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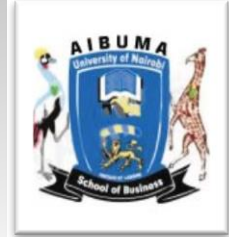
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MARKETING STRATEGIES, INDUSTRY COMPETITION AND EXPORT PERFORMANCE OF FRESH PRODUCE FIRMS IN KENYA

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Abstract

Despite the increasing number of firms pursuing export market, little is known about the moderating role of industry competition on the marketing strategy and export performance link. To address this gap in literature data was collected from 100 exporters of fresh produce that were members of the Fresh Produce Export Association (FPEAK) as at 31st June 2019. This study was anchored on the industrial organization economics theory. Study outcome revealed that industry competition influence export performance through marketing strategies. A descriptive cross-sectional study design was adopted. Primary data was collected using a structured questionnaire. This study contributes to export literature by offering empirical evidence on the moderating role of industry competition within the fresh produce industry. Likewise, it has important practical implications to managers on how to improve firm's export performance in the highly unpredictable and volatile export market.

Key words: Marketing Strategies, Industry Competition, Export Performance, Fresh Produce Firms

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Introduction

Global economic trends have made it imperative for a growing number of firms to seek business opportunities beyond their traditional domestic markets (Chang & Fang, 2015). According to Chen, Sousa and He (2016) more firms are increasingly pursuing international markets to safeguard their domestic market position as well as boosts corporate revenue in the long term. Exporting remains the most preferred mode of foreign market entry particularly among small and medium size enterprises (SME's). This is because it involves low risk, requires minimal financial commitment and permits for greater flexibility and ability to adapt when compared to other modes of entry (Leonidou, Katsikeas & Coudounaris, 2010). At the macro level, export business impacts critical areas such as foreign exchange earnings, employment opportunities and enhances societal prosperity. While at the micro level, exporting is considered a strategic business tool used to boost corporate growth, diversify business risks and even take on foreign competitors (Abou-Strait, 2005).

Industry competition is linked to a series of actions aimed at achievement of a goal by one actor, while restraining its rivals from accomplishing their goals (Deutsch, 1949b). Porter (2008) argues that industry competition acts as a selection mechanism where inefficient incumbents are removed and resources allocated to their best use. Tools such as the PESTEL model (Johnson & Scholes, 2005), Value chain model (Porter, 2008) and Porters five forces (Porter, 1980) have been used to assess the intensity of competition. Technological advances, convergence of customer preferences, and liberalized trade policies has resulted to turbulent environmental conditions making the formulation of marketing strategies a challenge (Cassiman & Golovko, 2011). Under these circumstances, a better understanding and implementation of marketing strategies becomes important for the survival and growth of domestic firms in foreign markets.

The fresh produce industry has continued to experience unprecedented growth to become one of Kenya's leading export earner. In 2018, export earnings from this industry grew to Kshs 153.68 billion, a 33% growth over 2017 earnings (Kenya National Bureau of Statistics, 2018). Further, it is estimated that more than 4.5 million Kenyan's benefit directly from the fresh produce industry and another 3.5 million benefit indirectly through trade and other related activities (KDLC, 2010). The fresh produce industry has also been singled out as the driving force towards achievement of the Kenya Vision 2030 and more recently as the President's big four agenda on extermination of food shortage and poverty reduction. Despite the significance of fresh produce firms to the economy, knowledge on how to develop and implement marketing strategies for the export market remains scarce. Furthermore, studies that examine the moderating role of industry competition on the relations between marketing strategies and export performance within the fresh produce industry are few.

Research Problem

Export literature suggests that marketing strategies influence performance of firms in foreign markets (Morgan, Katsikeas & Vorhies, 2012). Industry competition is characterized by rapid technological changes, changing consumer needs and is therefore important when developing marketing strategy and has an influence on subsequent export performance. While other studies argue that success of firms in foreign markets not only depends on the portfolio of resources but also on the ability to respond to international uncertainties (Stoian, Rialp, & Rialp, 2011).

