



RESEARCH ARTICLE

MARKETING STRATEGIES AND PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES IN KITENGELA TOWNSHIP, KAJIADO COUNTY, KENYA

James Sapuro¹ and Dr. Brigitte Wabuyabo-Okonga²

¹Post-Humous, Monitoring and Evaluation Consultant; ²Senior Lecturer, School of Business and Public Management, KCA University

ARTICLE INFO

Article History:

Received 24th July, 2025
Received in revised form
25th August, 2025
Accepted 17th September, 2025
Published online 30th October, 2025

Keywords:

Marketing Mix, Performance, SMEs, Growth, Kajiado County, Kitengela Township.

*Corresponding author: James Sapuro

Copyright©2025, James Sapuro and Brigitte Wabuyabo-Okonga. 2025. This is an open access article distributed under the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

Citation: James Sapuro and Dr. Brigitte Wabuyabo-Okonga. 2025. "Marketing strategies and performance of small and medium enterprises in kitengela township, kajiado county, Kenya." *International Journal of Current Research*, 17,(10), 34878-34884.

ABSTRACT

SMEs like other business enterprises have increasingly used various marketing strategies in their operation. This study sought to find out the influence of marketing strategies on the business performance of SMEs in Kitengela Township, Kenya. This research adopted a descriptive research design, with the target population of the study being 62 SMEs in Kitengela. Census sampling method was used to select all the SMEs, with the sampling size of the study being 186 respondents. Data was collected through questionnaire and analysed by aid of Statistical Package of Social Scientists (SPSS). The findings were summarized using statistical measures of dispersion while data is presented using tables, graphs and frequencies. The study found out that place marketing strategy, promotion marketing strategies, and product marketing strategies have a positive and significant relationship with business performance. The study also found out price marketing strategy to have a positive but insignificant relationship with business performance of SMEs. The study thus recommends that SMEs needs to pay attention to the 4Ps marketing mix in general and on the place marketing strategy in particular (since it had the largest coefficient) to improve business performance.

INTRODUCTION

The competitive environment in which SMEs operate is characterized by technological advancement, globalization, and evolving consumer demands. Keelson *et al.*, (2024) argue that SMEs that adopt cost leadership, differentiation, and innovation-based marketing strategies can achieve competitive advantage despite resource limitations. Similarly, Padi *et al.*, (2024) highlight the increasing importance of digital marketing, including social media, in enhancing SME growth and market penetration. In the contemporary business environment, marketing has been a matrix of business activities planned to organize, manufacture, price, promote and distribute services, goods, and ideas for the contentment of pertinent clients and customers. The effect of marketing on Small-medium enterprises is critical as these entities are increasingly being recognized for their vital role in global economies. According to the World Bank (2025), SMEs account for over 55% of GDP and 60–70% of employment in high-income countries, while contributing significantly to innovation and poverty alleviation in developing countries (Algan&Bayraktar, 2023). In Kenya, SMEs contribute approximately 40% to GDP and provide 80% of employment in non-agricultural sectors (Kenya National Bureau of Statistics, 2023). And so, anything that threatens the SMEs needs to be countered. These threats include challenges that

arise from the ever-changing markets and continuous competition, face nationally, regionally and globally (Keelson, Cúg, Amoah, Petraková, Addo, & Jibril, 2024). Economists, policy makers, and business experts acknowledge that SMEs are on the steering of economic advancement as they have contributed to over half of the GDP and provided an employment rate of over 60% in the so-called developed,

high-income countries (Algan & Bayraktar, 2023). However, they face stiff competition from larger corporations due to emerging innovations, technologies, and relaxing trade obstacles. As a result of this situation, SMEs find it difficult to survive or maintain their business status both locally and globally. Thus, to continue with this development trajectory, SMEs need to develop clearly defined strategies to survive or grow. Market orientation is a critical strategic direction for businesses, since it directly shapes marketing strategy and overall business performance (Jaworski, Kohli & Sahay, 2020). Keelson, *et al.*, (2024) note that SMEs can use marketing strategy, mainly, cost leadership and differentiation, to enhance performance even with limited resources. This strategy enables businesses to use their limited resource to achieve maximum opportunities, like increased sales and this can give a firm a competitive edge. Some of the marketing strategy's main goals are on customer satisfaction and to increase sales and dominance in their market niche on another side. According to Jaworski, Kohli, and Sahay (2020) market orientation is a

