out their relationships with the dependent variable.

4.4.1 Descriptive Statistics of Performance of FMCG Firms

The study sought to establish performance of FMCG firms in relation to return on assets. In order to calculate return on assets, the respondents were requested to respond to two questions. In the first question they were requested to indicate the firm's net income while in the second question they were supposed to indicate the firm's total assets for five consecutive years (2017-2021). The results are presented in Table 4.6.

Table 4.6 Descriptive Findings of Performance of FMCG Firms

	N	Minimum	Maximum	Mean	Std. Deviation
ROA	161	- 37%	52.4%	9.41%	33.0

Table 4.6 presents descriptive statistics of performance of FMCG firms measured in terms of returns on assets (ROA). It can be observed that on average, the firms recorded a positive ROA of 9.41%. This implied better performance in line with the threshold by Irman and Purwati (2020) who indicated that ROA above 5% is good for a business. The lowest performing firm documented a ROA of -37% and the best performing recorded 52.4%. There was a high variation in the ROA from firm to firm as shown by a big standard deviation value of 33%.

The findings align with the KAM reports that growth of FMCG has been on a downward trend at 1.8 percent in 2015, 1.4 percent in 2016, 1.3 percent in 2017, 1.6 percent in 2018, 1.4 percent in 2019 and 0.6 percent in 2020 compared to 5.8 percent in 2010. That has consequently led to a downward trend in the sector's contribution to GDP which has remained stagnant in the last 30 years, contributing an average of 10 percent from 1964 to 1973, rising marginally to 13.6 percent from 1990 to 2007 and averaging below 10 percent from 2008 to 2018 (KAM, 2018).

4.5 Descriptive Findings of Product Life Cycle Extension Strategies

Descriptive findings of repositioning, promotion, price adjustment and rebranding strategies are presented in this section. It entails frequency, percentages, mean and standard deviations. The study also established whether the FMCG firms had adopted the four strategies. An understanding of the changes observed before and after implementation of the strategies is also presented.

4.5.1 Descriptive Statistics of Repositioning Strategies

The study sought to analyze the effect of repositioning strategies on performance of FMCG firms. The descriptive statistics for repositioning strategies are presented in Table 4.7.

Table 4.7 Adoption of Repositioning Strategies

Repositioning Strategy	Adoption Status	Frequency	Percent
Image Repositioning	Adopted	102	63.4
Tangible Repositioning	Adopted	115	71.4
Intangible Repositioning	Adopted	131	81.4
Product Repositioning	Adopted	151	93.8

It can be observed form Table 4.7 that majority of the firms, 63.4%, 71.4%, 81.4% and 93.8% had adopted repositioning strategies namely image, tangible, intangible and product repositioning respectively. This demonstrated the high regard with which FMCG firms considered repositioning strategies. The findings indicated a high adoption rate of repositioning strategies. The strategy was adopted by most of the firms was product followed by intangible, tangible and lastly image repositioning.

Meanwhile, the average cost of adopting image repositioning, tangible repositioning, intangible repositioning and product repositioning for the FMCG firms was also established and results presented in Table 4.8.

Table 4.8 Cost of Adopting Repositioning Strategies

Repositioning Strategy	Minimum (KES)	Maximum (KES)	Mean	Std. Deviation
Cost of adopting Image Repositioning	420,000	1,870,000	562,400.14	360,968.08
Cost of adopting Tangible Repositioning	1,000,000	2,540,000	977,304.35	623,797.54
Cost of adopting Intangible Repositioning	1,200,000	2,690,000	1,004,274.81	606,574.28
Cost of adopting Product Repositioning	310,500	1,695,000	728,943.75	450,531.22

Table 4.8 shows that on average, it costed KES. 562,400 to adopt image repositioning, KES 977,304 to adopt tangible repositioning, KES 1,004,274 to adopt intangible repositioning and KES 728,943 to adopt product repositioning strategies. Given the high standard deviations, it can be argued that there was a high variation in the cost of adopting repositioning strategies from one firm to another. In addition, the cost of adopting repositioning strategies varied across the firms but on average, the most expensive strategy to adopt was intangible repositioning while the cheapest was image repositioning. In addition, the average annual sales before and after adoption of image repositioning, tangible repositioning, intangible repositioning and product repositioning for the FMCG firms was established. The results are presented in Tables 4.9.

Table 4.9 Average Annual Sales Before and after adoption of Repositioning Strategies.

Repositioning Strategy		Minimum	Maximum	Mean	Std. Deviation
Image Repositioning	Average annual Sales before	420,000	8,760,000	3,487,254.90	2,076,263.38
	Average annual Sales after	430,000	11,380,000	4,046,372.55	2,536,267.54
Tangible Repositioning	Average annual Sales before	400,000	8,370,000	3,416,000.00	2,010,472.93
	Average annual Sales after	440,000	13,140,000	4,456,460.18	2,724,790.60
Intangible Repositioning	Average annual Sales before	580,000	9,280,000	4,223,511.45	2,420,920.02
	Average annual Sales after	400,000	12,990,000	5,376,412.21	3,559,174.94
Product Repositioning	Average annual Sales before	350,000	6,930,000	2,893,311.26	1,708,310.56
	Average annual Sales after	650,000	9,290,000	3,467,039.47	2,263,267.82

The study findings of Table 4.9 indicated that on average, there was an increase in the average annual sales after adoption of each of the repositioning strategies. Minimum indicated the lowest annual average sales by the targeted firms before adoption of the strategies while maximum indicated the highest average annual sales after adoption of the strategies hence all other figures fell within that range. Before adoption of image repositioning, the average annual sales for the firms were KES 3,487,254.90 which improved to average annual sales of KES 4,046,372.55 after adoption.

Similarly, before adoption of tangible repositioning, the average annual sales for the firms were KES 3,416,000.00 which improved to average annual sales of KES 4,456,460.18 after adoption. In addition, it was observed that before adoption of product repositioning, the average annual sales for the firms were KES 2,893,311.26 which improved to average annual sales of KES 3,467,039.47 after adoption. It also showed

that before adoption of intangible repositioning, the average annual sales for the firms were KES 4,223,511.45 which improved to average annual sales of KES 5,376,412.21 after adoption. Overall, the finding implied that adoption of repositioning strategies was associated with an increase in the annual sales of the firm. The highest increase in annual sales was associated with adoption of tangible repositioning strategy followed by intangible then product and lastly image repositioning.

Similarly, the percentage change in the average annual sales before and after adoption of image repositioning, tangible repositioning, intangible repositioning and product repositioning for the FMCG firms that had adopted repositioning strategy is presented in Table 4.10.

Table 4.10 Percentage Change in Annual Sales after Adoption of Repositioning Strategies

Repositioning Strategy	Minimum	Maximum	Mean	Std. Deviation
Percentage change in annual Sales after Image Repositioning	-14.60%	34.90%	13.1%	11.8
Percentage change in annual Sales after Tangible Repositioning	-14.00%	57.00%	27.8%	13.6
Percentage change in annual Sales after Intangible Repositioning	-49.00%	58.90%	22.2%	25.8
Percentage change in annual Sales after Product Repositioning	-61.20%	69.90%	16.9%	17.7

The study findings in Table 4.10 indicated that on average, there was an increase in the average annual sales after adoption of each of the repositioning strategies. Before adoption of image repositioning, the average annual sales for the firms demonstrated a percentage increase of 13.1%. Similarly, adoption of tangible repositioning demonstrated a percentage increase of 27.8%. In addition, product repositioning, demonstrated a percentage increase of 16.9% while intangible repositioning demonstrated a percentage increase of 22.2%.

Overall, the finding implied that adoption of repositioning strategies was associated with an increase in the annual sales of the firm. The highest increase in annual sales was associated with adoption of tangible repositioning strategy followed by intangible then product and lastly image repositioning.

4.5.2 Descriptive Statistics for Promotion Strategies

The study sought to analyze the effect of promotion strategies on performance of FMCG firms. The descriptive statistics for promotion strategies are presented in Table 4.11.

Table 4.11 Adoption of Promotion Strategy

	Adoption Status	Frequency	Percent
Advertising	Adopted	161	100%
Personal Selling	Adopted	121	75.2%
Sales Promotion	Adopted	161	100%
Publicity	Adopted	107	66.5%

The results in Table 4.11 indicate that all the firms had adopted advertising as well as sales promotion strategies. In addition, majority of the firms, 75.2% and 66.5% had adopted personal selling and publicity strategies respectively. This implied that promotion strategies had widely been adopted by the FMCG firms in Kenya. However, the most commonly adopted promotion strategies were advertising and sales promotion adopted by all the firms followed by personal selling and lastly publicity which had been adopted by two thirds of the firms. Depending on financial capability of each firm, some strategies were adopted 100% while others were not. The study also established the average cost of adopting promotion strategies (advertising, personal selling, sales promotion and publicity). The results are presented in Table 4.12.

Table 4.12 Cost of Adopting Promotion Strategy

	Minimum (KES)	Maximum (KES)	Mean	Std. Deviation
Advertising Cost	40,000	1,342,000	1,359,814	1289844
Personal Selling Cost	20,000	2,680,000	271,375	317397.4
Sales promotion cost	50,000	1,449,000	1,467,081	1393200
Publicity Cost	130,000	9,120,000	1,064,909	1272102

Table 4.12 indicates that on average, the firms had spent KES 1,359,814 annually on advertising, KES 271,375 on personal selling, KES 1,467,081 on sales promotion and KES 1,064,909 on publicity. However, a high standard deviation for each case demonstrated that the costs used in promotion greatly varied across the firms. This finding implied that to do promotion, the FMCG firms must incur some costs which greatly varied from firm to firm. The average annual sales before and after adoption of promotion strategies (advertising, personal selling, sales promotion and publicity) for the FMCG firms that had adopted these strategies was also established and the results presented in Tables 4.13 and 4.14.

Table 4.13 Average Annual Sales Before and After Adoption of Promotion Strategies

Promotion Strategy		Minimum (KES)	Maximum (KES)	Mean	Std. Deviation
	Average annual Sales before	170,000	2,480,000	1,203,105.59	684,459.86
Advertising	Average annual Sales after	270,000	3,790,000	1,809,179.50	1,057,528.55
	Average annual Sales before	230,000	4,820,000	1,950,413.22	1,204,633.00
Personal Selling	Average annual Sales after	250,000	7,130,000	2,583,636.36	1,773,148.80
	Average annual Sales before	300,000	4,900,000	2,367,701.86	1,371,887.50
Sales Promotion	Average annual Sales after	330,000	7,300,000	3,174,782.61	1,956,563.02
	Average annual Sales before	450,000	8,000,000	3,299,065.42	2,121,069.74
Publicity	Average annual Sales after	470,000	10,320,000	3,894,112.15	2,580,666.13

Table 4.14 Percentage Change in Annual Sales After Adoption of Promotion Strategies

	Minimum	Maximum	Mean	Std. Deviation
Advertising	-42%	45.0%	20.8%	16.0
Personal Selling	- 5.0%	65.0%	26.8%	19.6
After sales Promotion	- 44.0%	55.0%	30.1%	17.8
Publicity	0.0%	30.0%	16.0%	9.1

The findings in Tables 4.13 and 4.14 indicate that on average, there was an increase in annual sales after adoption of each of the promotion strategies. Specifically, the annual sales increased by an average of 20.8% from an average of KES 1,203,105.59 to an average of KES 1,809,179.50 per annum after adoption of advertising strategy.