Previous empirical studies focused predominantly on the direct relationship between marketing strategies and export performance. For instance, In Brazil, Cunha and Rocha (2015) analyzed 173 micro and small business enterprises (MSE's) from various sectors. Study findings established that marketing strategies made significant contribution in shaping export performance. Similarly, Namiki (2008) examined marketing strategy and export performance relationship of US electronic export firms and revealed existence of a close link between a firms' marketing strategy and export performance. These two studies were however limited to the direct relationship between marketing strategy and performance.

Locally, Owino (2014) examined the moderating role of industry competition on the link between organizational culture and performance. Findings revealed that industry competition had an insignificant influence on firm performance. However, study by Owino (2014) considered the moderating role on industry competition within the context of a domestic economy. Considerable less research exists on the role of industry competition in foreign markets.

On the other hand, Nkari (2015) researched on the moderating influence of operating environment on the branding practices and performance relationship of farmers in Kiambu County. Empirical results revealed that operating environment did not moderate the branding practices and performance link. Findings from the study were however limited to one county, Kiambu and could therefore not be generalized. Secondly, Nkari (2015) focused on only one element (promotion) of the marketing mix. Current study investigated the four elements of marketing which are usually considered as interactive and integrative in nature. As such the moderating role of industry competition on the relationship between marketing strategy and export performance remains unanswered.

Literature Review

Industrial Organization Economics Theory

Industrial Organization Economics Theory was first presented by Smith (1776), then later developed by Bain (1968) as a tool for industrial analysis. According to this theory, firms within an industry are characterized by perfect competition, similar products or closely related substitutes (Fleisher & Blenkhorn, 2005). Industrial Organization Economics Theory places emphasis on understanding forces that shape the competitive landscape. The collective strength of these forces determine profitability and attractiveness of firms

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within a particular industry (Ferguson & Ferguson, 1994). As a result, it is important for managers to first assess the business environment before formulating strategy (Seaton & Benet, 1996).

One of the shortcomings of this theory is that firms operate in an increasingly dynamic environment and therefore a snap shot of the industry is not enough to formulate strategy (McGahan, 1999). In addition, application of the industry organization economics theory is limited to the external environment with little emphasize on the firm internal resources (Ferguson & Ferguson, 1994). Industrial organization economics theory was considered important in the current study because firms must take into account sources of competitive pressure when developing strategies for the export market.

Marketing Strategies, Industry Competition and Export Performance

Empirical literature on the moderating role of industry competition on the marketing strategy and export performance relationship presents mixed and inconsistent findings. In Malaysia, Ong, Ismail and Yeap (2018) collected data from 517 SME's to investigate the moderating role of industry competition on the relationship between competitive advantage and export performance relationship. Evidence from research, established that the link between competitive advantage and firm performance was significantly moderated by industry competition. Likewise, analysis of 105 Indian based service providers by Lahiri (2013) established that competitive intensity positively moderates internal resources and

firm performance. These two studies were however conducted in emerging markets which experience different economic, political and social environment.

In Thailand, Suksri, Chobpichien and Aemsawas (2015) collected data from 154 hotels in Samui Island. Results from the study revealed that competitive intensity did not significantly moderate the competitive advantage and performance link. These findings were however confined to the hotel industry in Thailand. Similar results were reported by Ondari (2015) who studied the moderating role of industry competition on the diversification strategy and performance link of 35 firms listed in the Nairobi Securities Exchange. The study by Ondari (2015) was however conducted in the financial industry, while current study was in the fresh produce industry which is a different environment. Findings from one industry cannot be generalized to another.

A study of 35 state corporations in Kenya by Otieno (2016) revealed that the competitive environment did no moderate the link between strategy and performance. However, this study had a small sample size and findings were confined to state corporations in Kenya. Although empirical studies on the moderating role of industry competition exist, majority of the studies were conducted in developed economies, different industries or had small samples. Given these divergent and inconsistent findings there is need to investigate the moderating role of industry competition on the marketing strategy and export performance link. This study hypothesized that:

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H1: Industry Competition does not significantly moderate the relationship between Marketing Strategies and Export Performance.

