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ABSTRACT

The study's primary purpose was to determine how successful small and medium-sized enterprises in Nairobi County, Kenya, performed in the real estate industry. The study was conducted with the following objectives in mind: evaluating the impact of focus strategy on the non-financial performance of SMEs in Nairobi County's real estate sector, understanding the impact of innovation strategy on the non-financial performance of SMEs in Nairobi County's real estate sector, and assessing the impact of innovation strategy on the non-financial performance. The information for this study was gathered through structured questionnaires and a descriptive research approach. The survey targeted all 87 SMEs in Nairobi County's real estate sector. Business managers from real estate firms were among those who took part in the survey. 74.7 percent of the 87 persons who were asked to participate said yes. As indicated by Karl Pearson, the data was examined using multiple regression analysis and correlation analysis. The study found a negative association between focus strategy and non-financial success but a favorable relationship between differentiation, innovation, and cost leadership. According to the survey, small and medium-sized enterprises should invest more in research and development. This will assist them in coming up with fresh ideas, giving them an advantage over their competitors. SMEs must ensure that their products are constantly distinctive enough to suit market demands. This will allow them to gain a competitive advantage that will last. According to the report, SMEs employ a cost leadership approach, investing heavily in mass manufacturing and distribution while diligently reducing costs. Small and medium-sized real estate companies must adopt new technologies to reduce project costs and improve non- financial performance. Finally, more research in the private and governmental sectors and other countries is needed to compare and contrast the findings of this study with those of other studies. This research focused solely on nonmonetary performance. Financial performance might be the focus of other investigations. Only business tactics were examined in this study. Other strategic aspects should be examined in future studies.

Key Words: *Focus Strategy, Innovation Strategy,* Differentiation Strategy', Cost Leadership Strategy

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INTRODUCTION

Small and medium-sized firms (SMEs), according to Swanya (2010), are well-known around the world because of the role they' play in a country's social, political, and economic development. SMIDEC classifies SMEs based on annual revenues and the number of full-time employees (SMIDEC, 2014). The SME sector is still vital because it can provide reasonable prices for goods and services, pay workers properly, and employ many people. As a result, the government and other organizations are continually working to assist small and medium-sized businesses in expanding and increasing their revenue. The number of employees and the amount of money the business makes each year is the two factors that characterize an SME because there is no formal definition. According to Ghatak (2010), small and medium-sized firms make up more than 95% of businesses worldwide (SMEs). According to Ghatak, SMEs account for more than 99 percent of Japan's businesses and about 80 percent of India's. According to Abor and Quartey (2010), South Africa has 91 % of all firms, whereas Ghana has about 92%.

Kenya's 75 million SMEs play a variety of crucial functions. One of these responsibilities is to provide low-paying jobs and chances to Kenyan industries. This line of work has impacted immensely on the country's economy on numerous occasions over the years. SMEs in Kenya have various flaws that make them more vulnerable to risk due to the way they are structured. This makes it difficult for businesses to expand and benefit from scale economies. According to Thinji and Gichira (2017), the most pressing issues for SMEs are funding investment and working capital, followed by growing human capital, lack of simple access to the market, and lack of contemporary technology. On the other hand, internal and external variables can make it difficult to obtain the funds you require. As a result, if you want to improve your business, you must devise and implement effective business plans.

According to Bakar and Ahmad (2010), a company's performance is determined by how well it uses its resources to achieve its objectives. Firm performance can be evened out in non- monetary and monetary terms (Bagorogoza & Waal, 2010; Bakar& Ahmad, 2010). According to Dimba (2009), non-financial performance is defined as assessing success with metrics that cannot be converted into monetary units. Performance metrics must explain precisely and reinforce the company's strategic goals, increase supply chain communication, and not wander from the company's objectives to achieve the intended results (Handfield et al. 2009). Financial measurements including yearly growth, return on equity (ROE), net profit and return on assets (ROA) have been used to gauge performance since the idea was first conceived. However, these financial performance indicators cannot be utilized to assess specific managerial initiatives. Some researchers have advocated for a broader definition of success (Dimba, 2009). Non-financial (NF) indicators indicate how competitive a company is now and in the future.

According to Emeka (2015), a company's strategy consists of determining its most essential long-term goals and objectives and the activities and resources required to achieve them. So, strategy is the process of determining what a company's goals will be, how different they will be from one another, what abilities will be employed to achieve those goals, and how resources will be bought, utilized, and what sorts of resources will be used to achieve those goals (Ogutu & Samuel, 2012). According to Adler (2011), A business's strategy is what it will do in the future to achieve its objectives. Strategy is a vital aspect of running a business, and it has a beneficial impact on the success of a company (Emeka, 2015). Selecting and implementing the proper plan is critical if a firm wants to make the maximum money and decrease its economic risks. Research has demonstrated that the business strategy chosen impacts many organizational outcomes (Olwande, 2012).