In addition, the annual sales increased by an average of 26.8% from an average of KES 1,950,413.22 to an average of KES 2,583,636.36 per annum after adoption of personal selling strategy. It was also demonstrated that the annual sales increased by an average of 30.1% from an average of KES 2,367,701.86 to an average of KES 3,174,782.61 per annum after adoption of sales promotion strategy. The study also found that the annual sales increased by an average of 16% from an average of KES 3,299,065.42 to an average of KES 3,894,112.15 per annum after adoption of sales promotion strategy.

The findings implied that adoption of any of the promotion strategies (advertising, personal selling, sales promotion and publicity) led to an improvement in the annual sales of the FMCG firms. The findings also implied that the highest percentage increase in annual sales was associated with adoption of sales promotion followed by personal selling then advertising and lastly publicity. This finding supported the work of Claro (2021) that promotion strategies have positive effect on firm's performance.

4.5.3 Descriptive Statistics of Price Adjustment Strategies

The study sought to assess the effect of price adjustment strategies on performance of FMCG firms. The descriptive statistics of price adjustment strategies are presented in Table 4.15.

Table 4.15 Adoption of Price Adjustment Strategy

	Status of Adoption	Frequency	Percent
Discount Pricing	Adopted	161	100
Geographic Pricing	Adopted	123	76.4
Psychological Pricing	Adopted	93	57.8
Dynamic Pricing	Adopted	161	100

Table 4.15 provided evidence that all the firms had adopted discount pricing as well as dynamic pricing strategies. In addition, majority of the firms, that is 76.4% and 57.8% had adopted geographic pricing and psychological pricing strategies respectively. These finding implied that indeed price adjustment strategies had been adopted among the FMCG firms in Kenya.

The most commonly adopted strategies were discount pricing as well as dynamic pricing strategies which had been adopted by all the firms. The least adopted strategy was psychological pricing. The study also established the average annual sales after adopting price adjustment strategies (discount pricing, geographical pricing, psychological pricing and dynamic pricing) for the FMCG firms that had adopted them. The results are presented in Tables 4.16.

Table 4.16 Annual Sales After adopting Price Adjustment Strategy

Price Adjustment Strategy	Minimum (KES)	Maximum (KES)	Mean	Std. Deviation
Annual Sales after price discounting	400,000	6,500,000	3,148,696	1811270
Annual Sales after Geographic Pricing	320,000	4,350,000	2,044,797	1245032
Annual Sales after Psychological Pricing	320,000	4,200,000	2,151,290	1309887
Annual Sales after Dynamic Pricing	250,000	4,120,000	1,726,813	998924.8

Table 4.16 indicates that after adoption of each of the price adjustment strategies (discount pricing, geographical pricing, psychological pricing and dynamic pricing), there was an increase in the average annual sales. This implied that adoption of price adjustment strategies (discount pricing, geographical pricing, psychological pricing and dynamic pricing) was associated with an increase in annual sales.

This finding was consistent with the work of Guan (2020) who argued that price adjustment strategy increases sales and in the long run overall profits. In addition, the number of customers before and after adoption of price adjustment strategies (discount pricing, geographical pricing, psychological pricing and dynamic pricing) for the FMCG firms that had adopted was established.

The results of the number of customers before and after adoption as well as percentage change in the number of customers after adoption of price adjustment strategy are shown, respectively, in Tables 4.17 and 4.18.

Table 4.17: Number of Customers Before and After Adoption of Price Adjustment Strategies

		Minimum	Maximum	Mean	Std. Deviation
	Number of Customers before	4,329	5,800	5,032	419.436
Price Discounting	Number of Customers after	4,216	9,267	6,323	1130.744
	Number of Customers before	4,337	5,751	4,971	423.822
Geographic Pricing	Number of Customers after	3,081	8,401	6,200	927.613
	Number of Customers before	1,269	4,700	2,085	676.337
Psychological Pricing	Number of Customers after	1,013	5,687	2,367	871.107
	Number of Customers before	2,390	4,548	3,392	463.678
Dynamic Pricing	Number of Customers after	1,748	5,958	4,085	749.252

Table 4.18 Percentage Change in the Number of Customers after Adoption of Price Adjustment Strategies

	Minimum	Maximum	Mean	Std. Deviation
Discount Pricing	- 4%	65%	25.7%	17.9
Geographic Pricing	- 3%	100%	24.7%	271.0
Psychological Pricing	- 35%	90.6%	13.5%	262.2
Dynamic Pricing	- 40%	45%	20.4%	15.8

Table 4.17 indicates that overall, the average number of customers increased after adoption of each of the price adjustment strategies (discount pricing, geographical pricing, psychological pricing and dynamic pricing). It can be observed that after adopting price discounting strategy, the average number of customers annually increased by an average of 25.7% from 5,032 to 6,323 (Table 4.17 and 4.18). It was also observed that after adopting geographic pricing strategy, the average number of customers increased annually by an average of 24.7% from 4,971 to 6,200.

In addition, the results indicated that after adopting psychological pricing strategy, the average number of customers annually increased by an average of 13.5% from 2,085 to 2,367. It was also observed that after adopting dynamic pricing strategy, the average number of customers annually increased by an average of 20.4% from 3,392 to 4,085. A high standard deviation across demonstrated that the change in the number of customers as a result of adopting each of the strategies greatly varied.

This finding further implied that after adopting price discounting strategy, the average number of customers annually increased which meant that discounting pricing strategy was associated with an increase in the number of customers. This result was in line with Hong and Weng's (2020) study, which discovered a strong positive correlation between profit margin and lower prices in the PLC's maturity stage.

4.5.4 Descriptive Statistics of Rebranding Strategy

The study sought to establish the effect of rebranding strategy on performance of FMCG firms. Descriptive statistics of rebranding strategies are presented in Table 4.19.

Table 4.19 Adoption of Rebranding Strategy

	Status of Adoption	Frequency	Percent
Line Extension	Adopted	108	67.1
Brand Extension	Adopted	107	66.5
Multi-brands	Adopted	99	61.5
Co-brands	Adopted	106	65.8

Table 4.19 reveals that line extensions had been adopted by up to 67.1% of the firms, brand extensions had been adopted by up to 66.5% of the firms, multi-brands had been adopted by up to 61.5% of the firms and co-brands had been adopted by up to 65.8% of the firms. These findings implied that rebranding strategies (line extensions, brand extensions, multi-brands and co-brands) had been adopted by the firms dealing with FMCG in Kenya.

The most adopted rebranding strategy was line extensions followed by brand extensions then co-brands and lastly multi-brands. Moreover, the study established the average number of lines before and after adoption of rebranding strategies (line extensions, brand extensions, multi-brands and co-brands) for the FMCG firms that had adopted. The results are presented in Tables 4.20 and 4.21.

Table 4.20 Number of Lines before and after Adoption of Rebranding Strategy

Rebranding Strategy		Minimum	Maximum	Mean	Std. Deviation
Lines Extension	Number of Lines before Line extension	4	15	9.68	3.786
	Number of Lines after line extension	2	25	13.47	5.813
Brand Extension	Number of Lines before Brand extension	4	8	4.36	2.393
	Number of Lines after Brand extension	5	16	6.44	3.457
Multi-brands	Number of Lines before Multi-brands extension	4	9	6.79	1.722
	Number of Lines after Multi-brands extension	5	17	10.05	3.262
Co-brands	Number of Lines before Co-brands extension	9	6	7.611	2.142
	Number of Lines after Co-brands extension	1	17	9.38	3.372

Table 4.21 Product Line Extension Rate after Adoption of Rebranding Strategy.

	Minimum	Maximum	Mean	Std. Deviation
Product Line Extension Rate after Line Branding	-50%	66.7%	39.1%	53.5%
Product Line Extension Rate after Brand extension	25%	100.00%	47.7%	44.5%
Product Line Extension Rate after Multi-branding	25%	88.9%	48.01%	89.4%
Product Line Extension Rate after Co-branding	-88.9%	183.3%	23.2%	39.8%

Tables 4.20 and 4.21 indicate that the number of lines increased by an average of 39.1% from an average of 9.68 to 13.47 after adoption of line extension. The results further indicated that the number of lines increased by an average of 47.7% from an average of 4.36 to 6.44 after adoption of brand extension. Furthermore, the number of lines increased by an average of 48.01% from an average of 6.79 to 10.05 after adoption of multi brands. It was also observed that the number of lines increased by an average of 23.2% from an average of 7.611 to 9.38 after adoption of co-brands.

Generally, the findings implied that adoption of rebranding strategies (line extensions, brand extensions, multi-brands and co-brands) was associated with an increase in the number of lines. The highest increase in the number of lines was associated with the adoption of brand extensions strategy followed by co-brands then multi branding and finally line extensions. This finding confirms the work of Indangasi (2018) who established that rebranding strategies improved firm performance.

4.5.5. Descriptive Statistics of Market Based Policies

The study sought to investigate the moderating effect of market-based policies on the relationship between product life cycle extension strategies and performance of fast moving consumer goods firms in Kenya. The study sort to establish whether FMCG firms received subsidies from Government and whether the firms were affected by high tariffs on inputs (imported raw materials).

It was established that none of the firms received subsidies. However, all firms indicated that they had been affected by high tariffs on inputs. The descriptive statistics for the moderating variable, that is, market-based policies, entailed an understanding of the changes in the cost of production as a result of the market-based policies. The study established the changes in production cost before and after the tariffs as shown in Tables 4.22 and 4.23.