Research Methodology

This research adopted a descriptive cross-sectional research design for various reasons. First, descriptive studies allowed researcher to collect data from a sizeable population and identify hidden patterns/characteristics of the phenomena in question using a profile of factors (Sekaran & Bougie, 2010). Secondly, it also established strength of relationship between variables without inferring causality. The population of study was developed from the Fresh Produce Exporters Association of Kenya (FPEAK) website. A source that provides regularly updated information of ordinary and affiliate members, firm demographics as well as contact person. A total of 100 fresh produce firms that were ordinary members of the association as at 31st June 2019 were selected for the study. The Fresh Produce Exporters Association of Kenya (FPEAK) has also been used in related studies (Wanjiru, 2018; Kabano, 2017).

The Chief Executive Officers, Managing Directors or Top line Managers in charge of export operations were the key informants in each fresh produce company. The choice of respondents was influenced by their roles within the firms, which indicated that they had the knowledge and understanding about the firm's marketing strategies and their relationship with the study key variables. Only one respondent per fresh produce firm took part in the survey. (Kumar, Stern and Anderson, 1993). Out of the 100 fresh produce firms, 10 were randomly selected and thereafter a pilot study conducted. According to Hair, Ringle and Sarstedt (2011) a pretest of 5 to 10 respondents is useful in identifying flaws in a questionnaire. Feedback was requested on all items of the questionnaire including length, cognitive aspects, layout and order of the questionnaire. Based on the feedback, some of the questions were rephrased and questions on financial data were assessed with the help of a Likert type scale. Cooper and Schindler (2011) argue that Likert scale allows the researcher to collect and analyze quantitative data with ease.

Out of the remaining 90 questionnaires only 69 questionnaires were returned, translating to a total of 76.7 % response rate. This was considered adequate and compares well with other studies on export performance. Brouthers and Nakos (2005) who studied 112 Greek owned companies obtained a response rate of 34%. Julian and Ahmed (2005) studied 122 Queensland export ventures had a response rate of 18 %. Fincham (2008) argues that 60 % response rate should be the acceptable minimum for surveys

Operationalization of the Study Variables

Each study variable was operationalized using measures developed from previous studies. Export performance is the outcome variable and was measured using subjective/perceptual measures as has been used in several other studies (Lisboa, Skarmeas & lages, 2013; Murray, Gao & Kotabe, 2011). Several factors support use of subjective measures first, differences in

market characteristics, technology intensity may lead to unfair comparison of financial data which may have different meaning to the various firms. Secondly, most studies adopt perceptual measures to measure financial performance since secondary information is often not available for public consumption (Lages & Lages, 2004, Kimwomi, 2015). Marketing strategies is the independent variable and was measured using 28 attitudinal attributes adopted from previous studies (Njeru, 2013; Morgan, Katsikeas & Vorhies, 2012). However, several modifications were made to take into account specific characteristics within the fresh produce industry. Industry competition is the moderating variable and was conceptualized using the Industry Structure Scale (INDUSTRUCT) scale which is made up of the five competitive forces (Pecotich, 1999; Porter, 1981).

Descriptive Statistics for Industry Competition

Porter's five model allows analyst to determine the profit potential within an industry and also determine the best strategy to counter the strongest industry force. Based on the work of Pecotich, Hattie, & Low (1999), bargaining power of buyers, bargaining power of sellers, threat of new entrants, threat of substitute, rivalry amongst existing firms were used to determine intensity of competition and attractiveness of industries. Respondent's responses were rated on a scale ranging from 1- 5 where (1) represented not at all and (5) depicted very large extent. The pertinent results were analyzed using mean score, standard deviation (SD) as well as coefficient of variation (CV) and the results presented in the following subsections.

