



**EFFECTS OF MARKETING STRATEGIES ON PERFORMANCE OF RECRUITMENT AGENCIES IN NAIROBI COUNTY; A CASE OF STAREHE SUB-COUNTY**

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**ABSTRACT**

*The objectives of the study were to determine the effect of marketing penetration strategy on performance, to establish the effect marketing development on performance and to determine the effect of diversification strategy on performance. The study was guided by Igor Ansoff's Theory and Resource Based Theory. The study adopted descriptive research design. The study target population was 117 which constituted of top level management, middle level management and support staff. The study sample population was 90 respondents. Data collection was primary and therefore the researcher administered questionnaires, which was considered as an effective tool for the respondents. A pilot test of the questionnaire was undertaken before administration of the questionnaire. Reliability and validity test was carried out on the data collection instruments. Data was analyzed using descriptive statistics version 21 of the SPSS program. Findings of the data was in the form of percentages, means and standard deviation. Analysis of data was presented in the form of tables and figures. The main beneficiaries of the study were the recruitment agencies in general. The findings revealed that there is an existing relationship between marketing strategies on performance of recruitment agencies, pooled correlation and regression analysis. There is a positive correlation between market penetration strategy and performance of recruitment agencies,  $r(54)=0.462$ ,  $p<0.001$ , a strong positive correlation between market development strategy and performance of recruitment agencies  $r(54)=0.561$ ,  $p<0.001$ , and a positive correlation between market diversification strategy and performance of recruitment agencies  $r(54)=0.465$ ,  $p<0.001$ . Based on the findings, the researcher recommended the significance of conducting background check of all candidates before forwarding suitable names to various employers. Moreover, they should properly utilize the marketing strategies so as to be in a position of selling their brands and be known by their employers.*

**Key Words:** Marketing Penetration Strategy, Diversification Strategy, Market Development, Performance of Recruitment Agencies

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## INTRODUCTION

Performance includes multiple activities that help in establishing the goals of the organization, and monitors the progress towards the target (Johnson et al., 2016). It is used to make adjustments to accomplish goals more efficiently and effectively. Organization performance is what business executives and owners are usually frustrated about. This is because even though the employees of the company are hard-working and are busy doing their tasks, their companies are unable to achieve the planned results. Results are achieved more due to unexpected events and good fortune rather than the efforts made by the employees. However, for any business to be successful, functions must be defined and accomplished. It is important for an organization to develop strategies that are designed around the skills that would enhance the performance of the organization. Performance is affected by myriad factors including: the lines of communication and command connecting these individuals (organizational authority structure and the degree of centralization), the resources and information to which the individuals have access, the nature of the task faced by the individuals, and the type and severity of the crisis under which the individuals operate (Richard et al., 2014).

Thus, performance refers to ability of an enterprise to achieve such objectives as high profit, quality product, large market share, good financial results, and survival at predetermined time using relevant strategy for action (Koontz & Donnell, 2018). Performance provides the basis for an organization to assess how well it is progressing towards predetermined objectives, identify areas of strength and weakness and decide on the future initiatives with the goal of how to initiate performance improvement (Vanweele, 2016). Rowley (2016) used both financial and non-financial indicators. The financial indicators were a percentage growth in sales, labeled as sales growth and percentage profit margin labeled as profitability. They used public image and goodwill, quality of services and

efficiency of operations as the non-financial indicator.

Firms need to be competitive to serve chosen segments effectively in a meaningful and sustainable manner through development of appropriate marketing strategies. In the present day business environment, market competitiveness is a function of how well firms can develop and implement strategies, but competitiveness also can impact the nature of chosen strategy by the firm (Hugh & Elizabeth, 2016). A strategy is an organization's commitment to particular products, markets, customers, competitive approaches, and method of business operation and that firms that strategically respond to competition improve their business performance and are able to remain competitive than those that do not (Bernard & Koerte, 2015). The firms' strategies should be characterized by a responsive work organization, based on co-operative relations not only within the firm but also in its relations with external partners such as customers, suppliers and competitors. Flexibility and adaptability are also considered as key management concepts to develop a sustainable competitive advantage, and successful firms apply them in new organizational strategies.

Pholphirul, Rukumnuaykit, Charoenrat, Kwenyou, and Srijamdee, (2021) examined a study on marketing strategies and performance of tourism and hospitality enterprises in Thailand. The focus of the study determined the extent in which service marketing strategies tend to affect enterprises in the tourism and hospitality industry, especially, operators in small numbers of tourists. The application of the 4P strategy implementation on the potential and profitability of service operators in Nong Khai Province, Thailand was of significance. Asgarnezhad Nouri, Zarei, Bashirkhodaparasti, Saebnia, and Nazer Asl, (2020) examining the impact of marketing capabilities and marketing strategies on business performance of export firms in Tabriz, Iran. Further, they claimed that in the current times, it is difficult to maintain customer satisfaction and loyalty due to expanding of

globalization process, increase competition, entry of different domestic and foreign firms, diversified products and technology advancement. Therefore, utilizing marketing capabilities and strategies to service The in the competitive markets seems necessary as these factors can provide a good basis for improving the business performance of the firm.