Table 4.22 Production Cost and Sales Before and After Tariffs

	N	Minimum	Maximum	Mean	Std. Deviation
Production cost before Tariffs (KES.)	161	500,000	9,500,000	3,858,385	2,228,328
Production cost after Tariffs (KES.)	161	685,152	12,834,855	4,777,532	2,775,873
Sales before Tariffs	161	1,140,000	18,780,000	7,613,105.59	4,417,685.23
Sales after Tariffs	161	1,040,000	14,610,000	7,106,273.29	4,024,325.69

Table 4.23 Percentage Change in Production Cost after Introduction of Tariffs

	N	Minimum	Maximum	Mean	Std. Deviation
Percentage Change in Production Cost after Tariffs	161	15%	59%	40.37%	12.90

The results in Tables 4.22 and 4.23 indicate that across all the FMCG firms, the average production costs before introduction of tariffs were KES 3,858,385 which then increased by an average of 40.37% to an average annual amount of KES 4,777,532 (Table 4.22). The high standard deviation demonstrated a wide variation in the production cost across the firms to imply that the firms documented varying production costs. This finding implied that introduction of input tariffs increased the production costs significantly by close to half the amount. This in turn decreased the profits realized and worsened the performance of the FMCG firms. It can therefore be argued that input tariffs had a detrimental impact on performance of FMCG firms.

Additionally, the study established the average annual sales after the introduction of input tariffs across FMCG firms decreased from KES 7,613,105 KES 7,106,273. This finding implied that introduction of input tariffs had a detrimental impact on firm performance of FMCG firms by decreasing the sales. This was because the prices were increased to cater for the increased production costs and in doing so, the demand for the goods decreased thus decreasing the sales. The study confirms the finding by Linarello (2018) that tariff cuts induce firms to acquire new machinery and pay higher wages to skilled workers which could potentially drive productivity growth following elimination of output and input tariffs.

4.5.6. Descriptive Statistics of Customer Loyalty

The study sought to determine the mediating effect of customer loyalty on the relationship between product life cycle extension strategies and performance of fast moving consumer goods firms in Kenya. The descriptive statistics of customer loyalty are presented in Table 4.24.

Table 4.24 Descriptive Findings of Customer Loyalty

		Frequency	Percent
Brand Awareness	Yes	161	100
Purchasing in Large Quantity	Yes	88	54.7
Repeat Customer	Yes	161	100
Referral Customer	Yes	161	100

Table 4.24 established that all customers of the FMCG manufacturing firms were aware of the firm's brand and received repeat and referral customers (100%). Other customers (54.7%), purchased in large quantities. The findings provided evidence of customer loyalty among the FMCG firms in Kenya. The study also established the current and previous year's number of customers as indicated in Table 4.25.

Table 4.25: Current and Previous Years' Number of Customers

	N	Minimum	Maximum	Mean	Std. Deviation
Previous Year's Number of Customers	161	8,640	10,514	9,505	539.64
Current Year's Number of Customers	161	7,634	15,240	11,247	2,243.69

Table 4.25 shows that there was an increase in the average number of customers from an annual average of 9,505 to 11,247. This signifies an improvement in customer loyalty among the firms. The annual sales for the current and preceding years were also analyzed, as displayed in Table 4.26.

Table 4.26 Current and Previous Years Annual Sales

	N	Minimum	Maximum	Mean	Std. Deviation
Previous Year's Annual Sales	161	790,000	20,090,000	6,536,770.19	4,381,960.98
Previous Year's Annual Sales	161	1,040,000	14,610,000	7,106,273.29	4,024,325.69

Table 4.26 indicates that there was an increase in the average annual sales from an average of KES. 6,536,770 to an average of KES 7,106,273. This implied that as a result of an increase in customer loyalty demonstrated by an increase in the number of customers, there was an increase in the annual sales across the firms. This finding was consistent with the finding of Sundstrom (2019) who established that customer loyalty enhanced the impact of firm identity and image reputation of products leading to increase in ROA.

4.6. Correlation Analysis

The study conducted Pearson's correlational analysis to determine the relationship between PLC extension strategies and performance of FMCG firms in Kenya. The results are shown in Table 4.27.

Table 4.27 Correlation Analysis

		Repositioning Strategy	**Promotion Strategy**	**Price Adjustment Strategy**	**Rebranding Strategy**	**Performance**
Repositioning Strategy	Pearson Correlation	1				
Promotion Strategy	Pearson Correlation	0.038	1			
	Sig. (2-tailed)	0.635				
Price Adjustment Strategy	Pearson Correlation	- 0.025	- 0.002	1		
	Sig. (2-tailed)	0.753	0.983			
Rebranding Strategy	Pearson Correlation	- 0.030	0.016	- 0.108	1	
	Sig. (2-tailed)	0.706	0.836	0.172		
Performance	Pearson Correlation	.314**	.366**	.311**	.298**	1
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	
	N	**161**	**161**	**161**	**161**	**161**

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

The correlation results in Table 4.27 indicate a significant positive correlation between repositioning strategy where r = 0.314; P-Value < 0.05 and performance of FMCG firms in Kenya. Similarly, the correlation between promotion strategy and performance of FMCG firms in Kenya was positive and significant where r = 0.366; P-Value < 0.05. The results further indicated a significant positive correlation between price adjustment strategy where r = 298; P-Value <0.05 and firm performance.

The correlation between rebranding strategy and performance of FMCG was also positive and significant (r = 0.298; P-Value < 0.05). The findings imply that an improvement in product lifecycle strategies that is repositioning strategy, promotion strategy, price adjustment strategy and rebranding strategy would lead to a significant improvement in performance of FMCG.

4.7 Diagnostic Results

Before running multiple linear regression model to predict the effect of PLC extension strategies and firm performance (ROA), diagnostic tests were conducted to establish whether the assumptions of linear regressions were obeyed.

4.7.1. Normality Test of Firm Performance

In order to make inferences from an analysis, the assumption of normally distributed dependent variable is very important. The test of normality of the dependent variable was conducted using both Kolmogorov-Smirnova and Shapiro- Wilk normality tests as presented in Table 4.28.

Table 4.28: Normality Tests

Tests of Normality

	Kolmogorov-Smirnova			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Performance of FMCG Firms	0.106	161	0.325	0.937	161	0.648

a Lilliefors Significance Correction

H_{01}: *The data for performance of FMCG firms is normally distributed*

The finding in Table 4.31 indicates that data on performance of FMCG firms in Kenya was normally distributed. Since Kolmogorov-Smirnova (KS) statistics was not significant, that is 0.325 (P-Value > 0.05). Therefore, the null hypothesis of normality was not rejected (Shapiro & Wilk, 1965). It was therefore concluded that data for firm performance was normally distributed.

4.7.2. Multi-Collinearity Test

Multicollinearity test was essential in establishing whether the independent variables were highly correlated or not. Presence of multicollinearity inflates the standard errors of a regression model thus giving spurious results. To establish whether there was a problem of multicollinearity among the independent variables, the study adopted the Variance Inflation Factor (VIF) method where a value above 10 was an indication of presence of multicollinearity (Synider, 2019). The results are presented in Table 4.29.

Table 4.29: Multi-Collinearity Test

	Collinearity Statistics	
	Tolerance	**VIF**
Repositioning Strategy	0.799	1.251
Promotion Strategy	0.796	1.256
Price Adjustment Strategy	0.762	1.313
Rebranding Strategy	0.775	1.29
Market Based Policies (Tariffs)	0.387	2.582
Customer Loyalty	0.325	3.079

Dependent Variable: Performance of FMCG Firms

Table 4.32 demonstrates that all the predictor variables in the model that is repositioning strategy, promotion strategy, price adjustment strategy, rebranding strategy, market-based policies (tariffs) and customer loyalty had VIF values below 10 which is the recommended threshold for absence of multicollinearity.

4.7.3. Homoscedasticity Test

Homoscedasticity suggests that the dependent variable has a constant variance for each of the values of the independent variables (Yang et. al., 2019). A test for homoscedasticity is made to test for variance in residuals in the regression model used. Homoscedasticity test was conducted on the error term after running the regression models. In a multiple linear regression model, the homoscedasticity was tested using the Breusch-Pagan test. The test states that the probability value should be greater than 0.05 to meet the homoscedasticity assumption and indicates non-violations of the classical linear assumptions. The results are presented in Table 4.30.

Table 4.30: Homoscedasticity Test

Breusch-Pagan / Cook-Weisberg test for Homoscedasticity
Ho: Constant variance
$Chi^2(3)$ = 0.816
Prob > Chi^2 = 0.106

H_0: *The error terms are homoscedastic*

The results presented in Table 4.30 show that the P-value was greater than 0.05 which demonstrated that the error terms showed homoscedasticity. A P-value of 0.106 led to the failure to reject the null hypothesis of homoscedasticity.

4.7.4. Autocorrelation Test

Another assumption of classical estimator is that of autocorrelation where the variation in the error term is not supposed to be correlated. In this method, Breusch-Godfrey method was adopted where a P-value > 0.05 indicated absence of serial correlation as presented in Table 4.31.

Table 4.31: Autocorrelation Test of the Model Linking Repositioning Strategies to Firm Performance

Breusch-Godfrey Test of Autocorrelation
Ho: Constant variance
$Chi^2(3)$ = 0.616
$Prob > Chi^2$ = 0.112

H_0: *There is no presence of serial correlation in the error terms*

Table 4.31 reveals that the P-value was greater than 0.05 which demonstrated absence of serial correlation. A P-value of 0.112 which is greater than 0.05 led to the failure to reject the null hypothesis of absence of autocorrelation.

4.8. Inferential Analysis of the Effect of PLC Extension Strategies on Performance of FMCG Firms

The effect of PLC extension strategies namely repositioning strategy, promotion strategy, price adjustment strategy and rebranding strategy on performance of FMCG firms was tested using multiple regression model equation as shown below;

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

Where Y was the dependent variable, β_0 was a constant term, β_1 to β_4 were the beta coefficients, X_1 to X_4 were the independent variables namely repositioning strategy, promotion strategy, price adjustment strategy and rebranding strategy and ε was the error term. The regression model summary is presented in Table 4.32.

Table 4.32: Regression Model Summary

Model Summary			
R	R Square	Adjusted R Square	Std. Error of the Estimate
.664a	0.440	0.426	20.356

The study findings in Table 4.32 demonstrate that product life cycle extension strategies namely repositioning strategy, promotion strategy, price adjustment strategy and rebranding strategy explains up to 44% of the variations in performance of FMCG firms in Kenya. This implies that these strategies explain the largest variations in performance of FMCG firms in Kenya to demonstrate their importance. The ANOVA results are presented in Table 4.33.

Table 4.33: ANOVA Results

	Sum of Squares	df	Mean Square	F	Sig.
Regression	50884.35	4	12721.09	30.7	.000
Residual	64642.06	156	414.372		
Total	115526.4	160			

Dependent Variable: Performance of FMCG firms

Predictors: (Constant), Rebranding Strategy, Promotion Strategy, Repositioning Strategy, Price Adjustment Strategy

Table 4.33 demonstrates that the regression model linking product life cycle extension strategies namely repositioning strategy, promotion strategy, price adjustment strategy and rebranding strategy to performance of FMCG firms in Kenya was a good fit (P-values < 0.05). The model was therefore significant to predict the effect of product life cycle extension strategies namely repositioning strategy, promotion strategy, price adjustment strategy and rebranding strategy on firm performance. This was important in finding out whether the model linking product life cycle extension strategies namely repositioning strategy, promotion strategy, price adjustment strategy and rebranding

strategy to performance of FMCG firms in Kenya was a good fit. Regression model coefficients results are presented in Table 4.34.