According to Birundu and Mwangi (2015), the number of employees is usually the best approach to determine if a company is an SME or not because there isn’t a single definition that everyone agrees on. According to Krop (2014), small to medium enterprises are organizations with fewer than 100 employees. On the other hand, SMEs are defined in Kenya as any non-farm firm with fewer than 50 employees, whether formal or informal. Sole proprietorships, part-time firms, and businesses operating out of people's homes fall under this category (GOK, 2012). For this study, a real estate SME is defined as a company with not more than 100 employees.

'*Small and Medium-Sized Firms*' (SMEs) have increased over the previous 20 years, with rural areas accounting for the majority. Small and medium-sized businesses created more than 80% of new jobs in the country in 2012. (SMEs). The majority of new jobs (about 430,000 of the 503000 new positions produced in 2011) were created in this sector, which accounted for almost 22% of the country's GDP (GoK, 2014). One of essential things that SMEs in the real estate industry do is assist third-world countries in overcoming poverty and creating jobs. SMEs account for 5% of Kenya's GDP in the real estate sector (Real Estate Report, 2016). The construction and real estate industries rose 14.1 % in the third quarter of 2015, according to the report. The financial services business grew by 10.1 percent, while agriculture grew by 7.1 percent.

The real estate market has returned between 25% and 30% over the last five years, making it a favorable area to invest because there are few ways to lose money. Residential apartments rent for an average of 5% and commercial space for over 9% in Kenya. The total income from rent and appreciation is 28 percent according to the 2016 Real Estate Report. Individual developers used to dominate Kenya's real estate industry, but new participants such as Saccos, private equity groups, and foreign institutions have entered the market in recent years. The demand for housing has increased due to a 2.4 percent annual population growth rate. This is due to the fact that families are becoming larger, and consumer preferences are evolving to suit rising living circumstances. The county's high pace of urbanization, which is 4.4 percent per year, has further boosted interest.

There are numerous prospects for integrated housing developments, such as mixed-use buildings and master-planned communities, as a result of the emerging middle class. The majority of these investments have been in real estate developments because of the strong returns in the industry.

Statement of the problem

So far, SMEs have struggled to properly manage their operations in order to improve their overall business outcomes by assuring quality in service and product delivery to a diverse range of customers. The main reason why SMEs face such a problem is that the necessary strategies that must be implemented from time to time are quite costly in terms of both money and time, causing the majority of management to disregard such changes. As a result, inaction has frequently resulted in negative consequences for institutions, as seen by internal inefficiencies and poor service delivery to target consumers. Overall low performance means fewer job opportunities are created and the establishment contributes less to the state's GDP growth.

The high rate of SMEs failing in the economy is concerning, as it has a number of negative consequences, including waste of limited resources, job losses, and missed opportunities. SMEs are not performing with a guaranteed or fixed upscale prediction, according to Thinji and Gichira (2017), despite the availability of monetary and non-monetary incentives from the government and non-profit organizations. According to a research study that was undertaken by the 'World Bank' in 2015, the likelihood of SMEs in Kenya not doing so well during the first few months of being in operation is higher (*three out of every five SMEs*), and the few that survive, roughly 80% end up unsuccessful before five years. This is due to a lack of strategic management, failure to build customer-facing initiatives, and failure to develop a system of controls to monitor SME performance. Inadequate planning knowledge, specialized skills, time constraints, and a reluctance to share knowledge are all barriers to strategic planning in SMEs. Because of this, a full examination of SMEs' plans and how their

KPIs are executed, monitored and measured with the goal of enhancing efficiency and productivity in order to focus on consumers and the changing environment is needed.

Onyancha, 2013, Omanga, 2011, Kihui, 2016, Dimba, 2009, and Muliro (2012) have all done study on the financial performance, Investment, and financing of small businesses in the Kenyan real estate market. Despite the importance of small and medium-sized enterprises (SMEs) in a country's economy, there is a substantial lack of research into SMEs' business strategies and non-financial performance, more so in the Nairobi County and 'real estate sector'. The study's goal is to raise awareness about the subject matter when speaking about it.

Furthermore, the majority of these studies have primarily focused on SMEs' financial performance, with only a few using the balance score card, leaving a deficit in the non-financial aspects of SMEs. Similarly, research on SMEs in Kenya's real estate market hasn't concentrated on overall business strategy or non-financial performance. This research will expand on this by looking into the business strategies and non-financial performance of SMEs in Nairobi County, with an emphasis on the real estate sector.

Objective of the Study

The major goal of this research was to look into the business strategies and non- financial performance of small medium firms in Kenya's real estate sector. The study was guided by the following specific objectives;

- Finding out how 'differentiation strategy' impacts on SMEs in Nairobi County's property market non-financial performance.
- To assess the impact of focus strategy on SMEs in Nairobi County's property market
- non-financial performance.
- To see how innovation strategy affects the non-financial performance of SMEs in Nairobi County's property market real estate sector.
- To assess the impact of cost leadership strategy on SMEs in Nairobi County's property market non-financial performance.