In Kenya, recruitment firms are particularly faced by fierce market forces in the local market originating from both local and foreign entrants to the market that have continuously reduced their profit margins and with this change, there is need to employ appropriate responsive marketing strategies since reliance of the old marketing strategies might not give desired results due to the changing consumer demands (Wilburn, 2016). To enhance performance and to survive from competition, the recruitment agencies have had to come up with new marketing concept to maintain their market shares. The large recruitment agencies has over the years operated with strategies that ensured that they remain successful, however the uncertain business environment have increased the level of competitiveness, which is putting increasingly greater pressure to the recruitment agencies to acquire and to increase their competitive advantages through the adoption of appropriate marketing strategies. Therefore, to survive and thrive, the recruitment agencies have to make greater efforts to acquire or improve constantly their strategies, and as a result, their level of competitiveness can provide them a higher level of growth and performance.

#### **Objective of the Study**

The general objective of the study was to determine the effects of marketing strategies on the performance of recruitment agencies in Nairobi County; a case of Starehe Sub-County. The specific objectives were;

- To determine the effect of market penetration strategy on the performance of recruitment agencies in Nairobi County.

- To establish the effect of market development strategy on the performance of recruitment agencies in Nairobi County.
- To determine the effect of diversification strategy on the performance of recruitment agencies in Nairobi County.

The study was tested the following hypothesis

- H<sub>01</sub>: There is no significant relationship between market penetration and performance of recruitment agencies in Nairobi County.
- H<sub>02</sub>: There is no significant relationship between market development strategy and performance of recruitment agencies in Nairobi County.
- H<sub>03</sub>: There is no significant relationship between diversification strategy and performance of recruitment agencies in Nairobi County.

#### **LITERATURE REVIEW**

##### **Igor Ansoff's Theory**

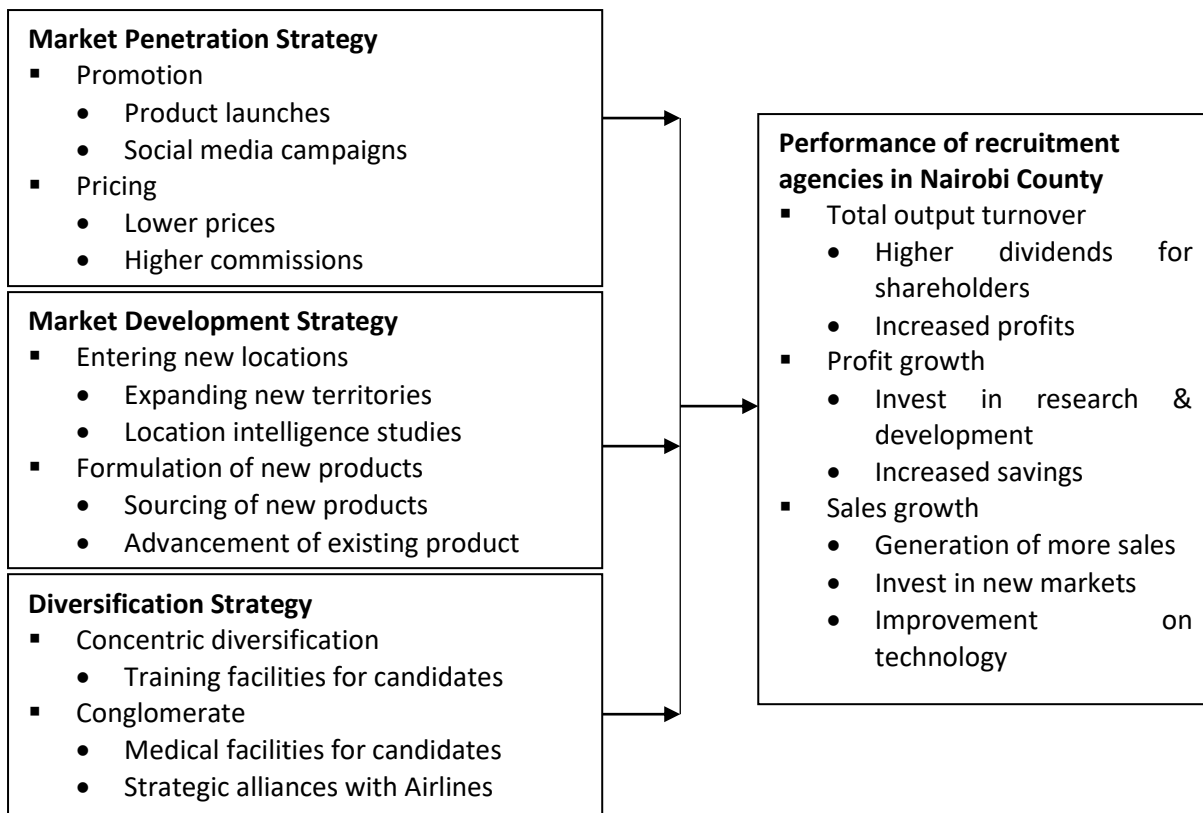
Igor (1957) posited that for an organization to increase its performance, it needs to achieve products and market growth through four different strategies which depends on whether or not a company or product is already present in the market. He considered two dimensions; one dimension is based on the product being either new or existing while the other dimension consider market as new or existing. The four main growth strategies include market penetration, market development, and diversification. The internal growth strategies pose different levels of risks and need for investment. Market penetration which involves selling more of existing products in already exiting market possess the lowest risk (Shroder, 2015), this strategy is aimed at achieving market dominance through gaining competitor's customers, attracting non-users and having the current users buy more (Gardetti, 2015). Organization could also opt to introduce new products in an already existing market by developing products that are closely related to the existing products, developing totally new products to match existing needs of customers or a product that rejuvenates the usage of existing product