Table 4.34: Regression Model Coefficients Results

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	-17.88	3.121		-5.729	0.000
Repositioning Strategy	3.167	0.593	0.32	5.337	0.000
Promotion Strategy	3.152	0.542	0.349	5.818	0.000
Price Adjustment Strategy	2.309	0.391	0.356	5.909	0.000
Rebranding Strategy	1.282	0.227	0.341	5.651	0.000
Dependent Variable: Performance of FMCG firms in Kenya					

Based on the model coefficients results in Table 4.34, the model coefficients were substituted in the multiple regression model that is $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3+\beta_4X_4 + \varepsilon$ as follows;

$Y = (17.880) + 3.167\ X_1 + 3.152\ X_2 + 2.309\ X_3 + 1.282\ X_4$

Where:

X_1 is repositioning strategy

X_2 is promotion strategy

X_3 is price adjustment strategy

X_4 is rebranding strategy

This model implies that all the four product life cycle extension strategies (repositioning strategy, promotion strategy, price adjustment strategy and rebranding strategy) have a positive significant effect on performance of fast-moving consumer goods firms in Kenya.

H_{01}: Repositioning strategy has no significant effect on performance of fast-moving consumer goods firms in Kenya.

The results in Table 4.61 indicate that adoption of repositioning strategy has a positive and significant effect on performance of FMCG firms in Kenya (β = 0.3.167; P-Value < 0.05). This finding implies that the null hypothesis was rejected to mean that a unit increase in adoption of repositioning strategy can lead to a significant increase in performance of FMCG firms in Kenya by 3.167 units.

H_{02}: Promotion strategy has no significant effect on performance of fast-moving consumer goods firms in Kenya.

The results in Table 4.61 indicate that adoption of promotion strategy has a positive and significant effect on performance of FMCG firms in Kenya (β = 3.152; P-Value < 0.05). This finding implies that the null hypothesis was rejected to mean that a unit increase in adoption of promotion strategy can lead to a significant increase in performance of FMCG firms in Kenya by 3.152 units.

H_{03}: Price adjustment strategy has no significant effect on performance of fast-moving consumer goods firms in Kenya.

It can be observed from Table 4.61 that adoption of price adjustment strategy has a positive and significant effect on performance of FMCG firms in Kenya (β = 2.309; P-Value < 0.05). This finding implies that the null hypothesis was rejected to mean that a unit increase in adoption of price adjustment strategy can lead to a significant increase in performance of FMCG firms in Kenya by 2.309 units.

H_{04}: Rebranding strategy has no significant effect on performance of fast-moving consumer goods firms in Kenya.

The results in Table 4.61show that adoption of rebranding strategy has a positive and significant effect on performance of FMCG firms in Kenya (β = 1.282; P-Value < 0.05). This finding implies that the null hypothesis was rejected to mean that a unit increase in adoption of rebranding strategy can lead to a significant increase in performance of FMCG firms in Kenya by 1.282 units.

4.9. Moderating Effect of Market Based Policies

The fifth objective was to investigate the moderating effect of market based policies on the relationship between product life cycle extension strategies and performance of FMCG firms in Kenya. Using the Moderated Multiple Linear Regression (MMR) model;

$$Y = \beta_0 + \beta_1 X_1.Z + \beta_2 X_2.Z + \beta_3 X_3.Z + \beta_4 X_4.Z + \varepsilon$$

Where: Y is performance of FMCG firms, β_0 is constant, β_1 - β_4 are beta coefficient, X_1 is the repositioning strategy, X_2 is promotion strategy, X_3 is price adjustment strategy, X_4 is rebranding strategy, Z is the corresponding coefficient for the moderating variable while ε is the error term, the following hypothesis was tested as shown;

H_{O5}: Market based policies have no moderating effect on the relationship between product life cycle extension strategies and performance of fast-moving consumer goods firms in Kenya.

4.9.1 Effect of PLC Extension Strategies on Performance before Moderation

When establishing the effect of product life cycle on performance of FMCG before moderating with market-based policies, the study findings in Table 4.32 demonstrated that product life cycle extension strategies namely repositioning strategy, promotion strategy, price adjustment strategy and rebranding strategy explain up to 44% of the variations in performance of FMCG firms in Kenya. These findings are compared with the findings in the subsequent steps after moderation.

4.9.2 Effect of PLC Extension Strategies on Performance after Moderation

The findings for the moderating effect of market-based policies (after interacting the independent variables with the moderator) are presented in Table 4.35.

Table 4.35: Regression Model Summary of Moderating Effect of Trade Based Policies

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.418	0.175	0.154	24.718

Predictors: (Constant), Interaction Terms

The findings in Table 4.35 demonstrate that the interaction of market-based policies (input tariffs) explain up to 17.5% of the variations in performance of FMCG Firms in Kenya. Compared to the findings that the strategies contribute 44% of the variations in performance of FMCG firms in Kenya before moderating, these findings imply that market-based policies (input tariffs) lead to a reduction in the effect of product life cycle strategies on performance of FMCG firms. The regression model's fitness was also established through ANOVA as shown in Table 4.36.

Table 4.36: ANOVA Results of Moderating Effect of Trade-Based Policies

	Sum of Squares	df	Mean Square	F	Sig.
Regression	20210.79	4	5052.696	8.27	.000
Residual	95315.62	156	610.998		
Total	115526.4	160			

Dependent Variable: Performance of FMCG firms

Predictors: (Constant), Interaction Terms

Table 4.36 indicates that the regression model testing the moderating effect of trade policies (input tariffs) was a good fit (P-values < 0.05). The model was therefore significant to predict the moderating effects of trade-based policies (input tariffs). Results for the regression model coefficients are shown in Table 4.37

Table 4.37: Model Coefficients of Moderating Effect of Market Based Policies

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	- 2.825	3.806		- 0.742	0.459
Repositioning Strategy * Tariffs	- 0.032	0.006	0.097	- 5.333	0.000
Promotion Strategy * Tariffs	- 0.100	0.021	0.353	- 4.833	0.000
Price Adjustment Strategy * Tariffs	- 0.047	0.016	0.230	- 2.932	0.004
Rebranding Strategy * Tariffs	- 0.023	0.009	0.210	- 2.694	0.008

Dependent Variable: Performance of FMCG firms

The results in Table 4.37 can be substituted in the MMR model that is;

$Y = \beta_0 + \beta_1 X_1.Z + \beta_2 X_2.Z + \beta_3 X_3.Z + \beta_4 X_4.Z + \varepsilon$ to give:

$Y = (2.825) – 0.032\ X_1.Z – 0.100\ X_2.Z – 0.047\ X_3.Z – 0.023\ X_4.Z$

Where:

$X_1.Z$ is repositioning strategy * tariffs

$X_2.Z$ is promotion strategy * tariffs

$X_3.Z$ is price adjustment strategy * tariffs

$X_4.Z$ is rebranding strategy * tariffs

The model implies that adoption of trade-based policies (input tariffs), had a negative and significant moderating effect on the relationship between repositioning strategy and performance (β = - 0.032; P-Value < 0.05); promotion strategy and performance (β = - 0.100; P-Value < 0.05); price adjustment strategy and performance (β = - 0.047; P-Value

< 0.05) as well as rebranding strategy and performance (β = - 0.023; P-Value < 0.05). This means that high input-tariffs affect firm performance negatively by increasing production cost.

4.10. Mediating Effect of Customer Loyalty

The sixth objective was to investigate the mediating effect of customer loyalty on the relationship between product life cycle extension strategies and performance of FMCG firms in Kenya. Using multiple linear regression models, the following null hypothesis was tested.

H_{06}: Customer loyalty has no mediating effect on the relationship between product life cycle extension strategies and performance of fast-moving consumer goods firms in Kenya.

In order to test for the mediating effect of customer loyalty, the four steps outlined by Baron and Kenny (1985) were followed. The steps are presented and explained, along with the corresponding results.

4.10.1 Step One: Effect of PLC Extension Strategies on Firm Performance

Step one of mediating effect of PLC extension strategies on firm performance is presented on Table 4.38.

Table 4.38: Mediating Effect Step One

Model Summary						
R	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**			
.263	0.069	0.063	0.319276			
ANOVA						
	Sum of Squares	**df**	**Mean Square**	**F**	**Sig.**	
Regression	1.203	1	1.203	11.801	.001	
Residual	16.208	159	0.102			
Total	17.411	160				
Model Coefficients Results of Mediating Effect Step One						
	Unstandardized Coefficients		**Standardized Coefficients**	**t**	**Sig.**	
	B	**Std. Error**	**Beta**			
(Constant)	0.046	0.026		1.763	0.080	
Product Life Cycle Extension Strategies	191.536	55.756	0.263	3.435	0.001	
Predictors: (Constant), Product Life Cycle Extension Strategies						

From Table 4.38 it is observed in step one that the combined effect of product life cycle extension strategies on performance of fast-moving consumer goods firms in Kenya is positive and significant (β = 191.536; P-value < 0.05). This implies that adoption of product life cycle extension strategies could jointly improve performance of fast-moving consumer goods firms in Kenya. Since the effect was significant, it necessitated proceeding to step two.

4.10.2 Step Two: Effect of PLC Extension Strategies on Customer Loyalty

The mediating effect of PLC extension strategies on firm performance is presented in Table 4.39.

Table 4.39: Mediating Effect Step Two

Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
.213	0.045	0.039	0.263962

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Regression	0.524	1	0.524	7.526	.007
Residual	11.078	159	0.07		
Total	11.603	160			

Model Coefficients

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	0.128	0.022		5.878	0.000
Product Life Cycle Extension Strategies	126.455	46.096	0.213	2.743	0.007

Dependent Variable: Customer Loyalty

Predictors: (Constant), Product Life Cycle Extension Strategies

The results of the mediation in step two on Table 4.39 similarly indicate that the combined effect of product life cycle extension strategies on customer loyalty is positive and significant (β = 126.455; P-value < 0.05). This implies that adoption of product life cycle extension strategies could jointly improve customer loyalty significantly. Therefore, an increase in adoption of the strategies can improve customer loyalty among FMCG firms. Since the effect was significant, it necessitated proceeding to step three.

4.10.3 Step Three: Effect of Customer Loyalty on Firm Performance

The mediating effect of PLC extension strategies on firm performance is presented in Table 4.40.