LITERATURE REVIEW

Theoretical Literature Review

Porter's Generic Competitive Strategy

For a company to avoid squandering precious resources Porter (1980) recommends that it choose one of the following strategies: cost leadership, distinctiveness or focus. Because it contends that a company's competitive advantage results from the strategies it uses to address its stability, weaknesses, opportunities, and risks, the Porter's theory offers some insight into the competitiveness of an organization (Lu, Shem & Yam, 2008). So as to succeed, Anupkuma (2005) says Porter believes in using cost management, focus strategies, and differentiation in order to succeed.

For a company to know if its profitability exceeds or falls short of the industry average, Atikiya (2015) says it must know its market share. If you want to maintain your competitive advantage, you need to make sure your company is profitable. Those institutions can take use of two critical competitive advantages, it has been discovered. In addition to 'differentiation,' there are also 'cheap cost' (Porter, 1980). Through good cost leadership, focus, and distinction, most institutions have been able to improve their performance. The two crucial instruments in this strategy are a cost focus and a differentiation emphasis (Porter, 1985). To be a low-cost manufacturer, a firm must have cost leadership, according to Porter (1985). There are many different ways in which a company might get an advantage over its competitors in the market. It is less certain that the company will be a top performer, but if it can maintain long-term cost leadership, it is more likely that it will be. While, under the differentiation strategy, a company strives to stand apart from the competition. Customer- oriented aspects are prioritized by the company. Consequently, the company picks out a few things that a large number of industry clients consider are critical and deliberately guarantees that it adheres to the requirements stated (Porter, 1985).

Resource Based View Theory

Penrose (1959) and Seiznick (1959) were the first to introduce the resource-based perspective (1957). According to this viewpoint, resources play a crucial influence in shaping an organization's overall performance. The success of any organization is determined by how effectively resources are dispersed and utilized to produce value in order to get a competitive edge (Barney, 1991). According to this viewpoint, having both tangible and intangible resources can help a company's performance and overall competitiveness.

Barnley (2007) believes that if resources are mobilized appropriately, an organization's performance will increase. As a result, establishments in the same segment can be considered heterogeneous, especially in terms of the resources they rely on. To ensure enhanced production, however, resources and capabilities must operate together (Newbert, 2008). As a result, the only way for businesses to gain a competitive edge is to use a resource-capability combination. Capabilities and resources, according to Bitar and Hafsi (2007), are considered sources of strategic edge, even if they don't always contribute to it.

Alignment Theory

'Control systems must work hand in hand with institutional strategy, according to strategic performance assessment (Fisher, 1995). Any performance metrics should match well with the approaches established by a corporation at any given time, according to a performance alignment perspective (Van der Stede et al., 2006). In general, an institute's success is judged over time rather than in the immediate term. Van der Stede et al. (2006) suggest that an institution's prowess can be measured using both non-financial and financial metrics.

This hypothetical standpoint, on the other hand, may have a wide range of applications, despite its detractors. Linking non-financial performance measurements to strategy, according to Ittner (2008), has no substantial impact on performance. He claims that the absence of economic benefits from enhancing intangible measurement is due to a multitude of factors. First and foremost, an inadequate strategy may misrepresent the beneficial effect of tying performance measurements to strategy. This implies that the company's strategy must be in line with its internal goals and value drivers (Ittner & Larcker, 2001). Other issues mentioned by Ittner (2008) include poor measure selection and improvement targets, the possibility of gaming performance measurements, and organizational impediments. He comes to the conclusion that a positive relationship between nonfinancial assessment and improvements in intangible performance departments does not always reflect an improvement in economic performance. Both the alignment theory and strategic fit are strong supporters of 'non-financial performance measurement.' The necessity of aligning corporate strategy to total non-financial performance will be shown as a result of this idea. It will shed light on the non-financial performance evaluation tools used and how well they align with the plan, as well as their positive or negative impact on performance.

Empirical Literature Review

The research project compares and contrasts the perspectives of many authors on company strategies and performance in this section.

According to Murphy (2011), differentiation occurs when businesses recognize the distinctiveness of their products in comparison to those of their competitors and charge premium prices as a result.

In a word, differentiation is the process of creating something that customers identify as distinct (Nagarajan & Patro, 2010). According to Porter (2001), a company's differentiation technique is achieved through brand development, technology, design or innovation, and positioning. The benefits of 'differentiation' require business owners to compartmentalize markets in order to focus goods and services to certain segments/groups, resulting in the highest possible pricing.

Instead of going for the entire market, a focus strategy focuses on a certain segment of the market (Porter, 2001). The first step is to do a thorough research of the market before focusing on the chosen group, which is critical to gaining an advantage over competitors. For example, a company may choose to focus on a certain service, clientele, commodity or geographic location. As a result, the primary goal of the focus approach is to gain market share by operating in a single niche.