(Free-Management-e-Books, 2016) as a strategy, this strategy was described by Igor (1957) as product development strategy. Diversification strategy proposed by Igor (1957) involves developing a totally new product and selling it in a new market that the organization was not operating in, while market development entails selling the existing product into a new market. Both diversification and product development pose the highest risk and are the least employed growth strategies (Shroder, 2015).

**Resource Based Theory**

Wernerfelt (1984) characterized organization's asset as both substantial and immaterial resources which are tied semi-forever to the firm. The capacity of an organization to misuse the assets that the business has upgrades its upper hand (Wernerfelt, 1984). As indicated by Petaraf and Barney (2013) organizations in a comparable industry have diverse measure of assets suggesting

that some organization are more gifted to accomplish certain targets and capacities than others since they have one of a kind assets, moreover in the event that different organizations can't copy these assets, at that point the controlling organization is bound to create more upper hand over others in the business (Petaraf & Barney, 2013). Organizations market based assets identifies with those resource and abilities that are either utilized in building brands, connections, advancement or information. These resources structure basic base in affecting an organization's presentation (Srivastava et al., 2018). Resource based theory is therefore relevant to this study as it helps in understanding the importance of identifying rare, non-imitable and non-substitutable marketing resources, competencies and capabilities relevant to the recruitment agencies and the effect on their performance.



**Independent Variables**

**Dependent Variable**

**Figure 1: Conceptual Framework**

**Source: Author (2022)**



## METHODOLOGY

The study adopted descriptive survey approach to make sure that the research on the effects of marketing strategies on the performance of recruitment agencies in Nairobi County; A case of Starehe Sub-County. The study targeted 117 people from the selected recruitment agencies with operations in Nairobi County; a case of Starehe Sub-County. The researcher specifically targeted the top level management, middle level management and the support staff working for the recruitment agencies in Nairobi County. The study population provided a significant representation of recruitment agencies in Nairobi County, Kenya. The management and employees are deemed suitable for the study as they had better knowledge and awareness on the issue at stake and provided specific information from a personal perspective. The study adopted Yamane's that arrived at the sample size of 90. The choice of a tool and instrument depends mainly on the attributes of the subjects, research topic, problem question, objectives, design, expected data and results. This is because each tool and instrument collect specific data. According to Cox (2012) there are many methods of data collection. Primary data was gathered directly from respondents and for this study the researcher used questionnaire. The questionnaires consisted of close ended questions. The research instruments was organized based on the objectives of the study. The researcher administered a survey instrument (questionnaire) to each member of the sample population. The questionnaire consisted of two sections, where the first part was mainly containing information on personal background which included gender, age, and level of education. Quantitative data collected using questionnaires was analyzed by the use of descriptive statistics using SPSS (Statistical Package for Social Sciences) version 21 and was presented through percentages, means and frequencies. The information was displayed by use of frequency tables and figures. Content analysis was used to analyze data collected from the open-ended questions. According to Kirk and Miller (2016),

content analysis uses a set of categorizations for making valid and replicable inferences from data to their context. This offered a systematic and qualitative description of the objectives of the study. In addition, the researcher conducted a multiple regression analysis so as to determine the relationship between performance of recruitment agencies and the variables of the study. The regression equation guided the study was ( $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \epsilon$ ):

Whereby

Y = Performance

X<sub>1</sub> = Market Penetration Strategy

X<sub>2</sub> = Market Development Strategy

X<sub>3</sub> = Diversification Strategy

B<sub>0</sub> = constant of regression

ε = error term

β<sub>0</sub> β<sub>1</sub> β<sub>2</sub> and β<sub>3</sub> are the regression equation coefficients for each of the variables discussed.