Table 4.40: Mediating effect Step Three

Model Summary					
R	**R Square**	**Adjusted R Square**		**Std. Error of the Estimate**	
.427	0.182	0.177		0.2993	
ANOVA					
	Sum of Squares	**df**	**Mean Square**	**F**	**Sig.**
Regression	3.168	1	3.168	35.362	.000
Residual	14.243	159	0.09		
Total	17.411	160			
Model Coefficients					
	Unstandardized Coefficients		**Standardized Coefficients**		
	B	**Std. Error**	**Beta**	**t**	**Sig.**
(Constant)	-0.003	0.027		-0.12	0.905
Customer Loyalty	0.523	0.088	0.427	5.947	0.000

From step three results in Table 4.40, the effect of customer loyalty on firm performance is positive and significant (β = 0.523; P-value < 0.05). This implies that customer loyalty is significantly associated with firm performance. Therefore, an increase in customer loyalty could improve performance of FMCG firms. Since the effect was significant, it necessitated proceeding to the last step which is step four.

4.10.4 Step Four: Effect of both PLC Extension Strategies and Customer Loyalty on Firm Performance

Step four of mediating effect of PLC extension strategies on firm performance is presented in Table 4.41.

Table 4.41: Mediating Effect Step Four

Model Summary					
R	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**		
.462	0.213	0.203	0.294492		
ANOVA					
	Sum of Squares	**df**	**Mean Square**	**F**	**Sig.**
Regression	3.708	2	1.854	21.379	.000
Residual	13.703	158	0.087		
Total	17.411	160			
Model Coefficients					
	Unstandardized Coefficients		**Standardized Coefficients**	**t**	**Sig.**
	B	**Std. Error**	**Beta**		
(Constant)	-0.014	0.027		-0.539	0.591
Product Life Cycle Extension Strategies	131.401	52.631	0.18	2.497	0.014
Customer Loyalty	0.476	0.088	0.388	5.375	0.000
Predictors: (Constant), Customer Loyalty, Product Life Cycle Extension Strategies					

The model that determined the mediating decision was in the last step where product life extension strategies and customer loyalty predicted performance of FMCG manufacturers that is; $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$. The beta coefficients are substituted in the model as follows;

$Y = (0.014) + 131.401\ X_1 + 0.476$

Where:

X_1 is product life cycle extension strategies

X_2 is customer loyalty

The results from step four as shown in Table 4.41 indicate that introduction of a mediation variable, that is customer loyalty, does not render insignificant the combined effect of product life cycle extension strategies on performance of fast-moving consumer goods firms in Kenya, which was still positive and significant (β = 131.401; P-value <

0.05). It follows that, based on the interpretation provided by Baron and Kenny (1986), this is a partial mediation.

According to Baron and Kenny (1986) some mediation is supported if the effect of customer loyalty remains significant after controlling for product life extension strategies. If product life cycle extension strategies are no longer significant after controlling for customer loyalty, then customer loyalty fully mediates. If product life cycle strategies are still significant then as was the case in this study, then the findings support partial mediation. It can thus be argued that customer loyalty partially mediates the effect of product life cycle extension strategies on performance of fast-moving consumer goods firms in Kenya.

4.11. Discussion of Findings

This section presents a discussion of the findings obtained from various inferential analyses. The section has been organized per the study objectives.

4.11.1 Repositioning Strategy and Performance of FMCG Firms in Kenya.

H_{01}: Repositioning strategy has no significant effect on performance of fast-moving consumer goods firms in Kenya.

The results indicated that adoption of repositioning strategy had a positive and significant effect on performance of FMCG firms in Kenya (β = 0.3.167; P-Value < 0.05). This finding implies that the null hypothesis was rejected to imply that an increase in adoption of repositioning strategy can lead to a significant increase in performance of FMCG firms in Kenya. The finding is consistent with that by Mukeshimana et al. (2019) who established that repositioning strategies positively and significantly affect organizational performance of the firms. This finding was also consistent with the work of Oduor et al. (2021) who established that repositioning strategy was largely practiced by firms and affected performance positively.

A study by Villas (2018) also found that as the cost of tangible repositioning went up, firm's need for repositioning minimized leading to low performance. The findings further supported a study by Hoskins (2021) that too much of product repositioning did not have a significant effect on firm performance. The finding contradicted the work of

Bunea (2019) which found that product repositioning had a significant but negative influence on sales.

4.11.2. Promotion Strategy and Performance of FMCG Firms in Kenya.

H_{02}: Promotion strategy has no significant effect on performance of fast-moving consumer goods firms in Kenya.

The results established that adoption of promotion strategy has a positive and significant effect on performance of FMCG firms in Kenya ($\beta = 3.152$; P-Value < 0.05). This finding implies that the null hypothesis was rejected to imply that adoption of promotion strategy can lead to a significant increase in performance of FMCG firms in Kenya. The finding is consistent with that by Hanaysha (2018) who established that promotion strategy has a positive and significant effect on firm performance. This finding confirmed the work of Dmitrijevs (2020) who established that adoption of advertising strategy could lead to a significant increase in firm performance. However, it contradicted the study by Lu et al. (2022) who established that high promotion costs were associated with a decrease in firm profits.

The findings are also consistent with that of Yen (2022) in that promotion positively contributed to sales growth. This finding however contradicted the finding by Deng et al. (2021) that firm performance could be affected by an ineffective promotion campaign. This finding was inconsistent with the work of Deng et al. (2021) who established that firm performance can be affected by an ineffective personal selling campaign. On the contrary, Lu et al. (2022) established that high promotion costs were associated with a decrease in firm profits.

4.11.3. Price Adjustment Strategy and Performance of FMCG Firms in Kenya.

H_{03}: Price adjustment strategy has no significant effect on performance of fast-moving consumer goods firms in Kenya.

It was established that adoption of price adjustment strategy has a positive and significant effect on performance of FMCG firms in Kenya ($\beta = 2.309$; P-Value < 0.05). This finding implies that the null hypothesis was rejected. This indicates that an increase in adoption of price adjustment strategy can lead to a significant increase in performance

of FMCG firms in Kenya. The finding was consistent with that by Kambey (2018) who established that price adjustment strategy positively and significantly influences firm performance. This finding was also consistent with the work of Nair (2019) who found that discount pricing affected firm performance positively.

This study contradicted the work of Ji and Xiao, (2019) who found that dynamic pricing affected manufacturing firms revenue negatively. The findings further contradicted the work of Zhang and Xu (2017) who found that psychological pricing influenced sales positively. This finding was however consistent with the finding by Wawaka and Muchelule (2018) that value-based price adjustment strategies had a positive and significant effect on competitive advantage of the selected manufacturing firms in Kenya. However, it contradicted the findings by Kambey (2018) that very low prices would inversely affect firm performance.

4.11.4. Rebranding Strategy and Performance of FMCG Firms in Kenya.

H_{04}: Rebranding strategy has no significant effect on performance of fast-moving consumer goods firms in Kenya.

The findings indicated that adoption of rebranding strategy has a positive and significant effect on performance of FMCG firms in Kenya ($\beta = 1.282$; P-Value < 0.05). This finding implies that the null hypothesis was rejected to imply that an increase in adoption of rebranding strategy can lead to a significant increase in performance of FMCG firms in Kenya.

The finding was consistent with that by Mukabwa (2018) who found that rebranding strategy had a positive and significant impact on the performance of large manufacturing firms in Nairobi. The finding supported the work of Bamfo et al. (2018) who found that rebranding had a positive but insignificant consequence on firm performance.

The findings were inconsistent with those of Ali et al. (2019) who established that rebranding affected performance of firms significantly. The finding contradicted that of Mukabwa (2018) who established that rebranding strategy had a positive and significant effect on performance of large-scale manufacturing firms. The results were however in

line with those of Oduor (2022) who indicated that brand extensions had a positive but insignificant effect on firm performance.

4.11.5. Moderating Effect of Market-Based Policies on the Relationship between PLC Extension Strategies and Performance of FMCG Firms in Kenya.

H_{05}: Market based policy has no moderating effect on the relationship between product life cycle extension strategies and performance of fast-moving consumer goods firms in Kenya.

The moderating effect results indicated that adoption of trade-based policies in this case input tariffs, had a negative and significant effect on the effect of repositioning strategy on performance (β = - 0.032; P-Value < 0.05); promotion strategy on performance (β = - 0.100; P-Value < 0.05); price adjustment strategy on performance (β = - 0.047; P-Value < 0.05) and rebranding strategy on performance (β = - 0.023; P-Value < 0.05). The finding was consistent with the work of Githaiga (2021) who established that high input-tariffs affected firm performance negatively. The finding implies that tariffs have a significant negative moderating effect on the relationship between product life cycle extension strategies and performance of FMCG firms in Kenya. This further means that introduction of a tariff reduces the otherwise expected impact of introducing product life cycle extension strategies on performance of FMCG firms in Kenya. Instead of the strategies having a stronger impact on ROA, tariffs significantly reduce this impact.

This happens because as firms introduce product life cycle extension strategies, introduction of high tariff on inputs increases the production costs significantly which in turn decreases the profits realized and worsens the performance of the FMCG firms. In this case, the expected positive effect of introducing product life cycle extension strategies is significantly reduced by tariffs. This was in line with a previous study by Linarello (2018) who established that tariff cuts induce firms to acquire new machinery which could potentially drive productivity growth following elimination of input tariffs.

4.11.5. Mediating Effect of Customer Loyalty on the Relationship between PLC Extension Strategies and Performance of FMCG Firms in Kenya.

H_{06}: Customer loyalty has no mediating effect on the relationship between product life cycle extension strategies and performance of fast-moving consumer goods firms in Kenya.

The mediating findings as demonstrated in the sections above, indicated that customer loyalty partially mediates the relationship between product life cycle extension strategies and performance of fast-moving consumer goods firms in Kenya (β = 131.401; P-value < 0.05). This implies that product life cycle extension strategies play an important role in enhancing customer loyalty which in turn significantly improves performance of fast-moving consumer goods firms in Kenya. It can therefore imply that one of the ways of improving performance of fast-moving consumer goods firms in Kenya would be through improving customer loyalty by adopting the PLC extension strategies. This finding agrees with the finding by Adedayo et al. (2022) which provided evidence that business level strategies enhances customer loyalty which then affects firm performance positively and significantly.

The concept of partial mediation demonstrates that, as much as customer loyalty can improve firm performance, product life cycle extension strategies still directly enhance performance of fast-moving consumer goods firms in Kenya because the direct effect was strong enough to be over shadowed by customer loyalty.

In this case, there was evidence of partial mediation of customer loyalty on performance of fast-moving consumer goods firms in Kenya. The finding was consistent with work of Sundstrom (2019) who used customer loyalty as a mediator in the context of financial institutions and FMCG respectively and provided evidence of mediating effect of customer loyalty. Based on the results, Table 4.67 presents a summary of the findings of the six hypotheses tested in the study.