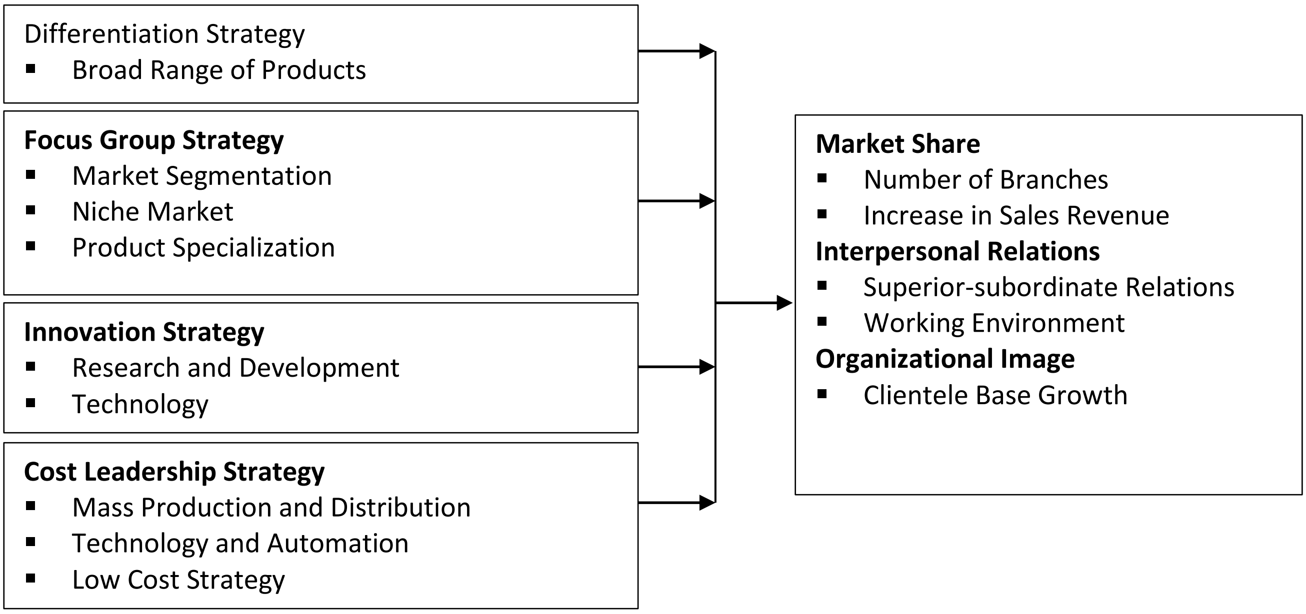
The claim made by Mohamad and Sidik (2013) that continuous innovation is the foundation for continuous firm achievement sparked a lot of attention in the topic of innovation and firm performance throughout the years (Naidoo, 2010). According to Mbizi, Hove, Thondhalana, and Kakava (2013), businesses that refuse to innovate are setting themselves up for failure. The ability of businesses to create new ideas is critical to maintaining a competitive advantage and improving performance (Naidoo 2010). NFPM has a significant relationship with innovation, according to Abernethy et al., (2013). The remarkable quality of NFPM, which is slightly distinct from financial accounting performance, is its ability to mandate broader performance characteristics than monetary performance measurements. Kiraka (2013) goes on to say that a company that relies solely on financial data is perceived as being SMEs, according to Noorani (2014), would be better positioned to compete in the market if they could produce superior services, designs, and products, surpassing their competitors. It's difficult to find a stockholder in the sector who isn't prepared to innovate in response to changing market conditions. According to Gunday et al., (2011), innovation should not be regarded a luxury in the twenty-first century, but rather a need. The majority of research that looked at the relationship between performance and innovation found that there is one, and that the higher the degree of innovation, the higher the level of performance. Noorani (2014), Olughor (2015), and Gunday et al., (2011) demonstrate that numerous studies have been conducted in order to determine the relationship between innovation strategy and organizational success. According to Olughor (2015), a study on innovation and business performance done in Nigeria, firms must invade the market early to present new goods with top-level innovation in order to realize sales income as a direct outcome of innovation. Omanga (2011) concurs with Olughor (2015) and advises Kenyan SMEs to follow in his footsteps in order to obtain great results.

If a business is able to produce at the lowest possible cost, it will make the greatest money (Ogutu & Samuel, 2012). An advantage over rivals can be gained by charging prices that are continuously lower than those of competitors, which is known as "cost leadership" (Porter, 2001). Leadership, production, and labour all need to be low-cost in order for an organization to gain a lower cost advantage (Porter, 2001). It's also important to note that cheap cost doesn't always mean low cost. With a wider margin than competitors, producers may price at competitive parity. When it comes to delivering high-quality vehicles at affordable prices, some firms like Toyota succeed. They also have a strong brand and marketing plan in place (Faziljanovna & Yongqian, 2016). A low-cost leader's competitive advantage is based on lower overall expenses than its competitors. A surprising number of organizations are unable to control their costs over time, in as much as this might not be a first time predicament. Leaders in the low-cost arena excel in slashing expenses.

Study by Marques et al. (2014) found institutions with higher equity returns largely employed a cost leadership approach. The institutions focused on a cost approach to leadership developed from production breakthroughs to ensure production efficiency. For strategic non-financial performance, Samir (2016) discovered that cost leadership strategy has a significant impact on the organizations' strategic non-financial performance. There is a strong correlation between cost leadership and a company's financial and non-financial performance, according to this research (Li et al., 2008).