foundation for an effective marketing strategy as it integrates the key elements of product development, pricing, promotion, distribution, and relationship management. These coordinated marketing activities are essential for all businesses, including SMEs, since they enable firms to increase market share, introduce innovative products, strengthen their market presence, and boost sales performance. As with larger companies, SMEs are faced with the need to survive and thus are required to generate sales and also have market for their sales. SMEs growth arises from their involvement in marketing activity that addresses: market share, market development, product promotion, product pricing, product differentiation and distribution. The small and medium-sized enterprises (SMEs) play a key role in economy of any country and thus the performance of SMEs is of significance to all the stakeholders (Kanake & Karanja, 2018). However, Small and Medium Enterprises (SMEs) operate in a unique and often more challenging environment compared to larger corporations. This raises critical questions about the marketing strategies SMEs use to remain competitive against large firms that possess vast financial and human resources. Unlike their larger counterparts, SMEs often grapple with constraints such as limited budgets, lack of specialized marketing expertise, and reduced market visibility (OECD, 2023). In Kenya, the SME sector plays a vital role in the economy, encompassing a wide range of self-employed individuals and businesses engaged in diverse activities. While these enterprises are spread across the country, a significant concentration is found in urban centers, where infrastructure and market access are more readily available. Small and Medium Enterprises (SMEs) are globally acknowledged as key drivers of social, political, and economic development.

Their significance is especially evident in their capacity to deliver affordable goods and services, generate income, and create employment opportunities across diverse populations (World Bank, 2023). Recognizing their critical role, governments and development partners have increasingly prioritized initiatives aimed at enhancing the performance, resilience, and scalability of SMEs. Recent studies indicate that SMEs contribute over 60% of employment and up to 50% of GDP worldwide, with even higher contributions—exceeding 70% of employment and 55% of GDP—in many high-income countries (OECD, 2023). In many developing and emerging economies, Small and Medium Enterprises (SMEs) and informal enterprises play a crucial role, accounting for over 60% of GDP and approximately 70% of total employment in low-income countries. In middle-income countries, they contribute to more than 95% of employment and around 70% of GDP (World Bank, 2023; ILO, 2022). The prominence of the informal sector tends to decline as countries advance economically, highlighting an inverse relationship between the size of the shadow economy and the level of economic development. In the least developed countries, the informal sector often surpasses SMEs in terms of employment and economic contribution, serving as a lifeline for those surviving on subsistence-level incomes. Consequently, a key policy priority in developing nations is to integrate informal enterprises into the formal economy through inclusive regulatory frameworks, capacity-building initiatives, and improved access to markets and financial services (ILO, 2022; World Bank, 2023).

Neely *et al.*, (2020) and (Marr, 2022) emphasize that a comprehensive approach to performance measurement systems

that are multidimensional, have become critical indicators of performance, including, profit growth, revenue growth, operational efficiency, sustainability, and return on capital. Currently, economic environment is evolving so fast that to measure firms' capacity in achieving the strategic goals and stakeholders' expectations of business performance has become crucial concern (Kaplan & Norton, 2007; Neely *et al.*, 2020). Different forms of performance measurement, including the traditional financial indicators such as return on equity (ROE), return on investment (ROI), return on assets (ROA) and return on sales (ROS) have been expanded non-financial metrics such as market share, customer retention, innovation capacity, and employee engagement (Bititci *et al.*, 2015; Marr, 2022) for a holistic measure. This holistic approach enables managers to align strategy with execution in a dynamic and competitive marketplace. Both effectiveness and efficiency are increasingly becoming important parameters for achieving organizational objectives (Parmenter, 2020).