## FINDINGS

### Effects of Market Penetration Strategy on Performance of Recruitment Agencies

The descriptive results to establish the effects of market penetration strategy on performance of recruitment agencies in Table 1 indicated a mean range between 3.91 and 4.21 and a standard deviation range of .554 and .960. For instance, as opposed to 7% of the participants who were neutral and 28% of the respondents who strongly agreed, approximately 66% agreed that pricing strategy influences a firm's ability to penetrate the market ( $M = 4.21, SD = .554$ ). Precisely 60% of the respondents agreed that market penetration enables a firm to dictate pricing strategy compared to 16%, 12%, and 2% of the respondents who strongly agreed, remained neutral, and disagreed respectively ( $M = 4.10, SD = .667$ ). Fifty-five percent of the respondents further agreed that having a clear penetration strategy enabled a firm to match the prices with the desired market share they attract as opposed to 29% of the respondents who strongly agree and 9% as well as 7% of the respondents who either remained neutral or disagreed respectively ( $M = 4.07, SD = 8.14$ ).

Regarding promotion as an aspect of market penetration strategy, compared to 12% and 5% of the respondents who were neutral and disagreed respectively, approximately 55% and 28% of the respondents agreed and strongly agreed respectively that market penetration enhances agencies' essentials for competitive advantage ( $M = 4.05$ ,  $SD = .782$ ). Also, around 28% and 53% of the respondents strongly agreed and agreed

respectively that market penetration offer a platform for improved promotional strategies contrasted to 10%, 7%, and 2% of the respondents who remained neutral, disagreed, and strongly disagreed respectively ( $M = 3.98$ ,  $SD = .908$ ). Additionally, the results indicated that 53% and 26% of the respondents agreed and strongly agreed respectively that market penetration enhances the search for new product distribution.

**Table 1: Descriptive Results of Effects of Market Penetration Strategy on Performance of Recruitment Agencies**

Market Penetration Strategy	SA N; %	A N; %	N N; %	D N; %	SD N; %	Mean	Std. Dev
<b>Pricing</b>							
Pricing strategy influences a firm's ability to penetrate the market.	16 (28)	38 (66)	4 (7)	-	-	4.21	.554
Market penetration enables the firm to dictate pricing strategy.	15 (26)	35 (60)	7 (12)	1 (2)	-	4.10	.667
Having a clear penetration strategy enables the firm to match the prices with the desired market share they attract.	17 (29)	32 (55)	5 (9)	4 (7)	-	4.07	.814
A clear market penetration does match the performance of the business.	15 (26)	32 (55)	8 (14)	3 (5)	-	4.00	.838
<b>Promotion</b>							
Market penetration offer a platform for improved promotional strategies.	16 (28)	31 (53)	6 (10)	5 (9)	2 (3)	3.98	.908
Market penetration enhances marketing activities that focus in attracting more customers to business' products.	14 (24)	33 (57)	5 (9)	4 (7)	2 (3)	3.91	.960
Market penetration enhances the search for new product distribution channels.	15 (26)	31 (53)	7 (13)	3 (5)	-	3.93	.953
Market penetration enhances agencies' essentials for competitive advantage.	16 (28)	32 (55)	7 (12)	3 (5)	-	4.05	.782
Average Mean						4.03	.810

F – Frequency, % - Percentage in brackets, SA – Strongly Agree, A – Agree, N – Neutral, D – Disagree, SD – Strongly Disagree

12%, 5%, and 3% of the respondents were neutral, disagreed, and strongly disagreed respectively ( $M = 3.93$ ,  $SD = .953$ ). Together with a composite mean and standard deviation of 4.03 and .810 respectively, the results showed that respondents highly agreed with various constructs related to market penetration strategy in enhancing organization performance. The findings corroborated with the findings of Bonaglia and Goldstein (2016) who held similar views that market

penetration is effective in improving the performance of an organisation. Similarly, the results agreed with Ardyan (2018) that marketing penetration through pricing and promotional

**Effect of Market Development Strategy on Performance of Recruitment Agencies**

The second descriptive findings of the study focused on the second research objective; to determine the effects of market development

strategy on performance of marketing agencies. The results established a mean range of 3.95 and 4.21 and a standard deviation range of .522 and .867 with a composite mean 4.04 and composite standard deviation of .765. The results suggest that almost all participants highly agreed that market development strategy is important for the performance of marketing strategies. The results were backed up by item-by-item analysis where 69% and 26% of the participants agreed and strongly agreed that a good market development strategy incorporates alignment of individual performance and organizational goals compared to 5% of participants who remained neutral ( $M = 4.21$ ,  $SD = .522$ ).