5.1 *Bargaining Power of Buyers*

The power of buyers describes the ability of customers to impose pressure on businesses to lower prices, demand higher quality goods or better service (Porter, 1981). Within the fresh produce industry, bargaining power of buyers was measured using five question items. Each attribute was rated on a scale ranging from 1- 5 where (1) represented not at all and (5) depicted very large extent. A high mean score suggested high bargaining power, while a low mean score assumed low bargaining power. Table I depicts a summary of the findings.

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Table I Mean Score, Standard Deviation and Coefficient of Variation for Measures of Bargaining Power of Buyers

Bargaining Power of Buyers	N	Mean Score	Std. Deviation	CV (%)
1. Buyers in the industry dictate terms that companies offer	69	4.07	1.062	26.09
2. Buyers in the industry demand better services	69	3.91	0.78	19.97
3. Buyers and buyer groups are very powerful in the industry	69	3.90	0.89	22.92
4. There is a small number of buyers in the industry that form a large proportion of our industry's sales	69	3.75	0.90	25.93
5. Buyers in the industry's products are in a position to demand concessions and large discounts	69	3.41	0.86	23.31
Average Score	**69**	**3.81**	**0.90**	**23.65**

Source: Primary Data (2020)

The output exhibited in Table I shows that respondents seemed to agree that within the fresh produce industry buyers "dictate terms that companies offer them" and "also buyers demand better services". These findings suggest a strong degree of bargaining power as depicted by the high mean score on item 1, 2 and 3 (M = 4.07, M=3.91, M = 3.90) respectively. A possible explanation would be buyers in Europe determine the products that get to enter the market by imposing Good Agricultural Practices (GAP). Similarly, respondents also agreed that there was a small number of buyers who form a large proportion of the sales as suggested by the high mean score of (M = 3.75). This too is a characteristic of strong bargaining power. Ability to demand concession and

large discounts had a high mean score of (M = 3.41). The above characteristics affirm the assumption that degree of buyer power within the fresh produce industry was high.

Bargaining Power of Suppliers

Suppliers are a threat to profitability within an industry when they are able to charge higher prices, reduce product availability or lower quality of products (Porter, 1980). Within the fresh produce industry, bargaining power of suppliers was measured using five question items. Each attributewas rated on a scale ranging from 1- 5 where (1) represented not at all and (5) depicted very large extent. Results were analyzed using mean score, standard deviation and coefficient of variation.

A high mean score indicated high bargaining power of suppliers, while a low mean score suggests low bargaining power of suppliers.

Table II.0: Mean Score, Standard Deviation and Coefficient of Variation for Measures of Bargaining Power of Suppliers

Bargaining Power of Suppliers	N	Mean Score	Std. Deviation	CV (%)
1. The suppliers' products/offerings are an important input into the company's products/ offerings	69	4.26	0.68	16.0
2. In this industry, the suppliers' product quality has great effect on quality of the company's products	69	3.45	1.16	33.6
3. The industry has a small number of suppliers who contribute to a large proportion of the industry's inputs	69	1.99	0.83	27.76
4. The suppliers' / supplier groups in the industry are very powerful	69	1.45	0.80	32.65
5. Suppliers in the industry demand and gain high concessions	69	1.93	0.69	35.8
Average Score	**69**	**2.62**	**0.83**	**27.48**

Source: Primary Data (2020)

The output displayed in Table II shows that participants seemed to agree that supplier products made significant contribution to the company's products/ offerings as shown by the high mean score (M = 4.26, SD = 0.68, CV= 16.0). On whether supplier's product quality had great effect on quality, respondents seemed to agree as depicted by the high mean score (M = 3.45, SD= 1.16, CV= 33.6). However, on the question of industry has a small number of suppliers who contribute a large proportion of industry inputs. Respondents seemed to disagree that within the fresh produce industry there exists a small number of potential fresh produce suppliers making it is difficult for suppliers within the industry to demand and gain high concessions as shown by the low mean score (M = 1.93, SD = 0.69, CV = 35.8) on item 5.