Statement of the Problem: Although marketing strategies are acknowledged as essential for SME growth, empirical evidence on their relative impact remains inconsistent. Studies in African contexts have shown mixed results, with some indicating significant effects of promotional and product strategies (Smile & Ofosu, 2019) and others reporting weak or insignificant impacts of pricing (Muthee & Ngugi, 2020). There is limited research focusing on SMEs in Kitengela Township, despite its vibrant SME ecosystem. This study addresses this gap by examining how the 4Ps influence SME performance in this unique context. Marketing strategy is a key tool through which firms respond to dynamic and competitive market conditions. Traditionally, it has been conceptualized through the four elements of the marketing mix—product, price, place, and promotion. However, contemporary approaches often expand this view to include people, processes, and physical evidence, especially in service-oriented and digital environments (Kotler & Keller, 2022). An effective marketing strategy is expected to enhance a firm's performance by improving market positioning, customer satisfaction, and ultimately, competitive advantage. Firms, including SMEs, adopt diverse strategies tailored to their resources, target markets, and competitive landscapes—choices that significantly influence their overall performance and sustainability. However, it is not clear what the effect of the different sets of strategy employed by SMEs in Kitengela have on their performance.

Marketing plays a vital role in enabling SMEs to improve the quality of their products and services, making marketing competence essential for their competitiveness and growth. However, SMEs frequently operate under constraints such as limited financial resources, restricted market access, and a lack of formal marketing expertise—particularly among owner-managers—leading to significant deviations from conventional marketing approaches used by larger firms (Bressan *et al.*, 2021). Consequently, SME marketing is often more informal, reactive, and personalized, focusing heavily on relationship building and direct customer interaction (Solesvik & Ensign, 2021).

Although marketing strategy is widely acknowledged as important for SMEs, the empirical evidence on its direct impact on business performance remains inconclusive. Some recent studies have shown a positive correlation between well-executed marketing strategies and SME performance metrics

such as sales growth, customer acquisition, and brand recognition (Nguyen *et al.*, 2023; Akhtar *et al.*, 2020). However, others suggest the relationship is influenced by contextual factors like market volatility, digital readiness, and innovation capacity, making generalizations difficult (Mwangi&Namusonge, 2018). In developing economies—particularly in sub-Saharan Africa—there remains a significant gap in research exploring how diverse marketing strategies influence SME outcomes across different sectors and regions. For example, while some regional studies have examined specific approaches such as digital or relationship marketing, many have overlooked the broader strategic mix, indicating the need for further investigation in underexplored contexts like Kenya (Chinomona&Sandada, 2018; Akhtar *et al.*, 2020).

Objective of the Study: The objective of this study was to establish the effect of marketing strategies on the business performance of SMEs in Kitengela Township.

REVIEW OF LITERATURE

In this section, the study presents the empirical review of the study.

Promotion marketing strategy is likely to have an effect on the SME Performance. Promotion remains a vital strategy for SMEs to enhance brand visibility, shape consumer perceptions, and stimulate sales. Digital channels like social media have become especially significant: SMEs utilizing platforms such as Facebook, Instagram, and TikTok report measurable improvements in customer loyalty and sales (Padi *et al.*, 2024; Smile &Oforu, 2019). Despite often operating with limited budgets and minimal marketing expertise, SMEs that blend traditional and digital promotional tools can effectively engage customers and build stronger market positioning (Solevik&Ensign, 2021). However, digital adoption among SMEs is not always seamless. While eCRM techniques support improved customer communication and relationship building, many SMEs face challenges in integrating customer insights into strategic decision-making processes (Nguyen *et al.*, 2023). Consequently, performance outcomes from promotional strategies depend on how well SMEs leverage technology and adapt their promotional mix to their specific markets and capacities.

SME Performance can be affected by price marketing strategy. Pricing remains one of the most critical elements of the marketing mix for SMEs, directly influencing revenue, customer acquisition, and market share. Penetration pricing—setting low initial prices to attract customers—has been shown to significantly increase market share for SMEs in emerging economies (Muthee&Ngugi, 2020). Yet, its effectiveness is constrained when firms cultivate a loyal customer base, as price sensitivity decreases over time (Keelson *et al.*, 2024). Thus, penetration pricing is most effective when aligned with cost advantages and growth goals. In addition, pricing flexibility enables SMEs to adapt swiftly to changing economic and competitive conditions (Nguyen *et al.*, 2023). Strategic pricing decisions that are well-aligned with value propositions and customer expectations support both short-term performance and long-term sustainability. SMEs that deploy data-driven and dynamic pricing models are better equipped to optimize profitability and navigate competitive markets.