There is some evidence that SMEs in industrialized countries fail to apply cost leadership methods, according to Boggs (2018). These findings are used in this study to estimate the impact of the "cost leadership approach" on "non-financial performance with a particular focus on SMEs in Kenya.

Conceptual Framework



Independent Variable **Dependent Variables**

Figure 1: Conceptual Framework

Source; Researcher (2020)

METHODOLY

Descriptive research design was used in this study. All 87 small and medium-sized enterprises (SMEs) in the real estate industry in Nairobi County as of December 31st, 2018 were included in this study's target population (Kenya Property Developers Association Report, 2018). This research utilized primary sources to collect data. The questionnaire was selected to be the main research methodology for data collection as the study was quantitative. Respondents were sent a questionnaire via mail and reminded to fill it out as accurately as possible when personal delivery was not possible. Statistical Package for Social Sciences was used to analyze the data collected during the study after it had been edited, coded, and typed into a computer (SPSS v .21.0). Non-financial performance and business strategy was examined using a multiple regression model. I employed the following formulae

$Y = + \quad + \beta_2X2+ \beta_3X3++ \beta_4X_4$

Y= Non-financial Performance

Whereby: Y = non-financial performance, Differentiation Strategy (D); XF Focus Strategy (F); XF Innovation Strategy (I); X4 = Cost Leadership (CL)

Constant term t.=Error term

Regression model coefficients values for independent variables Xl, X2andX3, X4 respectively.

FINDINGS AND DISCUSSION

Descriptive Analysis of the Study Variables

Small and medium-sized businesses' strategies

The study's goal was to show that companies have implemented business strategy. There were questions about the extent to which each of the mentioned business strategy has been implemented by the companies' managers. Table 1 shows the results of the study.

Table 1: Extent to which Firms have Adopted Strategies Scale: 1 Very great extent, 2 Great extent, 3 Some extent, 4 Little extent, 5 —Not at all

Statements	1		2		3		4		5		Mean
The organization has adopted cost reduction initiatives	41	63.1	11	16.9	5	7.7	4	6.2	4	6.2	1.75
Our company has forged joint ventures with Other partners	33	50.8	14	21.5	8	12.3	7	10.8	3	4.6	1.97
Organization has undertaken restructuring to improve management	33	50.8	16	24.6	8	12.3	3	4.6	5	7	1 .94
Our organization have undertaken operational turn round measures	35	53.8	12	18.5	8	12.3	6	9.2	4	6.2	1.95
We outsource non-core business activities to concentrate with core business activity in Order to gain a competitive edge	40	61.5	11	16.9	7	10.8	5	7.7	2	3.	1 .74
N=65											

Table 1 shows that about 63.1 percent of the managers said that the organization has taken cost-cutting measures to a very great extent, 50.8% said that the company has formed joint ventures with other strategic partners to a very great extent, 50.8% said that the organization has restructured to make management better to a very great extent, and 53.8 percent said that the organization has undergone reorganization to improve management to a very great extent. This means that the companies have used different business strategies to improve their performance in areas other than finances. The finding agrees with Kihui (2016) that the key strategies that SMEs in the real estate industry employ cutting-edge technology, strategic partnerships, innovative strategies, diversification, and strategic human resource management to acquire a competitive edge.

The research-based view theory says that resources need to be found to get a competitive advantage that lasts (Newbert, 2008). In turn, this will lead to the growth of real estate SMEs.

Differentiation Approach

The very first point of focus was to examine how the differentiation technique would impact on the 'non-financial performance' of SMEs in the real estate sector in Nairobi County. Managers were called upon to tick on their degree of agreement on recorded statements regarding differentiation strategies in their organization. Findings are presented in Table 2.

Table 2: Differentiation Strategy Scale: 1 Strongly agree. 2 Agree. 3 Moderate. 4 Disagree and 5Strongly disagree

Statements	1		2		3		4		5		Mean
In our organization we differentiate products to suit the market needs	41	63.1	12	18.5	6	9.2	3	4.6	3	4.6	1.69
The firm is constantly launching effective real estate promotions	40	615	13	20.0	5	7.7	3	4.6	4	6.2	1.74
One way that we have been able to attain a competitive advantage is by having a clear understanding of the needs of our target consumers.	8	12.3	42	64.6	6	92	5	7.7	4	6.2	2.31
Company has made diversifications to enhance competitiveness	44	67.7	15	23.1	2	3.1	4	6.2	o	o	1.48
N=65											

Discoveries in Table 2 illustrate that roughly 63.1% of the managers strongly approved that in their institutes they differentiate products to suit the market need, 615% strongly agreed that the firm is constantly launching effective real estate product promotions, 64.6% agreed that they have only been able to attain a competitive advantage by understanding consumer needs and 67.7% of the managers strongly agreed that the company has made diversifications to enhance competitiveness. This means that real estate companies have used differentiation tactics to make their products stand out in the market and appeal to students. The findings support Bacanu's (2010) assertion that differentiation procedures have been utilized in an assortment of businesses, with a focus on those that demand quality for success, such as SMEs. Porter asserts, according to Anupkuma (2005), that a corporation must employ a differentiation technique to ensure success. Additionally, the discoveries agree with Mutunga and Minja (2014), who found that differentiation strategy is a top strategy across all industries, ensuring both monetary and non-monetary benefits. Similarly, the alignment hypothesis emphasizes the need of ensuring that the methods used are always in sync with the firm's ultimate aim.