Threat of Substitutes

Threat of substitutes occurs when there are products with lower prices that can perform similar function. Within the fresh produce industry, threat of substitutes was measured using five question. Each attribute was rated on a scale ranging from 1- 5 where (1) represented not at all and (5) depicted very large extent. The results were analyzed using mean score, standard deviation and coefficient of variation (CV) and the findings summarized in Table III. A high mean score indicated threats from substitutes was strong, while a low mean score indicated that threats from substitutes was low.

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Table III: Mean Score, Standard Deviation and Coefficient of Variation for Measures of Threat of Substitutes

Threat of Substitutes	N	Mean Score	Std. Deviation	CV (%)
1. The products in the industry have intrinsic characteristics from which it is difficult to find substitute	69	3.01	.74	38.7
2. There is considerable pressure from substitute products in the industry	69	1.87	.64	34.2
3. All companies in the industry are aware of the strong substitutes that are easily available to our customers	69	1.77	.55	31.1
4. The needs that the industry products satisfy may be easily satisfied by products from many other sources and industries	69	1.62	.89	54.9
5. The availability of substitute products in the industry limits the potential return on investment in the industry	69	2.96	.58	39.7
Average Scores	**69**	**2.25**	**0.7**	**39.7**

Source: Primary Data (2020)

The output displayed in Table III shows that participants agreed that fresh produce had intrinsic characteristics making it difficult to find substitutes represented by a mean score (M = 3.01, SD = .74, CV = 38.7). Respondents also agreed that within the fresh produce industry pressure from substitutes was relatively low as suggested by the mean score (M = 1.87, SD= .64, CV = 34.2). On availability of substitute products, respondents agreed that substitutes were not easily available as suggested by the mean score (M = 1.77, SD = .55, CV = 31.1) and that it was difficult to get satisfaction from other sources (M = 1.62, SD = .89, CV = 54.9). The above characteristics suggest that threat of substitutes was relatively low. A possible explanation would be fresh produce provide essential nutrients that cannot be found in substitute products.

Threat of New Entrants

Threat of new entry refers to the ability of new, direct competitors to enter into an industry. According to Mintzberg (2003) companies depend on strategies such as customer loyalty, product differentiation, capital intensity as some of the factors that may hinder entry. In this study, threat by new entrants was measured using seven question items. Each attribute was rated on a scale ranging from 1- 5 where (1)

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represented not at all and (5) depicted very large extent. Table IV depicts a summary of the findings. A high mean score suggests that threat by new entrants is low, while a low mean suggest that threat by new entrants is high.

Table IV: Mean Score, Standard Deviation and Coefficient of Variation for Measures of Threat of New Entrants

Threat of New Entrants	N	Mean Score	Std. Deviation	CV (%)
1. Setting up a company within this industry requires large start-up costs in form of finances, research and development, capital and human resources	69	1.97	0.92	46.7
2. New companies joining the industry must spend a lot of resources on research and development	69	1.81	0.71	39.2
3. New entrants into the industry have to spend heavily to build their brands and overcome existing brand loyalties	69	1.83	0.95	52.13
4. New companies have to enter at a highly visible level to be recognized by customers	69	1.97	0.84	42.6
5. New companies entering the industry as small scale firms must accept a considerable cost advantage	69	3.07	1.01	37.34
6. Established companies in our industry have substantial resources which are used to prevent entry of new competitors	69	1.99	0.83	41.76
7. Established companies in our industry have substantial resources which are used to prevent entry of new competitors	69	2.25	1.22	54.13
Average Score	**69**	**2.12**	**0.93**	**44.8**

Source: Primary Data (2020)

The results in Table IV reveal that respondents disagreed on the question that setting up a company within the fresh produce industry requires large start-up costs as shown by the mean score (M = 1.97, SD = 0.92, CV = 46.7). Respondents further disagreed that new entrants had to spend lots of resources on research and development (M = 1.81, SD = 0.71, CV = 39.2).