4.12. Summary of Hypotheses Testing

Table 4.42 provides a summary of the hypothesis's tests. It was established that all the null hypotheses in the study were rejected leading to the conclusion that all the four

product life cycle extension strategies (repositioning strategy, promotion strategy, price adjustment strategy and rebranding strategy) have a significant effect on performance of fast-moving consumer goods firms in Kenya. It was also established that market-based policies have a significant negative moderating effect on the relationship between product life cycle extension strategies and performance of fast-moving consumer goods firms in Kenya. Furthermore, the findings led to the conclusion that customer loyalty has a partial mediating effect on the relationship between product life cycle extension strategies and performance of fast-moving consumer goods firms in Kenya.

Table 4.42: Summary of Hypothesis Testing

Hypothesis	Criteria and Method	P-Value	Reference	Decision	Conclusion
H_{01}: Repositioning strategy has no significant effect on performance of fast-moving consumer goods firms in Kenya.	Multiple Regression Model Reject Null hypothesis if Sig < 0.05	0.000	Table 4.34	Null Hypothesis rejected	Repositioning strategy has a significant effect on performance of fast-moving consumer goods firms in Kenya.
H_{02}: Promotion strategy has no significant effect on performance of fast-moving consumer goods firms in Kenya.	Multiple Regression Model Reject Null hypothesis if Sig < 0.05	0.000	Table 4.34	Null Hypothesis rejected	Promotion strategy has a significant effect on performance of fast-moving consumer goods firms in Kenya.
H_{03}: Price adjustment strategy has no significant effect on performance of fast-moving consumer goods firms in Kenya.	Multiple Regression Model Reject Null hypothesis if Sig < 0.05	0.000	Table 4.34	Null Hypothesis rejected	Price adjustment strategy has a significant effect on performance of fast-moving consumer goods firms in Kenya.
H_{04}: Rebranding strategy has no significant effect on performance of fast-moving consumer goods firms in Kenya.	Multiple Regression Model Reject Null hypothesis if Sig < 0.05	0.000	Table 4.34	Null Hypothesis rejected	Rebranding strategy has a significant effect on performance of fast-moving consumer goods firms in Kenya.
H_{05}: Market based policies have no moderating effect on the relationship between product life cycle extension strategies and performance of fast-moving consumer goods firms in Kenya.	Multiple Regression Model Reject Null hypothesis if Sig < 0.05	0.000, 0.000, 0.004 and 0.008	Table 4.37	Null Hypothesis rejected	Market based policies have a significant negative moderating effect on the relationship between product life cycle extension strategies and performance of fast-moving consumer goods firms in Kenya.
H_{06}: Customer loyalty has no mediating effect on the relationship between product life cycle extension strategies and performance of fast moving consumer goods firms in Kenya.	Multiple Regression Model Reject Null hypothesis if Sig < 0.05	0.014 and 0.000	Table 4.39	Null Hypothesis rejected	Customer loyalty has a partial mediating effect on the relationship between product life cycle extension strategies and performance of fast-moving consumer goods firms in Kenya.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The chapter presents the summary of findings, conclusions, recommendations and suggestions for further research.

5.2 Summary of Findings

The main objective of the study was to investigate the relationship between product life cycle extension strategies, market-based policies, customer loyalty and performance of fast-moving consumer good firms in Kenya. The study had six specific objectives. The first objective was to analyze the effect of repositioning strategy on performance of fast moving consumer goods firms in Kenya. The second objective was to analyze the effect of promotion strategy on performance of fast-moving consumer goods firms in Kenya, the third objective was assess the effect of price adjustment strategy on performance of fast-moving consumer goods firms in Kenya. The fourth one was to establish the effect of rebranding strategy on performance of fast-moving consumer goods firms in Kenya.

The fifth objective was to investigate the moderating effect of market-based policies on the relationship between product life cycle extension strategies and performance of fast moving consumer goods firms in Kenya. Lastly, the sixth objective was to determine the mediating effect of customer loyalty on the relationship between product life cycle extension strategies and performance of fast moving consumer goods firms in Kenya.

5.2.1 Effect of Repositioning Strategy on Performance of FMCG Firms

The first objective was to analyze the effect of repositioning strategy on performance of fast-moving consumer goods firms in Kenya. Descriptive findings indicated that there was a high adoption rate of repositioning strategies by the FMCG firms with product repositioning being the most adopted followed by intangible, tangible and lastly image repositioning strategies.

The cost of adopting repositioning strategies varied across the firms with the most expensive strategy to adopt being intangible repositioning while the cheapest was image repositioning. Correlation results indicated a significant positive correlation between repositioning strategies and firm performance. The implication of positive relationship between repositioning strategies and firm performance implied that implementation of repositioning strategy can enhance performance of FMCG firms in Kenya.

The Regression results established that adoption of repositioning strategy had a positive and significant effect on performance of FMCG firms in Kenya (P-value = 0.000). This finding implies that the null hypothesis (H_{01}: Repositioning strategy has no significant effect on performance of fast-moving consumer goods firms in Kenya) was rejected to imply that an increase in adoption of repositioning strategy can lead to a significant increase in performance of FMCG firms in Kenya.

5.2.2 Effect of Promotion Strategy on Performance of FMCG Firms

The second objective was to analyze the effect of promotion strategy on performance of fast-moving consumer goods firms in Kenya.

Descriptive results indicated that all firms had adopted promotion strategies. Whereas advertising and sales promotion strategies had been adopted by all the firms, not all firms had adopted personal selling and publicity. It was also established that for promotion to be effective, FMCG firms must incur some costs which greatly varied from firm to firm. Correlation results indicated a significant positive relationship between promotion strategies and firm performance. The positive relationship between promotion strategies and firm performance implied that implementation of promotion strategy can enhance performance of FMCG firms in Kenya.

Regression results established that adoption of promotion strategy had a positive and significant effect on performance of FMCG firms in Kenya (P-value = 0.000). This finding implied that the null hypothesis (H_{02}: Promotion strategy has no significant on performance of fast-moving consumer goods firms in Kenya) was rejected to imply that an increase in adoption of promotion strategy can lead to a significant increase in performance of FMCG firms in Kenya.

5.2.3 Effect of Price Adjustment Strategy on performance of FMCG firms

The third objective was to assess the effect of price adjustment strategy on performance of fast-moving consumer goods firms in Kenya.

Descriptive results indicated that all firms had adopted both discount and dynamic pricing strategies. This was followed by geographical pricing strategy while psychological pricing strategy was the least adopted. Correlation results indicated a significant positive relationship between price adjustment strategies and firm performance. The positive relationship between price adjustment strategies and firm performance implied that implementation of price adjustment strategy can enhance performance of FMCG firms in Kenya.

Regression results indicated that adoption of price adjustment strategy had a positive and significant effect on performance of FMCG firms in Kenya (P-value = 0.000). This finding implies that the null hypothesis (H_{02}: Price adjustment strategy has no significant effect on performance of fast-moving consumer goods firms in Kenya) was rejected to imply that an increase in adoption of price adjustment strategy can lead to a significant increase in performance of FMCG firms in Kenya.

5.2.4 Effect of Rebranding Strategy on Performance of FMCG firms

The fourth objective was to establish the effect of rebranding strategy on performance of fast-moving consumer goods firms in Kenya. Descriptive results revealed that more than two thirds of the firms had adopted all the rebranding strategies (line extensions, brand extensions, multi-brands and co-brands). The most adopted rebranding strategy was line extensions followed by brand extensions then co-brands and lastly multi-brands. Correlation results indicated a significant positive correlation between rebranding strategies and firm performance. The positive relationship between rebranding strategies and firm performance implied that implementation of rebranding strategy can enhance performance of FMCG firms in Kenya.

The regression results established that adoption of rebranding strategy had a positive and significant effect on performance of FMCG firms in Kenya (P-Value 0.000). This finding implied that the null hypothesis (H_{04}: Rebranding strategy has no significant

effect on performance of fast-moving consumer goods firms in Kenya) was rejected to imply that an increase in adoption of rebranding strategy can lead to a significant increase in performance of FMCG firms in Kenya.

5.2.5 Moderating Effect of Market Based Policies

The fifth objective was to investigate the moderating effect of market-based policies on the relationship between product life cycle extension strategies and performance of fast-moving consumer goods firms in Kenya. Descriptive statistics indicated that introduction of input tariffs increased the production costs significantly by close to half the amount. Again prices were increased to cater for the increased production costs and in so doing, the demand for the products decreased. This in turn decreased the profits realized and worsened the performance of the FMCG firms. It can therefore be argued that input tariffs had a detrimental impact on performance of FMCG firms.

Regression results indicated that adoption of market-based policies in this case input tariffs, had a negative and significant effect on performance of FMCG Firms in Kenya (P-value = 0.000). This led to the rejection of the null hypothesis (H_{05}: Market based policies had no moderating effect on the relationship between product life cycle extension strategies and performance of fast-moving consumer goods firms in Kenya). This implies that introduction of inputs tariffs was associated with a significant decrease in performance of FMCG Firms in Kenya. The results also showed that the interaction term of trade-based policies and the product life cycle extension strategies was negative and significant on performance of FMCG Firms in Kenya (β = - 0.032, - 0.100, - 0.047 and - 0.023; P-Value < 0.05). This Means that introduction of tariffs reduced the expected impact of introducing product life cycle extension strategies on performance of FMCG Firms in Kenya.

5.2.6 Mediating Effect of Customer Loyalty

The sixth objective was to determine the mediating effect of customer loyalty on the relationship between product life cycle extension strategies and performance of fast-moving consumer goods firms in Kenya.

Mediation step one indicated that the combined effect of product life cycle extension strategies on performance of fast-moving consumer goods firms in Kenya was positive and significant. This implied that adoption of product life cycle extension strategies could jointly improve performance of fast-moving consumer goods firms in Kenya significantly. Step two similarly indicated that the combined effect of product life cycle extension strategies on customer loyalty was positive and significant. This implied that adoption of product life cycle extension strategies could jointly improve customer loyalty significantly.

Step three indicated that the effect of customer loyalty on firm performance was positive and significant. This implied that customer loyalty was significantly associated with firm performance. This means that an increase in customer loyalty could significantly improve performance of FMCG firms. Step four indicated that introduction of a mediation variable; that is customer loyalty, does not render insignificant the combined effect of product life cycle extension strategies on performance of fast-moving consumer goods firms in Kenya which was still positive and significant. This means that there was partial mediation.

5.3 Conclusions

The study analyzed the effect of repositioning strategy on performance of FMCG firms in Kenya. The study concluded that repositioning strategy had a positive and significant effect on performance of FMCG firms in Kenya. This finding implies that the null hypothesis was rejected to imply that an increase in adoption of repositioning strategy can lead to a significant increase in performance of FMCG firms in Kenya.