Focus Strategy

The second objective was intended to analyze how focus strategy has affected the non- financial performance of SMEs in Nairobi County's real estate industry. Managers were called upon to tick on how well they agreed based on listed statements regarding focus strategies in their organization. Results are outlined in Table 3.

Table 3: Focus strategy Scale: 1 Strongly agree. 2 Agree. 3 Moderate. 4 Disagree and 5 Strongly disagree

Statements			2		3		4		5		Mean
Our aim is to continuously find techniques that would enable us to Offer our products and services in distinctive localities.	o	18.5	38	58.5	5	7.7	6	9.2	4	62	2.17
In our organization there is change in production techniques and product mix	8	12.3	39	60.0	9	13.8	5	7.7	4	62	2.35
We always serve diverse market segment which helps increase market share	3 5	53.8	17		7	10.8	4	6.2		3.1	1.78
We always emphasis on marketing specialty product	2	32.3	40	61.5	4	6.2	o	o	o	o	1.74
The organization offers a restricted range of items than our competitors which helps ensure anticipated market niche success	7	10.8	14	21.5	38	58.5	4	6.2	2	3.1	1.74
N=6											

Table 3 shows that 58.5 percent of managers think they always look for ways to offer products or services in different regions, 60 percent think there are changes in the organization's production techniques and product mix, 53.8 percent strongly agree that they always serve different market segments, which helps them increase their market share, and 61.5 percent agree that they always put an emphasis on marketing specialty products. This finding agrees with what Atikiya (2015) says, which is that the main problem with the focus strategy is that it could put an institution at risk if the niche is too small to be profitable, which hurts the institution's overall performance, especially for newer ones.

Maluku thinks that SMEs use focus strategy a lot, but this discovery shows that he is wrong. Porter (2001) says that companies should only use the focus strategy when they know their niche strength. This will help them improve their performance by putting the strategy into action.

Innovation Strategy

The third goal was to examine the impact of innovation strategy on SMEs in the real estate sector in Nairobi County's non-financial performance. Managers were called upon to tick on how well they agreed based on listed statements regarding innovation strategies in their organization. Findings are Presented in Table 4.

Table 4: Innovation Strategy Scale: **Strongly agree. 2= Agree. 3= Moderate. 4 = Disagree and 5=Strongly disagree**

Statements	1		2		3		4		5		Mean
The organization have become more innovative	40	61.5	15	23.1	8	12.3	2	3.1	o	o	1.57
The organization has integrated information technology into its operations	43	66.2	9	13.8	6	92	5	7.7	2	3.1	1.68
The firm is constantly offering innovative real estate features	11	16.9	45	69.2	4	62	5	7.1	o	o	2.05
The firm engages in research and development of new products	42	64.6	13	20.0	6	9.2	4	62	o	o	1.57
The firm constantly offers unique innovative products to customers	37	56.9	15	23.1	7	10.8	4	62	2	3.1	1.75
Product and sen'ice innovation have the ability to help improve the performance Of the firm	44	67.7	13	20.0	5	7.7	3	4.6	o	o	I .49
N=65											

Table 4 shows that 61.5 percent of the managers strongly agreed that the organization has become more innovative, that 66.2 percent of the managers strongly agreed that the organization has integrated information technology into its operations, that 69.2 percent of the managers strongly agreed that the firm always offers unique, innovative products to customers, that 64.6 percent of the managers strongly agreed that the firm does research and development of new products, and that 56.9 percent of the managers strongly agreed that the firm has become more profitable. This means that the companies are using technology to change the way they run so they can save money on operational costs. Camis6n and L6pez (2010) showed that innovation improves the performance of non-financial firms. This finding backs up what they found. Omanga (2011) agrees with Therrien et al. (2011) that innovation is a must for both large and small and medium-sized enterprises (SMEs) to be successful in the 21st century, no matter what industry they are in. The resource-based view theory says that to get a competitive edge, you need to be aware of your resources' strengths. One of these is innovativeness, which is especially important in industries like real estate that are always changing and growing, like SMEs. The results show that the strategy and the company's goals are in line with each other. The company wants to stay competitive by doing a lot of research and development to make sure that SMEs in the real estate industry stay on top when it comes to technology and new ideas.

Cost Leadership Strategy

The fourth objective was to evaluate how the cost leadership strategy affected SMEs in Nairobi County's non-financial performance in the real estate sector. Managers were asked to mark how well they agreed with a series of statements about their company's cost-cutting measures. Table summarizes the results.