There may be a relationship between product marketing strategy and SME performance. To begin with, Product

strategy is a cornerstone for SME performance, driven by innovation, quality, and relevance. Recent research highlights the importance of customer-oriented product design and continuous innovation in enhancing SME competitiveness (Nguyen *et al.*, 2023). In Kenya, SMEs that emphasize product quality, better packaging, and clear brand messaging tend to attract and retain customers more effectively (Waithaka&Chege, 2021). Moreover, firms that integrate feedback-driven innovation into their product strategy—through market research or co-creation—realize stronger growth and resilience (Akhtar *et al.*, 2020). Emphasizing product differentiation and value-adding features enables SMEs to stand out in saturated markets and build sustainable competitive advantage.

METHODOLOGY

Research Design: The research used a descriptive research design because it provides an accurate estimation of the association between market strategies and the performance of SMEs in Kitengela (Creswell, 2003). This design also allows the researcher to collect both quantitative and qualitative information that captures information on the demographic characteristics of the population studied within a short time and at minimal cost.

Population of the Study: According to the National Chamber of Commerce (2015), there are 62 SMEs operating within Kitengela Town's Central Business District. These SMEs formed the target population of the study. The unit of study was the owners, managers, or senior staff of these SMEs. These three categories of staff were targeted because they could provide insightful information required to meet the research objectives. The SMEs selected for this study were drawn from, hardware shops, motor vehicle repairs, hotels, general retail shops, baby care shops, wholesale shops, supermarkets, small scale manufacturers, and others (e.g. bars, restaurants etc.).

Sample Size and Sampling Design: A Census approach was used to assess the target population of this study, i.e. data was collected from all the targeted (62) SMEs in Kitengela Township since they were not very many. Three respondents were selected from each SME using a purposive approach to bring the total sample size to 186 respondents. Participating respondents from each SME were selected purposively because it allowed the researcher to select respondents who were able to provide information that could meet the objectives of the study. In addition, this sampling procedure was used to minimize costs and time wastage in data collection.

Data Collection: The study used primary data obtained from the owners and staff of SMEs. The data was collected using a semi-structured questionnaire through a face to face interview. The questionnaire was divided into sections based on the objectives of the study. The questionnaire method was adopted because it allows data to be collected from many respondents within the shortest time possible thus minimizing costs and time. Primary data on the impact of the marketing strategies on business performance of SMEs was obtained from management staff and owners using a structured questionnaire. Management/Owners were purposively selected to provide data because they deal with policy formulation. Reliability is the degree of consistency and precision in which the measuring

of the instrument demonstrates under same circumstances, same research respondents using the same instrument and should generate the same results under identical conditions (Amin, 2005). In determining reliability of the instrument, the researcher carried out a pilot study among 20 SMEs in the neighboring Isinya town. This was to help in fine-tuning the research instrument and improving its utility in collecting data for the actual study. Validity is an indication of how sound the research will be.

The validity of the instrument was measured using the content validity, which refers to the ability of the instrument to cover all possible aspects of the research topic. To ensure content validity of the research instrument the researcher incorporated the opinion of research experts and his supervisor in designing the questionnaire.

Data Analysis and Presentation: Data collected was cleaned to check for completeness and consistency before final analysis was conducted. Complete data were then coded and entered into Statistical Package for Social Sciences and analyzed. The data collected was analyzed using descriptive statistics and presented through charts, tables, frequency distribution and percentages. The study used a multivariate regression model to determine the relationship between the dependent and the independent variables. The dependent variable in the study was the performance of SMEs while independent variables were the marketing strategies which comprise the marketing mix. The multivariate regression model for this study was:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e(i)$$

Y = the dependent Variable (performance of SMEs)	B ₃ = Coefficient of X ₃
α = Constant term for the independent variable	X ₃ = Product market strategy
B ₁ = Coefficient of X ₁	B ₄ = Coefficient of X ₄
X ₁ = Promotion Market Strategy	X ₄ = Place market strategy
B ₂ = Coefficient of X ₂	e = The error term
X ₂ = Price market strategy	

FINDINGS AND DISCUSSION

Response Rate: Out of the 162 sampled respondents, 149 respondents returned duly filled questionnaires. This means that the response rate of the study was 91.97%. According to Mugenda and Mugenda (2019) a 50% response rate is adequate, 60% good and above 70% rated very well. Kothari (2004) also asserts that a response rate of 50% is adequate, while a response rate greater than 70% is very good. As such, the response rate of this study was deemed satisfactory.