On the question of firms must spend heavily to build brands and overcome existing brand loyalties, respondents also disagreed as represented by the mean score (M = 1.83, SD = 0.95, CV= 52.13). That could explain the existence of many small and medium enterprises (SME's) within the fresh produce Industry, since it was relatively

easy for firms to enter/exit the fresh produce industry.

Intensity of Rivalry

Rivalry amongst firms describes degree to which competing firms put pressure on one another. Within the fresh produce industry rivalry amongst firms was measured using eight question items. Each attribute was rated on a scale ranging from 1- 5 where (1) represented not at all and (5) depicted very large extent. The results were analyzed using mean score, standard deviation and coefficient of variation (CV). A high mean score indicates high rivalry among competing firms while a low mean score shows slow rivalry among competing firms.

Table V: Mean Score, Standard Deviation and Coefficient of Variation for Measures of Intensity of Rivalry

Intensity of Rivalry	N	Mean Score	Std. Deviation	CV (%)
1) Price competition is highly intense and price cuts are quickly and easily matched in the industry	69	3.64	0.94	25.82
2) Anything that one competitor can offer the market, others can readily match	69	3.07	1.48	48.21
3) Companies in the industry compete intensely to hold/increase their market share	69	2.62	1.06	40.46
4) Competitors react fast to moves by any single company within the industry	69	2.55	0.80	31.37
5) Advertising battles occur frequently and with high intensity in the industry	69	1.74	1.07	61.49
6) Competition in the industry is described by terms like 'war-like', 'bitter', and 'cutthroat	69	1.42	0.78	54.93
7) There are many promotion wars in the industry	69	1.39	0.54	38.85
8) Firms within the industry have massive resources for vigorous and sustained competitive action and retaliation against competitor	69	1.39	0.52	37.41
Average Score	**69**	**2.2\3**	**0.90**	**42.32**

Source: Primary Data (2020)

The output in Table V shows that participants seemed to agree that anything that one competitor offered the market, others could easily match as represented by the high mean score (M = 3.07, SD = 1.48, CV= 48.21). This could be attributed to similarity in the product offering and low level of product differentiation. According to Hill and Jones (2012) when entry to an industry is relatively easy, competition rivalry is likely to be high and firms engage in highly intense price wars as suggested by the high mean score (M = 3.64, SD = 0.94, CV = 25.82). On advertising battles, promotion wars and competition being described as "war like' bitter and cut throat respondents seemed to disagree. A possible explanation would be advertising battles; promotion wars may prove to be more expensive in international markets than in the domestic context.

Summary of Industry Competition

The strength of all the five forces together determines profit potential of the firm either by influencing costs, prices and initial amount required to invest. The profit potential in every industry is different since it is determined by the collective strength of all the five forces. The output in Table VI displays a summary of the proxies used to measure industry competition.

Table VI: Mean Score, Standard Deviation and Coefficient of Variation for Measures of Industry Competition

Industry Competition	N	Mean Score	Std. Deviation	CV (%)
Bargaining Power of Buyers	69	3.81	0.90	23.62
Bargaining Power of Suppliers	69	2.62	0.83	31.67
Intensity of Rivalry,	69	2.23	0.90	40.35
Threat of New Entrants	69	2.12	0.93	43.85
Threat of Substitutes	69	1.73	0.70	40.46
Average Score	**69**	**2.50**	**0.69**	**35.99**

Source: Primary Data (2020)

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The output in Table VI shows that all Porters five forces jointly influence industry competition with a mean score (M = 2.50, SD = 0.69, CV = 35.99). However, bargaining power of buyers had the highest mean score (M = 3.81, SD =0.90, CV = 23.62) and was therefore considered the most significant force when formulating marketing strategies among fresh produce firms. Based on the above findings, the Porters five competitive forces were considered important in formulating marketing strategies within the fresh produce industry.