Again, results indicated that sixty percent of the respondents together with 24% of the participants agreed and strongly agreed respectively that proper supervision by those in senior authority enables a firm to come up with an effective market development strategy compared to 14% and 2% of the respondents who were neutral and disagreed respectively ( $M = 4.07$ ,  $SD = .672$ ). On the part of nature of the work to be done by members, sixty-four percent and 24% of the respondents agreed and strongly agreed respectively that agreed that level of complexity and nature of the job determines market development strategy as opposed to 7%, 3%, and 2% of the respondents who were neutral, disagreed, and strongly disagreed respectively ( $M = 4.05$ ,  $SD = .782$ ).

**Table 2: Descriptive Results of Effect of Market Development Strategy on Performance of Marketing Agencies**

Market Development Strategy	SA F; %	A F; %	N F; %	D F; %	SD F; %	Mean	Std. Dev
<b>Supervisor interaction with the team</b>							
A good market development strategy incorporates alignment of individual performance and organizational goals.	15 (26)	40 (69)	3 (5)	-	-	4.21	.522
Proper supervision by those in senior authority enables a firm to come up with an effective market development strategy.	14 (24)	35 (60)	8 (14)	1 (2)	-	4.07	.672
Market development strategy is backed by need for fair, constructive, and timely feedback towards performance expectations and goals.	14 (24)	34 (59)	7 (12)	3 (5)	-	3.98	.868
<b>Nature of the work to be done by members</b>							
Evaluation of every individual's work performance constitute to improved strategy development.	13 (22)	34 (59)	8 (14)	3 (5)	-	3.95	.867
Level of complexity and nature of the job determines market development strategy.	14 (24)	37 (64)	4 (7)	2 (3)	1 (2)	4.05	.782
<b>Leadership</b>							
Having a good leader is what constitute to the development of strategy.	14 (24)	36 (62)	5 (9)	1 (2)	2 (3)	4.02	.848
Leadership qualities such as self-efficacy determines strategy development.	12 (21)	38 (66)	5 (9)	3 (5)	-	4.02	.713
Leadership is a key foundation in determining market development strategy.	13 (22)	36 (62)	6 (10)	1 (2)	2 (3)	3.98	.848
Composite Mean						4.04	.765

F – Frequency, % - Percentage in brackets, SA – Strongly Agree, A – Agree, N – Neutral, D – Disagree, SD – Strongly Disagree



Similarly, the results revealed that 59% and 22% of the respondents agreed and strongly agreed respectively that evaluation of every individual's work performance constitute to improved strategy development as opposed to 14%, 2%, and 3% of the respondents who remained neutral, disagreed, and strongly disagreed respectively ( $M = 3.95$ ,  $SD = .867$ ). Moreover, on the part of leadership, about 62% and 24% of the respondents agreed and strongly agreed respectively that that having a good leader is what constitute to the development of a good market strategy contrasted to 9%, 2%, and 3% of the respondents who were either neutral, disagreed, or strongly disagreed respectively ( $M = 4.02$ ,  $SD = .848$ ). Likewise, sixty-six percent and 22% of the respondents compared to 9% and 5% of the respondents who either remained neutral or disagreed respectively, agreed and strongly agreed respectively that leadership qualities such as self-efficacy determines market development strategy, thus, enhancing performance ( $M = 4.02$ ,  $SD = .713$ ).

The findings, therefore, implied that respondents agreed that good market development strategy is important in enhancing performance of marketing agencies, and it must involve good leadership strategy. The results are in agreement with previous findings by Park (2015) as well as Mahmoud and Hinson (2017) whose study findings stressed the significant need for market development strategy as a driver of good organisational performance.