Table 5: Cost Leadership Strategy Scale: **Strongly agree. 2= Agree. 3= Moderate. 4 = Disagree and 5=Strongly disagree N=65**

Statements		2		3		4		5		Mean
Leadership with technical and innovative motivational style of management is evident in our company	1218.5	38	58.5	5	7.7	6	92	4	62	226
The organization always charges lower price than our competitors increasing market share	4264.6	18	27.7	5	7.7	o	o	o	o	1.43
The organization heavily invest in mass production and distribution	462	12	18.5	38	58.5	11	16.9	o	o	3.86
The organization frequently train our employees on low-cost strategy	812.3	42	64.6	10	15.4	5	7.7	o	o	2.18
The firm vigorously pursue cost reduction	5076.9	11	16.9	4	6.2	o	o	o	o	129
Firm constantly reduce labor through automation and technology and improve performance	4873.8	7	10.8	3	4.6	5	77	2	3.1	1.55

Table 5 shows that 58.5 percent of managers agree that our company has a leadership style that is technical and innovative, 64.6 percent strongly agree that our company always charges lower prices than our competitors, increasing market share, 58.5 percent moderately agree that our company heavily invests in mass production and distribution, and 64.6 percent agree that our company frequently trains its employees. This means that the firm managers have adopted strategic leadership practices to improve performance. This discovery concurs with Marques' observation that cost leadership strategy influences companies ' return on equity. Similarly, the finding concurs with the previous study of Samir (2016) that indeed cost leadership positively influences the nonfinancial performance of an organization. Furthermore, Porter (1980) claims that low cost is one of two essential types of competitive advantage that an organization can have, and that it is thus very important for achieving high performance, as evidenced by the study's conclusions.

The study also wanted to see how effective the real estate companies' measures were.

Managers were asked to rate their company's strategy effectiveness. Table 6 summarizes the results.

Table 6: Effectiveness of Strategies Adopted by Organizations

Effectiveness	Frequency	Percentage	Mean
Highly effective	46	70.8	
Moderately effective	15	23.0	
Somewhat effective	4	6.2	
Total	65	loon	160

Table 6 shows that the 70.8% of the managers indicated that the business strategies are highly effective, 23% indicated moderately effective and 6.2% of the managers indicated that the business strategies are somewhat effective. This implies that the business strategies are very effective in enhancing non-financial performance. The finding concurs with Onyancha (2013) that the decision to choose a specific business strategy influences various organizational outcomes.

In order assess the challenges faced by organizations during strategies implementation, managers were asked tick on the most common challenges they face while implementing strategies in their firms. Findings are presented in Table 7.

Table 7: Strategies Implementation Challenges

Challenges	**Yes**		**No**		**Mean**
	Frequency	Percentage	Frequency	Percentage	
High competition	44	67.7	21	32.3	1.32
Technical challenges	48	73.8	17	26.2	1.26
Fraud	54	76.9	15	23.1	1.23
Strict regulations	45	69.2	20	30.8	1.31
Staff resistance	25	38.5	40	61.5	1.62
N=65					

Table 7 shows that the common strategy implementation challenges are fraud (76.9%), technical challenges (73.8%), strict regulations, (69.2%) high competition (67.7%), and staff resistance (38.5). This implies that there are various challenges that hinder implementation of strategies in the real estate business. These findings concur with the finding from Onyancha (2013) that fraud and high completion are among the strategy implementation challenges facing SMEs in the 21st century and they need to be addressed going forward to avoid stagnation in the SME sector.

In order to examine the non-financial performance of the firms, Managers were asked to check the assertions about non-financial success in their firm to the extent that they agree or disagree. Findings are presented in the table below.

Table 8: Non-Financial Performance Scale: Strongly agree. 2= Agree. 3= Moderate. 4 = Disagree and 5=Strongly disagree

Statements			**2**		**3**		**4**		**5**		**Mean**
Over the past five years, this company has established new corporate branches.	39	60.0	16	24.6	3	4.6	5	7.7	2	3.1	1.69
The company's sales revenue has increased over the last 5 years	5	23.1	35	53.8	8	12.3	4	62	3	4.6	2.15
The working relationship between the superior and the subordinate is good.	2	3.1	7	10.8	4	21.5	32	49.2	10	15.4	3.63
This organization's working environment is considered to be favorable..	2	33.8	33	50.7	4	21.5	4	62	2	3.1	2.09
The clientele base has grown over the last 5years	38	58.5	18	27.7	5	7.7	4	62	o	o	1 .62
N=65											

Table 8 shows that 60 percent of managers strongly agree that the company has opened new company branches in the last five years, 53.8 percent agree that the company's sales revenue has increased in

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the last five years, 49.2 percent disagree that there is a good working relationship between superior and subordinate, 50.7 percent strongly agree that the working environment in this organization is deemed conducive, and 58.5 percent strongly agree that the company's sales revenue has increased in the last five years. This suggests that over the last five years, the organization's non-financial performance, as evaluated by market share, interpersonal relations, and image, has improved.