Marketing Strategies, Industry Competition and Export Performance

Hierarchical regression analysis was used to establish the moderating role of industry competition on the marketing strategies and export performance link. According to Easterby-Smith, Thorpe, and Lowe (2002) hierarchical multiple regression is a model for analysis which involves adding predictor variables in steps to establish whether addition of potential moderator has a significant increase in (R squared). Henseler and Fassott (2010) defined a moderator as a variable that affects the direction/and or strength between the independent and dependent variable. In step 1, the composite scores of marketing strategies were regressed on export performance. In step 2, composite scores of both marketing strategies and industry competition were regressed on export performance. Step 3, the composite score for the variables marketing strategies, industry competition and the interaction term were regressed on export performance. Interaction term was computed by standardizing the variables marketing strategies and industry competition and thereafter multiplied (Aiken & West, 1991).

The model was stated as

$$EP = \beta_o + \beta_{10}MS$$

$$EP = \beta_o + \beta_{10}MS + \beta_{11}IC + \varepsilon$$

$$EP = \beta_o + \beta_{10}MS + \beta_{11}IC + \beta_{12}MS * IC + \varepsilon$$

Where:

EP = composite score of export performance

MS =composite score of marketing strategies

IC= composite score of industry competition

ε= Error term

The sub sequent tables provide a summary of the findings.

Table VII: Model Summary on the Moderating Effect of Industry Competition on the Marketing Strategies and Export Performance Relationship

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig F change
1.	.349[a]	.122	.109	.981	.122	9.281	1	67	0.003
2.	.459[b]	.210	.186	.937	.089	7.406	1	66	0.008
3.	.506[c]	.256	.222	.916	.046	4.016	1	65	0.030

Source: Primary Data (2020)

1. Predictors: (Constant), Marketing Strategies,

2. Predictors: (Constant), Marketing Strategies, Industry Competition

3. Predictors:(Constant), Marketing Strategies, Industry Competition, MS Centered*IC Centered

    Dependent Variable: Export Performance

The data contained in Table VII reveals that when marketing strategies were regressed on export performance the model 1 was positive and significant (R square =.122, F =9.281 P < 0.05). Model 2 indicates that when industry competition was added, R^2 increased by .089 from .122 to .210 and the increase was statistically significant suggesting that both marketing strategies and industry competition explain 21.0 % of variation in export performance. Upon introduction of the interaction term, R^2 increased by 0.46 (from .210 to .256) and the model remained significant with p value =0.030. Consequently, the null hypothesis was therefore rejected in favor of the alternative hypothesis which states that industry competition significantly moderates the association between marketing strategies and export performance.

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Table VIII: ANOVA Results on the Moderating Effect of Industry Competition on the Marketing Strategies and Export Performance Relationship

	Model	Sum of Squares	df	Mean Square	F	Sig.
1.	Regression	17.961	1	8.930	9.281	.003[b]
	Residual	7.53	67	.962		
	Total	25.490	68			
2.	Regression	18.428	2	7.717	8.787	.000[c]
	Residual	7.07	66	.878		
	Total	25.490	68			
3.	Regression	19.026	3	6.269	7.464	.000[d]
	Residual	6.47	65	.840		
	Total	25.490	68			

Source: Primary Data (2020)

1. Predictors: (Constant), Marketing Strategies,

2. Predictors: (Constant), Marketing Strategies, Industry Competition,

3. Predictors: (Constant), Marketing Strategies, Industry Competition, MS Centered*IC Centered

Dependent Variable: Export Performance

The ANOVA statistic model in Table VIII indicates that the overall model is statistically significant since the p – value, for the model 1, 2 and 3 were less than $p<0.05$.