Secondly, the study analyzed the effect of promotion strategy on performance of fast-moving consumer goods firms in Kenya. The study concluded that promotion strategy had a positive and significant effect on performance of FMCG firms in Kenya meaning that adoption of promotion strategy can lead to a significant increase in performance of FMCG firms in Kenya.

Further the study assessed the effect of price adjustment strategy on performance of fast-moving consumer goods firms in Kenya. It was concluded that price adjustment strategy

had a positive and significant effect on performance of FMCG implying that an increase in adoption of price adjustment strategy can lead to a significant increase in performance of FMCG firms in Kenya.

The study also established the effect of rebranding strategy on performance of fast-moving consumer goods firms in Kenya. The findings led to the conclusion that rebranding strategy had a positive and significant effect on performance of FMCG firms in Kenya meaning that an increase in adoption of rebranding strategy can lead to a significant increase in performance of FMCG firms in Kenya.

The fifth objective was to investigate the moderating effect of market-based policies on the relationship between product life cycle extension strategies and performance of fast-moving consumer goods firms in Kenya. The study concluded that market based policies had a negative and significant moderating effect on the relationship between PLC extension strategies on performance of FMCG Firms in Kenya. This implied that introduction of inputs tariffs was associated with a significant decrease in performance of FMCG Firms in Kenya. The study also concluded that the interaction term of trade-based policies and the product life cycle extension strategies was negative and significant on performance of FMCG firms implying that introduction of tariffs reduced the otherwise expected impact of introducing product life cycle extension strategies on performance of FMCG firms in Kenya.

Finally the study sought to determine the mediating effect of customer loyalty on the relationship between product life cycle extension strategies and performance of fast-moving consumer goods firms in Kenya. The study concluded that the introduction of customer loyalty did not render insignificant the combined effect of product life cycle extension strategies on performance of fast-moving consumer goods firms in Kenya which was still positive and significant thus evidence of partial mediation.

5.4 Recommendations

Based on conclusions, repositioning, promotion, price adjustments and rebranding strategies had a significant and positive effect on performance of FMCG firms. The

study recommends that senior management of FMCG firms to embrace and enhance implementation of the four strategies for prolonged profit reaping.

Market-based policies had negative and significant moderating effect on the relationship between product life cycle extension strategies on performance of FMCG firms in Kenya. The study therefore, recommends that relevant government agencies involved in trade, such as the policy makers at the Ministry of Industrialization, Trade and Enterprise Development, Kenya Association of Manufacturers, Trade Chamber and Kenya Revenue Authority to reconsider and revise their current market based policies regarding input tariffs on FMCG currently in Kenya that will in the long run improve performance. Favorable policies on input tariffs will help reduce production costs which will increase profits and turn around the economy as envisaged under vision 2030.

With evidence of partial mediation the study recommends that senior management of FMCG firms to further improve the current implementation approaches on PLC extension strategies as a whole so as to enhance customer loyalty. In so doing, there will be a high rate of repeat and referral customers that will ultimately improve performance.

5.5 Suggestions for Further Research.

The study was limited to only FMCG sector out of thirteen sectors under Kenya Association of Manufacturers in Kenya. The findings can only be generalized to that context therefore recommends further studies in other sectors since they vary in operations. Again, the study used three theories namely game theory, marketing mix theory and economic theory of regulation. Further studies incorporating other theoretical approaches can be conducted to see whether they will arrive at the same conclusion.

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APPENDICES

Appendix I: University Research Approval Letter

UNIVERSITY OF EMBU

OFFICE OF THE DIRECTOR
BOARD OF POSTGRADUATE STUDIES

Tel. 0727933950, 0788199505
Website: www.embuni.ac.ke
P.O. Box 6-60100, Embu
E-mail: dir.bps@embuni.ac.ke

Our Ref: D860/241/2018
Your Ref:
Date: 18th February 2022

Pauline Rwamba Njiru

c/o Department of Business Studies

Dear Ms. Njiru,

RE: APPROVAL OF RESEARCH PROPOSAL

This is to inform you that the Board of Postgraduate Studies, at its meeting of 19th January 2022, approved your research proposal for the PhD Degree entitled **"Product life cycle extension strategies, market based policies and customer loyalty on performance of fast moving consumer goods in Kenya."**
Attached is a copy of the approval.

You may now proceed with your data collection subject to obtaining a research permit from NACOSTI.

As you embark on your data collection, please note that you are required to:

i. Consult your supervisor(s) at least once a month.
ii. Submit to the Board of Postgraduate Studies at least four (4) duly completed Postgraduate Progress Report Forms through the Chairman of Department and Dean of School every six (6) months.
iii. Give a minimum of four (4) seminar presentations before submission of thesis.
iv. Publish at least two (2) papers before the project report/thesis is submitted for examination.
v. Adhere to the University Plagiarism Policy and the prescribed similarity levels.
vi. Obtain other permits, permission or clearance such as ERC, IBC, KWS if required.

The Progress Report Forms, research project/thesis submission checklist and other important postgraduate documents are available at the University's website under Board of Postgraduate Studies webpage http://bps.embuni.ac.ke/ as downloads.

Thank you.

10 FEB 2022

PROF. NANCY BUDAMBULA
DIRECTOR, BOARD OF POSTGRADUATE STUDIES
NB/gk
Copies to:
1. DVC (ARE)
2. Registrar, ARE
3. Dean, SBE
4. CoD, Business Studies
5. Supervisors: Dr. Zippy Mukami & Dr. Kennedy Ocharo

ISO 27001:2013 Certified *Knowledge Transforms* ISO 9001:2015 Certified

Appendix II: NACOSTI Research Permit

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: **687525**

Date of Issue: **01/March/2022**

RESEARCH LICENSE

This is to Certify that Ms.. Pauline Rwamba of University of Embu, has been licensed to conduct research in Embu, Isiolo, Kajiado, Kakamega, Kericho, Kiambu, Kirinyaga, Kisii, Kisumu, Kwale, Laikipia, Lamu, Machakos, Meru, Migori, Mombasa, Muranga, Nakuru, Nandi, Nyandarua on the topic: Product Life Cycle Extension Strategies, Market Based Policies and Customer Loyalty on Performance of Fast Moving Consumer Goods for the period ending : 01/March/2023.

License No: **NACOSTI/P/22/16042**

687525

Applicant Identification Number

Director General
NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Verification QR Code

NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.

Appendix III: Questionnaire

This questionnaire is purposed to capture data on **product life cycle extension strategies, Market based policies and customer loyalty on performance of fast-moving consumer goods firms in Kenya** in partial fulfillment of PhD in business administration. Marketing managers in collaboration with finance managers are kindly requested to fill in the data. Information filled in this questionnaire will be solely for academic research hence will underlie the principle of confidentiality. Your cooperation and timeliness will be highly appreciated.

SECTION A: Demographic information

Name of company…….

Respondents name (Optional)……..

Respondents designation……..

Please fill in the information by ticking appropriately.

1. Kindly indicate your gender
   - Male ☐
   - Female ☐

2. What is your age bracket
   - Below 30 years ☐
   - Between 30-50 years ☐
   - Above 50 years ☐

3. What is your highest academic qualification?
   - Diploma and below ☐
   - Degree ☐
   - Masters ☐
   - PhD ☐

4. How long have you worked in this manufacturing firm?

Less than 5 years ☐

5-10 years ☐

More than 10 years ☐

SECTION B: Product life cycle extension strategies

1. **Repositioning strategy**

	Indicator	Yes	No	Year of repositioning	Cost incurred	Annual sales before repositioning	Annual sales after repositioning
i	Has your firm done image repositioning for your fast moving consume goods (FMCG)?						
Ii	Did your firm do tangible repositioning?						
Iii	Did you're your firm do intangible repositioning?						
Iv	Did your firm do product repositioning?						

II. Promotion strategy

	Indicator	**Yes**	**No**	**Year of promotion**	**Cost incurred**	**Annual sales before promotion**	**Annual sales after promotion**
i	Did your firm carry out advertising for your FMCG to stabilize sales volume?						
Ii	Did your firm carry out personal selling for immediate feedback?						
Iii	Did your firm carry out sales promotion for quicker positive impact to consumers?						
Iv	Publicity is usually carried out by sponsors in our firm for credibility purposes						

III. Price adjustment strategy

	Indicator	**Yes**	**No**	**Year of price adjustment**	**Annual sales after adjustment**	**Number of customers before price adjustment**	**Number of customers after price adjustment**
i	Did your firm carry out discount and allowance pricing for your FMCG to reduce excess inventory?						
Ii	Did your firm use geographical pricing to identify high value customer segments?						
Iii	Did your firm use psychological pricing to attract less interested customers?						
Iv	Did your firm use dynamic pricing to counter competition?						

IV Rebranding

	Indicator	**Yes**	**No**	**Year of rebranding**	**Cost incurred**	**Number of lines before extension**	**Number of lines after extension**
i	Did your firm use line extensions to curb competitors for your FMCG?						
Ii	Did your firm use brand extensions to improve consumer perception?						
Iii	Did your firm use Multi-brands to earn dominance in the market?						
Iv	Did your firm use co brands for prolonged sales income?						

SECTION C: Customer loyalty

	Indicator	**Yes**	**No**	**Previous years Number of customers**	**Current years number of customers**	**Previous year's sales**	**Current year's sales**
i	Most of our customers are aware of our brand						
ii	Most of our customers purchase in large quantity						
iii	Most of our customers usually come for repeat purchase						
iv	Our firm usually receive many referral customers						

SECTION D: Market based Policies

	Indicator	**Yes**	**No**	**If Yes, indicate cost before subsidies/ tariffs**	**Indicate cost after subsidies/ tariffs**	**Annual Sales before subsidies/ tariffs**	**Annual Sales after subsidies/ tariffs**
I	**Price based policies**						
i	Our manufacturing firm receive high subsidies from government on FMCG						
II	**Trade based policies**						
i	Our FMCG are usually affected by high tariffs?						