Promotion marketing Strategy and SMEs Performance: Promotional marketing involves provision of special offers for products, advertisements through billboards, flyers and posters, product branding and use of social media to promote business products. The respondents strongly agreed that giving special offers and using billboards & other similar media has a positive impact on business performance. The respondents were also of the idea that product branding and use of social media is beneficial to performance improvement efforts.

Price Marketing Strategy and SMEs Performance: Pricing is another marketing strategy that influences SME performance. Individual pricing strategies such as setting same

product prices as competitors, lowering product prices, negotiating prices, discounting prices, and setting different prices for different products were considered. The respondents' perception was that setting same prices for products as those of the competitors increases sales. They also agreed that lowering prices had increased business market share and allowing customers to negotiate prices had also increased sales. They also agreed that provision of discounted prices for products had increased sales.

Product Marketing Strategy and SMEs Performance: The study further sought to find out respondents' views on the effects of product marketing strategies such as introduction of new products, diverse products, having a main product and improvement on the product appearance on the performance of the SMEs.

The respondents agreed that the introduction of new products would lead to increased sales. They also agreed that diversified products have allowed the business to increase its revenue, concentration on one main product would not be beneficial to the firm, and that the product packaging is key to the appeal of the product, and hence its demand.

Place Marketing Strategy and SMEs Performance: The study established the influence of place marketing strategies on the performance of the SMEs. The results showed that largely, the respondents either agreed or were weakly in agreement with the propositions that use of innovative distribution channels, location of business, direct sales and use of variety of retailers as place marketing strategies had led to improved business performance.

Validity and Reliability Analysis: Since the study was designed carefully using the descriptive research design approach, we can infer that the findings can be generalized throughout SMEs and hence they have external validity. Construct validity can be inferred from the fact that most of the regressors were significant and the overall regression model, as indicated in the ANOVA table, was also significant.

To measure the reliability of the data collection instruments an internal consistency technique, the Cronbach's alpha, was computed using SPSS. The research instrument was deemed reliable since data obtained from all independent variables had a Cronbach's alpha of greater than 0.7. It means that the research data had relatively high internal consistency can be generalized to reflect opinions of all possible respondents in the target population on the impact of marketing strategies of SMEs business performance in Kitengela.

Empirical Findings and Discussion: In order to quantify the relationship between the independent variables and the dependent variable, the researcher undertook an ordinary least squares regression analysis. Table 1 below shows the results of the regression analysis. The regression analysis table shows that all the regressors had a positive impact on business performance of SMEs. Additionally, all independent variables, except the price strategy, were significant.

Regression Analysis

Equation can therefore be restructured as:

$$Y = 0.075 + 0.211X_1 + 0.173X_3 + 0.449X_4 \quad (ii)$$

Table 1. Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	0.075	0.040		1.875	.063
Promotion Strategy	0.211	0.047	0.185	4.497	.000
Price Strategy	0.125	0.094	0.132	1.330	.185
Product Strategy	0.173	0.059	0.205	2.939	.004
Place Strategy	0.449	0.064	0.493	6.986	.000

Where:

Y = Business Performance

0.075 = Constant Y-Intercept. This represents the level of Business Performance of the Study SMEs taking other factors of the study at zero.

X1 = Promotion Strategy

0.211 = Coefficient of X1 (change in Business Performance due to a unit change in Promotion Strategy)

X3= Product Strategy

0.173 = Coefficient of X3 (change in Business Performance due to a unit change in Product Strategy)

X4= Place Strategy

0.449 = Coefficient of X4 (change in the Business Performance due to a unit change in Place Strategy)

Independent variable X2 was omitted from the final model since its impact on the dependent variable (Y) is not significant. This is because its p value is more than 0.05.