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Table IX: Coefficient Results on the Moderating Effect of Industry Competition on the Marketing Strategies and Export Performance Relationship

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1.	(Constant)	-.900	1.277		-.704	.484
	Marketing Strategies	1.508	.347	.349	3.046	.003
2	(Constant)	-1 .561	1.244		-1.255	.214
	Marketing Strategies	-.996	.332	.328	2.996	.004
	IC	.297	.109	.298	2.721	.008
3.	(Constant)	-1.804	1.223		-1.475	.145
	Marketing Strategies	1.084	.328	.358	3.305	.002
	IC	.292	.107	.293	2.729	.008
	MS*IC	-.311	.155	-.216	2.004	.030

Source: Primary Data (2020)

1) Predictors: (Constant), Marketing Strategies,

2) Predictors: (Constant), Marketing Strategies, Industry Competition,

3) Predictors: (Constant), Marketing Strategies, Industry Competition, MS Centered*IC Centered

Dependent Variable: Export Performance

The results in Table IX indicate how each of the independent variables contributes to the overall model. The regression coefficient indicate that marketing strategies significantly predicted export performance (Beta =.358, t =3.305, p = 0.02). Followed by Industry competition which significantly predicted export performance (Beta =.293, t =2.729, p = 0.08). The interaction term (MS *IC) was statistically significant to export performance (Beta =-.216, t =2.004, p =.030). The overall regression model that explains the variations in export performance due to the moderating influence of industry competition was stated as:

Model: $Y = \beta_o + \beta_{12}MS + \beta_{13}IC + \beta_{14}MS * IC + \varepsilon$

$Y = 1.084 + .358MS + .293IC - .216MS * IC$

The standardized beta values suggest that the marketing strategies and export performance link is positive and statistically significant.

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Discussion of Findings

This study sought to investigate the moderating role of industry competition on the link between marketing strategies and export performance of fresh produce firms. Output from the hierarchical regression analysis demonstrated that when the interaction term between marketing strategies and industry competition was introduced, there was an increase in R Square and the increase was found to be statistically significant; suggesting that industry competition moderates the marketing strategy and export performance link. These findings are in line with those of Ong, Ismail and Yeap (2018) who reported that the five industry competitive forces moderate the competitive advantage and firm performance link.

The significant but negative interaction effects of industry competition on the marketing strategy and export performance link confirmed that when industry competition was high, marketing strategies became an important source of competitive advantage for superior export performance. A closer observation of the descriptive statistics revealed that export of fresh produce was considered as an industry that was easy to join as characterized by low barriers to entry, low start-up costs resulting to a large number of fresh produce firms, who were small in size. On the flip side, exporter's found it easy to switch from one firm to another, owing to the low products differentiation and unknown brands. Close scrutiny of the descriptive statistics, suggest presence of strong buyer bargaining power as manifested by buyer ability to make large purchases, demand for quality product, concessions and discount. In this respect, Kenyan fresh produce firms should mitigate industry competition by choosing to invest in innovation and technology thereby undermining competitors' actions.

Conclusion

Study outcome revealed that industry competition significantly moderates the link between marketing strategies and export performance. Nevertheless, the beta coefficient was negative suggesting that a unit increase in the predictor variable is associated with a decrease in the outcome variable (export performance). Findings in this thesis advance understanding of the industrial economics organization theory by investigating opportunities and threats in the external environment that influence marketing strategies within the fresh produce industry.

Study results give important practical implications to managers on how to improve firm's export performance in the highly unpredictable and volatile export market. To increase export volumes policy makers should design incentives such as interest free loans to grow majority of the small firms into large firms.

Suggestions for Future Research

This empirical study was a cross –sectional research design. For a more in-depth understanding future studies should examine the relationships between marketing strategy, firm characteristics, industry competition and export performance over a long time period of time. Secondly, although findings in this thesis contribute to the

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relationship between marketing strategies and export performance and the moderating role of industry competition in this relationship. A broader study that includes more developing countries/multiple industries would provide an important extension to this study and would also help in the generalization of research findings.

Third, although this study adds to export performance literature in the developing countries. It focused on identifying the role of the marketing strategies (product, price, place and promotion) in achieving export success within the fresh produce industry. Due to the nature of product, findings could not be generalized to the service industry which display unique characteristics such as intangibility and heterogeneity.

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