Appendix IV: Data Collection Schedule

Company's name		
Year	**Net income**	**Total assets**
2017		
2018		
2019		
2020		
2021		

Appendix V: List of Firms Engaged in Manufacturing of FMCG

Firms manufacturing fast moving consumer goods under food and beverage category		
1. Salwa Kenya Ltd	2. Foods by Likii	3. Morani Ltd
4. Shake and Cream	5. Bakex Millers Ltd	6. Mulsons Impex Ltd
7. Upfield Kenya Ltd	8. Frigoken Ltd	9. Mwachaka Group Ltd
10. Ustawi Grain Millers Ltd	11. FRM EA Packers Ltd	12. Mwakawa Investments Ltd
13. Afrimac nut company	14. Giloil Company Ltd	15. Mzuri sweets Ltd
16. Agri Pro-Pak Ltd	17. Githunguri Dairy Farmers Co-operative Society	18. Nairobi Bottlers Ltd
19. Agricultural and Vertinary	20. Glacier Food Industries Ltd	21. Nairobi Java House Ltd
22. Agriner Agriculture Development	23. Glacier Products Ltd	24. Nairobi flour Mills Ltd
25. Agro Chemical & Food Co.	26. Global Tea & Commodities (K) Ltd	27. Nestle Kenya Ltd
28. Al-Noor Feisal & Co Ltd	29. Gold Crown Foods (EPZ) Ltd	30. Njoro canning Factory (Kenya) Ltd
31. Alliance One Tobacco Kenya Ltd	32. Golden Africa Kenya Ltd	33. Norda Industries Ltd
34. Al-mahra Industries Ltd	35. Gonas Best Ltd	36. Okerio Nyangau Bakery
37. Amasi Beverages Ltd	38. Grains Industries Ltd	39. Olenguruone Natural water Ltd
40. Alpha Fine Foods Ltd	41. Green Forest Foods Ltd	42. Olivado EPZ Ltd
43. Alphine Coolers Ltd	44. Halisi Maize Mills Ltd	45. Orchard Juice Ltd
46. APT Commodities Ltd	47. Happy Cow Ltd	48. Palmhouse Diaries Ltd
49. Alax Mills Ltd	50. Healthy U Two Thousand Ltd	51. Patco Industries Ltd
52. Azaavi Collections	53. Honey Care Africa	54. Pearly LLP

55. Bakemark Ltd	56. Isinya Feeds Ltd	57. Pembe Flour Mills Ltd
58. Bakers Corner Ltd	59. Italian Gelati & Food Products Ltd	60. Peshwood Emterprises Ltd
61. Bakex Millers Ltd	62. James Finlay Kenya Ltd	63. Pradip Enterprises (E.A) Ltd
64. Bdelo Ltd	65. Jetlak Foods Ltd	66. Premier Food Industries Ltd
67. Belfast Millers Ltd	68. Jjasm Mini-Distillery	69. Pride Industries Ltd
70. Bidco Africa Ltd	71. Jungle Group Holdings Ltd	72. Promasidor (Kenya) Ltd
73. Bio Food Products Ltd	74. Kabianga dairy Ltd	75. Propack Kenya Ltd
76. Bloc Enterprises Ltd	77. Kamili Packers Ltd	78. Pwani Oil Products Ltd
79. Blueplastics and Water Co. Ltd	80. Kapa Oil Refineries Ltd	81. Rafiki Millers Ltd
82. Brava Food Industries Ltd	83. Karirana Estate Ltd	84. RAZCO Ltd
85. British American Tobacco Kenya Plc	86. Kenafric Bakery	87. Re-suns spices Ltd
88. Broadway Bakers Ltd	89. Kenafric Industries Ltd	90. Royal Swiss Bakery Ltd
91. Brookside Dairy Ltd	92. Kenblest Ltd	93. Salin Wazarani Kenya Company
94. Butali Suger Mills Ltd	95. Kenchic Ltd	96. Sameers Agriculture & Livestock (Kenya) Ltd
97. C. Dormans Ltd	98. Kenya Highland Seed Co. Ltd	99. Savannah Brands Company
100. C. Czarnikow Suger (EA) Ltd	101. Kenya Nut Company Ltd	102. SBC Kenya Ltd
103. Candy Kenya Ltd	104. Kenya Sweets Ltd	105. Scrumptios Eats Ltd
106. Capel Food Ingredients	107. Kenya Tea development Agency	108. Selecta Kenya & Co KG
109. Capwell Industries Ltd	110. Kenya Tea Packers Ltd	111. Shree Sai Industries

112. Carojim Cookery Enterprises	113. Kenya Wine Agencies Ltd	114. Sky Foods Ltd
115. Carerina Bakery Ltd	116. Kevian Kenya Ltd	117. Slikridge Ltd
118. Centrofood Industries Ltd	119. Kibos Dairy & Farm produce	120. Spice World Ltd
121. Coastal Bottlers Ltd	122. Kibos sugar & Allied Industries	123. Sunbake Enterprises Ltd
124. Coca-Cola Central East & West Africa Ltd	125. Kigelia Fresh Produce Ltd	126. Sunny Processors Ltd
127. CoffTea Agencies	128. Kilimanjaro Biscuits Ltd	129. Supa Snacks Ltd
130. Confini Ltd	131. Kina Loaf Bakery Ltd	132. Toggen Milk
133. Cornbelt Flour Mill	134. Kinangop Dairy Ltd	135. Top Food (EA) Ltd
136. Crofts Ltd	137. Kirinyaga Flour Mills	138. Transmara Sugar Company Ltd
139. Crown Beverages Ltd	140. Kitui Flour Mills	141. Trisquare Products Ltd
142. Broadway Bakery Ltd	143. Waters Ltd	144. Tropical Heat Ltd
145. Danone Nutricia Africa & Overseas	146. Krish Commodities Ltd	147. Tropical Lush Ltd
148. Del Monte Kenya Ltd	149. Kulamawe Poultry Industries Ltd	150. Trufoods Ltd
151. Deylin Ultimate Springs Ltd	152. Kwale International sugar Company Ltd	153. Umoja Flour Mills Ltd
154. Diamond Industries Ltd	155. L.A.B International Kenya Ltd	156. Unga Group Ltd
157. Dainyo Lessos Creameries Ltd	158. Mafuko Industries Ltd	159. United Millers Ltd
160. DPL Festive Ltd	161. Malachite Ltd	162. Valley Confectionery Ltd
163. East African breweries Ltd	164. Mama Millers Ltd	165. Vert Ltd
166. East African Sea Food Ltd	167. Manboleo Distillers Ltd	168. Victory Firms Ltd

169. East African Produce Kenya Ltd (Kakuzi)	170. Manji Food Industries Ltd	171. Weetabix East Africa
172. Edible oil Products Ltd	173. Mars Wrigley confectionery Kenya Ltd	174. West Kenya Sugar Company Ltd
175. Eldoret Grains Ltd	176. Melvin Marsh International Ltd	177. Winnie's Pure Health
178. Elekea Ltd	179. Menengai Oil Refineries Ltd	180. Xpressions Flora Ltd
181. Equator Bottlers Ltd	182. Midrow Kenya Ltd	183. Zaytuna Enterprises Ltd
184. Erdemann Gypsum Ltd	185. Milly Fruit Processors Ltd	186. Zeelandia East Africa Ltd
187. Europack Industries Ltd	188. Mini Bakeries (Nbi) Ltd	189. Zheng Hong (K) Ltd
190. Excel Chemicals Ltd	191. Mjengo Ltd	
192. Farmers choice Ltd	193. Mombasa Maize Millers Ltd	

Source KAM (2020)

Appendix VI: Research Gaps

Authors	Focus of the study	Methodology used	Findings	Knowledge gap	Focus of current study
Dmitrijevs (2020)	To find out the most innovative strategies in a competitive market	Regression analysis	Advertising had a positive influence on sales	Study was limited to telecommunication industry in China	Study focused on Manufacturing industry in Kenya
Ebere and Onuoha (2022)	The link between repositioning strategy and performance of enterprises	Pearson correlation	Strategic repositioning had a substantial positive link with indicators of performance	Study focused on manufacturing firms in Nigeria	Study targeted Kenyan manufacturing firms
Hanaysha (2018)	Effect of sales promotion on customer retention	Structural equation modelling	Sales promotion improved business success by having a favourable and considerable impact on customer retention.	Study targeted retail industry in Malaysia	Study was carried out in Kenya and used multiple linear regression model
Li and Wei 2018	Service branding	Exploratory	Rebranding attracts customers thus influences sales positively	Study targeted service industry	Study targeted product industry
Izadi and Ghasemian (2021)	Effect of promotion strategies on consumers buying behaviour	Logistic regression model	Sales promotion positively influenced consumer buying behaviour	Study targeted sports industry in Iran	Study was carried out in Kenya and used multiple linear regression model

Kambey (2018)	Effect of price adjustment strategy on firm performance	Panel data analysis	Price adjustment strategy had a positive and significant influence on both export and firm performance.	The study targeted Coconut firms in Romania	Study targeted FMCG in Kenya
Mukeshiman a (2019	Effect of repositioning strategy on organizational performance	Inferential and descriptive statics technique	Repositioning strategies had a positive and significant effect on organizational performance of the firms.	Study focused on human resource of firms based in Rwanda	Study focused on FMCG in Kenya
Mukabwa (2018)	Influence of branding strategy on Performance of Large-Scale Manufacturing Firms	Descriptive statistics, correlation and regression methods	Performance was positively and significantly impacted by the branding strategy.	Study focused on the general overview of manufacturing industry In Kenya	Study was biased firms manufacturing FMCG only given that firms in different sub-sectors operate under different conditions
Nafuna (2019)	Relationship between pricing strategies and financial performance	Inferential statistics	Price adjustment strategy and financial performance had a positive, strong and significant relationship	Study targeted Ugandan firms	Study focused on Kenyan firms
Nair (2019)	Dynamics of pricing and non-pricing strategies, revenue management performance and competitive	Regression analysis	Price adjustment strategies positively affected firm performance both positively and negatively	Study was specific to metal manufacturing firms in Brazil	Study targeted FMCG under food and beverages

	advantage among firms				
Shahid and Zafar (2019)	Relationship between repositioning strategies, its effectiveness and firm performance	Inferential analysis	Repositioning strategy enhanced firm sales and revenues.	Study was carries out in Pakistanian	Study was carried out in Kenya and used multiple linear regression model
Ochieng (2021)	Strategic marketing positioning on effective organizational performance	Descriptive and inferential statistics	Repositioning strategy leads to high performance in terms of sales revenue	Study targeted Domestic Tour Operators in Kenya	Study focused on manufacturing firms instead.
Oduor, Kilika and Muchemi (2021)	Effect of repositioning strategy on firm performance	Descriptive and multiple regression methods	Repositioning strategy affected firm performance positively	Study was limited to Nairobi city	Study covered all FMCG firms in Kenya
Otieno (2022)	Business excellence of FMCG	Descriptive research design	Strategic management influences performance	Unit of analysis was 20 manufacturing firms in Kenya	Study targeted 193 firms
Wawaka and Muchelule (2018)	Effect of price adjustment strategies on competitive advantage of the firm	Descriptive statistical techniques	Price adjustment strategies had a positive and significant effect on competitive advantage of the cement manufacturing firms in Kenya	Study focused on 5 cement manufacturing firms in Kenya	Study had a sample size of 5 firms while the current study had a sample size of 161 firms

Zhang and Xu (2017)	Consumer purchasing intensions	Exploratory	Psychological pricing has significant impact on sales	Study was exploratory	Study was empirical