Model Goodness of Fit: Table 2 below shows the R² of the model as 0.684. This is an indication of a strong goodness of fit of the study data to regression analysis as the empirical model. The value of the R² means that 68.4% of the variability in the dependent variable (SMEs' business performance) can be explained by variability in the firm's price strategy, product strategy, place strategy, and promotion strategy. The remaining 31.6% of variability can be attributed to other factors that are not included in the model.

Table 2. Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.692 ^a	0.684	0.683	0.11311
a. Predictors: (Constant), Place Strategy, Promotion Strategy, Product Strategy, Price Strategy				

Analysis of Variance (ANOVA): The ANOVA Table is used to indicate whether the overall regression model is significant or not. Since the p-value of this study's Analysis of Variance was less than 5% (See table 3 below), we can deduce that the regression model was significant.

Table 3. Analysis of Variance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.692 ^a	.684	.683	.11311
a. Predictors: (Constant), Place Strategy, Promotion Strategy, Product Strategy, Price Strategy				

Hypothesis Testing: Going by the results outlined in the regression table, we can see that except price strategy, all other independent variables were significant; H01: Marketing strategies (product, pricing, promotion and place –distribution-strategies) do not have a significant effect on the business performance of SMEs in Kitengela Township. The results indicate that the pricing strategy is the only that does not have significant effect of the performance of SMEs. Thus, the study fails reject the null hypothesis that states that, pricing strategy does not have a significant effect of performance of SMEs. Similarly, the study rejects the null hypotheses that indicate that product, promotion and place do not have a significant effect of performance of SMEs.

Summary of Findings

Concerning the objective on promotion marketing strategies, the study generally established that most respondents strongly agreed that promotional strategies affect business performance while a small number of the respondents voiced dissenting opinions. The study results also revealed that there was a significant relationship between promotional marketing strategies and SME performance. The strength of this significance was established to be strong as indicated by the p-value of 0.00. This result affirms to the use of various promotional avenues as tools to enhance the business publicity of SMEs. On the objective of pricing marketing strategy, the study sought to find out the effect of pricing strategies such as setting same product prices as competitors, lowering product prices, allowing customers to negotiate prices, and offering discounted prices on SME performance. The study findings indicated that the respondents agreed, albeit weakly, that price marketing strategies would influence business performance positively. However, the study findings, as evidenced by the p-value of 0.185, indicated that the relationship between price marketing strategies and business performance of SMEs is not significant. Nevertheless, these findings corroborate with the proposition that any SME in its inception or in introduction of new products must consider their price penetration strategy as suggested by Kaunyangi, Deya, and Kariuki (2022), who established that a three penetration strategy proxies of market segmentation, product packaging, and sales promotion, producing R² of 0.293(accounting for 29.3%) of the study variables. The insignificant relationship between price marketing and business performance of SMEs provides an indication to the reason that, SMEs may be having loyal consumers such that reduction in price doesn't necessarily implies customer growth or increased business performance. These findings are similar to the results of Muthee and Ngugi (2020) who established that price marketing strategy positively impacts on the growth of SMEs. On product marketing strategies the respondents weakly agreed that the introduction of new products increased sales. The respondents also agreed that diversified products had allowed the business to increase its revenue. Further, they agreed that concentration on one main product would not be beneficial to their organizations. The study results indicated that most of the respondents agreed that product marketing strategies influences business performance. The study results also revealed that there was a positive and significant relationship between product marketing strategies and SME performance. This was indicated by a p-value of 0.004. The strong importance that respondents attached to the product marketing strategy alludes to the fact that all marketing revolves around the product. This finding also validates the belief that the product consideration is quite

impactful on business performance in terms of profitability and market share with this being attributed to the reason that customers do really look at product attributes such as quality, features, design and style. These findings align themselves with the findings of Wandera, Deya, and Kariuki, (2023) who established that product development strategy enhances competitiveness. Equally, Sigei and Jeptoo, (2023) established that there is a strong positive and significant correlation between product development strategy and performance among real estate firms. $\beta \sim 0.355$, $p < .05$. Thus, product marketing is likely to enhance business performance. Finally, on the objective on the effect of place marketing strategies on business performance, the results of the study showed that majority of the respondents agreed that place marketing strategies influences SME business performance.