#### **Effects of Market Diversification Strategy on Performance of Recruitment Agencies**

The third objective of the study established effects of market diversification strategy on performance of recruitment agencies. The descriptive results exhibited a mean range of 3.97 and 4.19 together with a standard deviation range of .576 and .837. The reported composite mean of 4.04 and composite standard deviation of .731 demonstrated that respondents highly agreed that market diversification strategy can improve performance of

recruitment strategies. Supported by the inter-item analysis, results showed that 69% and 26% of the respondents agreed and strongly agreed respectively that concentric diversification significantly enhances the performance of business as opposed to 3% and 2% of the respondents who remained neutral and disagreed respectively ( $M = 4.19$ ,  $SD = .576$ ). About 67% and 21% of the respondents as opposed to 9% and 3% of the respondents who either remained neutral or disagreed respectively, agreed and strongly agreed respectively that concentric diversification always influences decision making ( $M = 4.02$ ,  $SD = .783$ ).

Also, sixty-two percent and 21% of the respondents agreed and strongly agreed respectively compared to 16% who remained neutral and 2% who disagreed, that indeed, concentric diversification is a risk minimization technique, especially in a huge investment that aims to improve performance ( $M = 4.02$ ,  $SD = .662$ ). Results also showed that 53% of the respondents agreed that concentric diversification is what makes individual leverage on resources effectively as opposed to 26% of the respondents who strongly agreed and 19% of the respondents who remained neutral as well as 2% of the respondents who strongly disagreed ( $M = 4.02$ ,  $SD = .783$ ).

On the aspect of conglomerate diversification, approximately 64% and 26% of the respondents agreed and strongly agreed respectively that conglomerate diversification presents business opportunities to leverage on compared to 9% and 2% of the participants who remained neutral and disagreed respectively ( $M = 4.14$ ,  $SD = .634$ ).

Likewise, about 64% and 21% of the respondents in contrast with 10%, 2%, and 3% of the respondents who were neutral, disagreed, and strongly disagreed respectively, agreed and strongly agreed respectively that conglomerate diversification enhances new services and product development in the organization ( $M = 3.97$ ,  $SD = .837$ ).

**Table 3: Descriptive Results of Effects of Market Diversification Strategy on Performance of Recruitment Agencies**

Market diversification strategy	SA F; %	A F; %	N F; %	D F; %	SD F; %	Mean	Std. Dev
<b>Concentric diversification</b>							
Concentric diversification significantly enhances the performance of business.	15 (26)	40 (69)	2 (3)	1 (2)	-	4.19	.576
Concentric diversification is what makes individuals to leverage on resources effectively.	15 (26)	31 (53)	11 (19)	-	1 (2)	4.02	.783
Indeed, concentric diversification is a risk minimization technique in a huge investment.	12 (21)	36 (62)	9 (16)	1 (2)	-	4.02	.662
Concentric diversification always influences decision making.	12 (21)	39 (67)	5 (9)	-	2 (3)	4.02	.783
<b>Conglomerate diversification</b>							
Conglomerate diversification presents business opportunities to leverage on.	15 (26)	37 (64)	5 (9)	1 (2)	-	4.14	.634
Conglomerate diversification is a priority for new customers' acquisition.	13 (22)	35 (60)	8 (14)	-	2 (3)	3.98	.827
Conglomerate diversification enhances new product and service features that enhances customers' loyalty.	12 (21)	35 (60)	8 (14)	3 (5)	-	3.97	.748
Conglomerate diversification enhances new services and product development in the organization.	12 (21)	37 (64)	6 (10)	1 (2)	2 (3)	3.97	.837
Composite Mean						4.04	.731

F – Frequency, % - Percentage in brackets, SA – Strongly Agree, A – Agree, N – Neutral, D – Disagree, SD – Strongly Disagree

On the same note, sixty percent and 22% of the respondents in comparison to 14% and 3% of the respondents who remained neutral and strongly disagreed respectively, agreed and strongly agreed respectively that conglomerate diversification is a priority for new customers' acquisition ( $M = 3.98$ ,  $SD = .827$ ). The findings, thus, confirmed participants' agreed position that market diversification strategy is essential for marketing agencies in improving their performance to gain competitive advantage in the market. The results validated earlier findings by Weiss (2016) whose study demonstrated the significant role that market diversification play on organization's performance. Additionally, the results are in agreement with Burkirwa (2017) who established that market diversification as a strategy, assist organizations to minimize risks and grow sales, thus, improving performance.

### Diagnostic Tests

Prior to performing inferential analysis (correlation and regression), this study performed diagnostics tests to ensure that linear regression assumptions are met including the assumption data is normally distributed and no relationship between independent variables. This is to ensure that the model is fit to make study inferences. The two diagnostics tests conducted include serial auto correlation and multicollinearity tests. With the application of Durbin-Watson test, the study tested whether residuals of the study are auto correlated. The results demonstrated that Durbin-Watson was 1.861 which falls in the category of autocorrelation rule of thumb value of 1.5 and 2.5. The results implied that there is no problem of serial autocorrelation in the residuals of the study model.