A minor number of respondents were undecided, strongly agreed, disagreed or strongly disagreed. The study results concluded a positive and significant relationship between place marketing strategies and SME performance. Place considerations, i.e. the location, accessibility and channels of distribution employed by the business were also highlighted as major concerns for owners of businesses as far as strategic positioning is concerned. These results corroborate the findings of Kitainge (2024), who established a strong and significant relationship between distribution channel structures and performance of cement manufacturing firms in Kenya ($r = 0.758$, $p = 0.001$). Thus, place marketing strategy is the second most important strategy that affect business performance of SMEs after product marketing strategy.

CONCLUSION

This study validates previous scholars' assertions about the relationship between market strategies and SME performance with a focus on the SMEs sector in Kenya. Despite the lack of agreement on the most effective marketing strategy that SMEs can use, the study demonstrates that, place marketing strategy, product marketing strategy, price marketing strategy and promotion marketing strategy when applied will positively influence the growth of SMEs. Marketing will function effectively only when there is commitment from the management. The SMEs can easily bring in the innovative marketing practices as they do not have layers between the decision makers and the people who implement these decisions.

The SMEs need to formulate their goals clearly and then evaluate the various marketing strategies alternatives on the basis of their capabilities and resources. It can be concluded that SMEs need to give importance to the location of their business as place marketing strategy influences the distribution of product from the sellers to the consumers and even suppliers. It can also be deduced that SMEs need give heed to penetration pricing strategy a key component of price marketing strategy. This is because most of the SMEs were of the view that lowering prices can have desired effects on business performance. Conclusively, it can be argued that place marketing strategies have the biggest impact on the business performance of SMEs, since this regressor had the largest coefficient. Thus SMEs are advised to seek strategic locations and make smart choices with respect to their distribution channels and other aspects of the place strategy.

RECOMMENDATIONS

There is need for SMEs to increasingly innovate and adopt marketing strategies that have the highest impact on their business and can achieve such impact with the lowest cost possible. There is need for SMEs to pay more attention to business locations and other aspects of the place strategy, their promotion strategies, and product development strategies as the key areas of focus. Nevertheless, SMEs should pay attention to the 4P's marketing mix since the combined effect of the components of the marketing mix provides higher business performance. They should continually innovate on their 4Ps marketing strategies. SMEs should increasingly use social media in their marketing attempts since it harmonizes relationships and networking market strategies. Other types of marketing strategies such as promotion market strategy have the potential to offer SMEs great benefits.

Areas for Further Research

There is need for more studies that will focus on the impact of marketing strategies on business performance of SMEs in various sectors. There is also need for more studies at national level to fully understand the impact of marketing strategies on business performance of SMEs thus providing conclusive evidence.

REFERENCES

- Akhtar, C. S., Ismail, K., Ndaliman, N., Hussain, J., & Haider, M. (2020). Entrepreneurial orientation, management capabilities and performance of manufacturing SMEs in Pakistan: Mediating role of innovation. *Journal of Strategy and Management*, 13(2), 297–312. <https://doi.org/10.1108/JSMA-12-2018-0138>
- Algan, N., & Bayraktar, M. (2023). The importance of SMEs to world economies: Economic growth, poverty reduction, innovation, and employment. *International Conference on Eurasian Economies*. <https://www.researchgate.net/publication/345358967>
- Bala, S. M. H. (2009). Nurture and strategy of product innovations SMEs: A case study-based comparative perspective of Japan and India. *Journal of Management and Policy Analysis*, 1(2), 34–45.
- Barney, J. B. (2020). *Gaining and sustaining competitive advantage* (6th ed.). Pearson.
- Bititci, U., Garengo, P., Dörfler, V., & Nudurupati, S. (2015). Performance measurement: Challenges for tomorrow. *International Journal of Management Reviews*, 17(3), 305–327. <https://doi.org/10.1111/ijmr.12030>
- Bizplan.ai. (2024). What is business location strategy? A comprehensive guide. <https://bizplanr.ai/blog/business-location-strategy>
- International Labour Organization (ILO). (2022). *World Employment and Social Outlook: Trends 2022*. https://www.ilo.org/global/research/global-reports/weso/2022/WCMS_834081/lang--en/index.htm
- Jaworski, B. J., & Kohli, A. K. (1996). Market orientation: Review, refinement and roadmap. *Journal of Market Focused Management*, 1(12).
- Kanake, A. M., & Karanja, P. N. (2018). Effect of entrepreneurial marketing strategies on performance of micro and small enterprises (MSEs) in Kenya. *Journal of*