**Table 4: Serial Autocorrelation Test**

Model	Std. Error of the Estimate	Durbin-Watson
1	.4206	1.861

a. Predictors: (Constant): Market penetration strategy, Market development strategy, Market diversification strategy

b. Dependent Variable: Performance of recruitment agencies

The study used Variance Inflation Factor (VIF) to test for multicollinearity, which aimed to determine whether there is correlation among independent variables of the study. The assumption is that the independent variables should not be highly correlated among them if the VIF is below 4. The results revealed that all the independent variables

had VIF below 4 with market penetration strategy, market development strategy, and market diversification strategy having 1.423, 1.249, and 1.352 respectively. This shows that there was no correlation between independent variables, thus, is not a problem to the estimation of regression coefficients.

**Table 5: Multicollinearity Test**

Model	Collinearity Statistics	
	Tolerance	VIF
1 Market penetration strategy	.816	1.423
Market develop strategy	.802	1.249
Market diversification strategy	.907	1.352

a. Dependent Variable: Performance of recruitment agencies

#### **Pooled Inferential Analysis of Marketing Strategies and Performance of Recruitment Agencies**

To make a combined decision on the relationship or effect of marketing strategies on performance of recruitment agencies, this study conducted a pooled correlation and regression analysis. From the correlation analysis, the results indicated that

the pooled correlation (linear relationship) were similar to independent correlation results. That is, there was a positive correlation between market penetration strategy and performance of recruitment agencies,  $r(54) = .462, p < .001$ , a strong positive.

**Table 6: Joint Correlation Results of Marketing Strategies on Performance of Recruitment Agencies Correlation**

Variables		Market penetration strategy	Market development strategy	Market diversification strategy	Performance of recruitment agencies
Market penetration strategy	Correlation	1			
	Sig. (2-tailed)				
	N	58			
Market development strategy	Correlation	.462**	1		
	Sig. (2-tailed)	.000			
	N	58	58		
Market diversification strategy	Correlation	.561**	.786**	1	
	Sig. (2-tailed)	.000	.000		
	N	58	58	58	
Performance of recruitment agencies	Correlation	.465**	.650**	.870**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	58	58	58	58

\*\* .Correlation is significant at the .001 level (2-tailed)

Correlation market development strategy and performance of recruitment agencies,  $r(54) = .561, p < .001$ , and a positive correlation between market diversification strategy and performance of recruitment agencies,  $r(54) = .465, p < .001$ . The results, therefore, implied that market strategies and performance of recruitment agencies are positively correlated. The regression analysis conducted established a model

summary which illustrated the combined changes on performances of recruitment agencies caused by marketing strategies 2. The findings displayed an R of .564 which represented a coefficient of determination (correlation) and  $R^2$  of .318. As such, the reported R-Square meant that marketing strategies jointly predict 31.8% changes in performance of recruitment agencies ( $R^2 = .318, F(3, 54) = 8.390, p < .001$ ).

**Table 7: Joint Regression Coefficients of Marketing Strategies and Performance of Recruitment Agencies**  
Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.860	.439		4.236	.000
Market penetration strategy	.391	.148	.047	2.641	.003
Market development strategy	.527	.247	.602	2.137	.001
Market diversification strategy	.402	.210	.381	1.914	.013

a. Dependent Variable: Performance of recruitment agencies

The established regression that  $Y = 1.860 + .391X_1 + .527X_2 + .402X_3$  where  $X_1$  is market penetration strategy,  $X_2$  is market development strategy, and  $X_3$  is market diversification strategy indicated that when all factors are held constant, the performance of recruitment agencies would be 1.860. However, when different factors/strategies comes into practice, the performance of recruitment agencies would grow spontaneously with .391, .527, and .402 for market penetration, market development, and market diversification strategies respectively.

## DISCUSSIONS

A comprehensive discussion of the study findings and compared to existing literature provided in the previous chapter two of the study follows the specific research objectives as outlined herein.

### Effect of Market Penetration Strategy on the Performance of Recruitment Agencies

This study sought to establish the effect of market penetration strategy on the performance of recruitment agencies. Both descriptive and inferential analysis provided useful findings for testing the first hypothesis of the study. Precisely, the regression analysis indicated that there is a

statistical significant positive effect of market penetration strategy on performance of recruitment agencies. The results implied that the study rejected the stated null hypothesis and concluded that there is a significant positive relationship between market penetration strategy and performance of recruitment agencies. Similarly, a pooled regression analysis provided the same results, indicating that market penetration is significant in improving performance of these companies. The results make similar premise like previous studies in the empirical literature.

### Effect of Market Development Strategy on the Performance of Recruitment Agencies

The second objective of the study established the effect of market development strategy on the performance of agencies in Nairobi, Kenya. Major constructs of the market development strategy under this investigation fell under supervisor interaction with the team, nature of the work to be done by members, and leadership which signifies the transformation to improve marketing of products or services. A regression conducted to test the second hypothesis of the study reported appealing results. The findings reported a significant

relationship between market development strategy and performance. And so, the study rejected the stated hypothesis and concluded that there is a significant positive effect of market development strategy as a marketing strategy on performance of recruitment agencies. The results are supported by several existing studies that held similar assertions in the literature.

### **Effect of Market Diversification Strategy on the Performance of Recruitment Agencies**

The final objective of the study determined the effects of market diversification strategy on performance of recruitment agencies in Nairobi, Kenya. Diversification in the context of this study, involved a strategy that an organization uses to differentiate product or market. It implied having different range of products or services in an organization's portfolio to sell to consumers. The marketing strategy in focus included concentric diversification and conglomerate diversification marketing strategy. The findings of this study, both independent and pooled regression analysis openly showed that there is a significant positive effect of market diversification strategy on performance. In particular, the results demonstrated that the study rejected the third stated null hypothesis of the study and concluded that there is significant positive relationship between market diversification strategy and performance of recruitment agencies.

### **CONCLUSION AND RECOMMENDATIONS**

The changing business environment demands for organisations to change ways of reaching the customers, especially in the areas of marketing of services and products. Following the results of the first objective of the study; to determine the effect of market penetration strategy on performance, the study conclude that accessing existing or new markets through market penetration strategy can be done through pricing or promotion. More and more organisations are today crafting winning pricing strategies to penetrate the market, thus, making marketing activities easy. Additionally, the study conclude that promotion as a market penetration strategy is imperative in introducing

new or existing products to a volume of consumers in the market. Thus, this marketing approach provides organisations with access to make, hence, better performance for recruitment agencies.

This findings of this study reported that development suggest improvement of new or existing features of a product. That market development strategy is concerned with developing new channels, new products, using emerging technologies to reach the market. With regards to this assertion, the study conclude that a good market development strategy incorporates alignment of consumer needs and preferences on product or services to the market. It seeks to ensure that the organization specializes on services or products with features that products want and the use of technology to bring consumers together, cause interaction, and get reviews for improving services or products to the market. As organizations continue to find better ways to gain competitive edge in the market and grow performance, the findings of this study conclude that one such strategy to achieve all these is market development strategy.

The population is changing at a higher rate and young people in the current business environment constitutes the largest share of consumers that organisations are grappling to control. This suggests the need for organisations to find different ways to reach this market even if it means using combination of different channels. This calls for diversification as a marketing strategy. Based on this reality in the current business environment, this study concluded that market diversification strategy is a must for nearly all organizations in the current business environment. Organisations need to employ several or different marketing techniques to reach out to both young and old consumer generations. This can include combination use of traditional marketing and modern marketing channels to achieve effective marketing diversification strategy that grow sales and improve performance of recruitment agencies.



Today, many organisations are turning to recruitment agencies to help them with talent acquisition. Recruitment agencies conduct background check of all candidates before forwarding suitable names to various employers. Based on this important role of recruitment agencies, this study recommends the agencies to make good use of marketing strategies to sell their brands and be known to many employers. This is possible when such organizations different marketing strategies like market penetration, market development, and market diversification to access new markets, improve services, and use different channels respectively to improve performance.

To the government, the study recommended for the need to consider the important role of recruitment agencies in building the economy. Recruitment agencies are not only useful to private organizations that seek to employ different candidates, but can also be useful in government institution employment services. Recruitment agencies can act on behalf of the government to employ different individuals for different government institutions. The study also recommends the government to pay more emphasis on developing institutions that trains recruitment agencies like Human Resource Training Centers. This will improve capacity development

among individuals working in recruitment agencies, hence, develop good

Other recruitment agencies can also benefit from the findings of the study. The results presents these institutions with ability to understand the significant need for developing effecting marketing strategies that focuses on improving marketing of their recruitment services to the people or other institutions. As such, the study recommends for implementation of these marketing practices including market penetration strategy, market development strategy, and market diversification strategy to improve performance.

#### **Recommendations for Areas for Further Research**

Due several limitations to the study including focusing on selected recruitment agencies in Nairobi and not entire region, use of quantitative approach and not qualitative, and use of a small sample size which may not necessarily make adequate generalization of the finding, there is need for further research. In particular, this study recommends further research to use different methodology like qualitative approach to see if search studies can yield similar results. Additionally, future research can also use bigger sample size so as to generalize the findings. Finally, there is need for further research to consider using other marketing strategies and not necessarily the three used in this study.

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