- Marketing Studies, 2(1), 47–70. <https://doi.org/10.47941/jms.260>
- Kaunyangi, T. W., Deya, J., & Kariuki, P. (2022). Market penetration strategy and competitiveness of ISO-certified manufacturing firms in Kenya.
- Keelson, S. A., Cúg, J., Amoah, J., Petráková, Z., Addo, J. O., & Jibril, A. B. (2024). The influence of market competition on SMEs' performance in emerging economies: Does process innovation moderate the relationship? *Economies*, 12(11), 282. <https://doi.org/10.3390/economies12110282>
- Kenya National Bureau of Statistics. (2023). *Economic survey 2023*. KNBS Publications.
- Kotler, P., & Keller, K. L. (2022). *Marketing management* (16th ed.). Pearson Education.
- Mohammed, A., Mensah, P., & Dzogbenuku, R. K. (2021). Product innovation and SME growth in Sub-Saharan Africa. *Journal of Small Business Management*, 59(4), 712–728.
- Mugenda, O., & Mugenda, A. (2019). *Research methods: Quantitative and qualitative approaches* (3rd Rev. Ed.). Nairobi.
- Muthee, C. N., & Ngugi, P. K. (2020). Influence of pricing strategies on the performance of SMEs in Nairobi County, Kenya. *Journal of Business and Management*, 22(3), 31–38.
- Muthee, M. W., & Ngugi, K. (2020). Influence of pricing strategies on the market share of SMEs in Kenya. *International Journal of Business and Social Science*, 11(6), 45–54.
- Nguyen, B., Melewar, T. C., & Wang, Y. (2023). Digital marketing capabilities and firm performance: Evidence from SMEs in developing economies. *Journal of Business Research*, 158, 113615. <https://doi.org/10.1016/j.jbusres.2022.113615>
- OECD. (2023). *SME and entrepreneurship outlook 2023*. OECD Publishing. <https://doi.org/10.1787/9325c0f4-en>
- Padi, A., Musah, A., Keelson, S. A., & Adjei, L. (2024). Leveraging social media for enhanced profitability and growth: Evidence from SMEs in Ghana. *Indonesian Journal of Business and Entrepreneurship*, 10(2), 455. <https://doi.org/10.17358/ijbe.10.2.455>
- Porter, M. E. (2019). *Competitive advantage: Creating and sustaining superior performance* (Updated ed.). Free Press.
- Sigei, B. C., & Jeptoo, C. (2023). Examining the impact of product development strategies on the performance of real estate companies in Nairobi City County.
- Smile, D., & Ofosu, D. (2019). Marketing strategies and the performance of SMEs in Ghana. *European Journal of Business and Management*, 11(5), 87–97.
- Wandera, T. W., Deya, J., & Kariuki, P. (2023). Product development strategy and competitiveness of ISO certified manufacturing firms in Kenya. *International Journal of Social Sciences Management and Entrepreneurship (IJSSME)*.
- World Bank. (2023). *Small and medium enterprises (SMEs) finance*. <https://www.worldbank.org/en/topic/sme/finance>
- World Bank. (2025). *Small and medium enterprises in emerging economies: Enterprise contributions to national income and job creation*. World Bank Publications. <https://openknowledge.worldbank.org>
- World Bank Group. (2025). *Small and medium enterprises in emerging economies: Enterprise contributions to national income and job creation [Policy diagnostic report]*. World Bank