Inferential Statistics

Coefficient of Correlation

This study relies on Karl Pearson's coefficient of correlation (r) to show the link between the study variables as mentioned in the theoretical outline. Table 9 shows the results. The Pearson correlation coefficient was utilized in the study to determine the statistical link or association between two variables of interest. It was used to determine how closely the dependent and independent variables were related. The coefficient value, abbreviated "r," can range from +1 to 1, with -1 denoting a negative association, +1 denoting a positive relationship, and 0 denoting no relationship. The association is weak where the Pearson value is less than 0.3, and strong where it reaches 0.5.

Table 9: Correlation Analysis

Variables		Non-financial performance	Differentiation	Focus	Innovation	Cost leadership
Non-financial performance	Pearson Correlation	1				
	Sig. (2-tailed)					
Differentiation	Pearson Correlation	.944**	1			
	Sig. (2-tailed)	.000				
Focus	Pearson Correlation	.325	.420	1		
	Sig. (2-tailed)	.115	.117			
Innovation	Pearson Correlation	.950**	.652	.935	1	
	Sig. (2-tailed)	.000	.000	.000		
Cost leadership	Pearson Correlation	.870**	.915**	.887**	.853**	1
	Sig. (2-tailed)	.000	.000	.000	.000	

**. Correlation is significant at the 0.05 level (2-tailed)

With reference to the findings as depicted in Table 9, there was as a result, a positive correlation between differentiation strategy and non-financial performance (r = 0.944, p- value=0.000). The study also establishes an insignificant negative interlink between focus technique and nonfinancial excellence (r = 0.325, p-value=0.115). the results indicate positive correlation between innovation strategy and non-financial performance (r = 0.950, p-value=0.000). The study also shows that cost leadership approach and online buying habit are positively correlated (r = 0.870, p-value=0.000). The discovery is in support of Mary (2014) business strategies have extensive consequence on the institute's justifiable competitive upper hand.

Analysis of variance

Non-financial performance, cost leadership strategy, innovation strategy, focus strategy, and differentiation strategy were all investigated. The model proved significant (p-value = 0.000) in describing the linear relationship between the study variables at the 0.05 level, as shown in Table

Furthermore, the F-statistic is greater than 1, indicating that the model is suitable for determining the link between the independent and dependent variables. This means the model can be used to perform a factor analysis.

Table 10: Analysis of Variance

Model		Sum of Squares	Df	Mean Square		Sig.
1	Regression	45.877	4	11.469	196.198	.ooob
	Residual	3.507	60	.058		
	Total	49.385	64			

Predicators: (constant) differentiation strategy, focus strategy, innovation strategy, cost leadership strategy.
Dependent variable: Non-financial performance

Determination Coefficient

The statistical model's ability to forecast future events was measured using the coefficient of determination. Model Summary is shown in Table 11.

Table 11: Model Summary

Model			Adjusted r^2	Std. Error of the Estimate
1	0.964	0.929	0.924	0.242

Predicators: (constant) differentiation strategy, focus strategy, innovation strategy, cost leadership strategy.

According to the results in Table 11, the four independent variables studied (differentiation strategy, focus strategy, innovation strategy, and cost leadership strategy) contribute 92.9 percent of non-financial performance (adjusted (r2) at 95 percent confidence level). This suggests that 7.1 percent of non-financial firm performance is influenced by factors that were not studied in this study.

Multiple Regression

It is used to learn more about the relationship between company strategies and non-financial success. SPSS was used to enter and classify respondent responses in order to calculate the amount to which unit changes in one independent variable causes the dependent variable to change. The multiple regression analysis is shown in Table 12.

Table 12: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta		
Constant/Y Intercept	.076	.100		.761	
Differentiation	263	.099	.320	2.652	.005
Focus	.082	.133		.616	
Innovation	476	.128	449	3.733	.000
Cost leadership	.128	.125	.163	1.025	.003

As per the SPSS generated in Table 12, the equation, Y= ßo+ ßlXl+ß2X2+ + ß4X4 +€ becomes;

Y = 0.076 + 0.263 Xl + 0.082'(2 0.476k +0.128'(4

Non-financial performance would be at 0.076 based on the aforementioned regression model, with focus strategy, innovation strategy, differentiation strategy, and cost leadership strategy all at zero

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(Beta coefficients). A unit change in differentiation strategy caused a factor of 0.263 change in non-financial performance, a unit change in focus strategy caused a factor of 0.082 change in nonfinancial performance, a unit change in innovative strategy caused a factor of () .476 change in nonfinancial performance, and a unit change in cost leadership caused a factor of () .476 change in nonfinancial performance.

From the model, differentiation strategy (p=0.005), innovation strategy (p=0.000), and cost leadership (p= () all had a significant relationship with the dependent variable (non-financial performance) because their p-values were below 0.005, whereas focus strategy (p= 0.540) had an insignificant relationship because its p-values were above 0.005.

CONCLUSION AND RECOMMENDATIONS

The study discovered that SMEs' non-financial performance is influenced by differentiation strategy. SMEs who used a differentiator strategy to introduce distinct products to meet market needs were more competitive. Similarly, SMEs who consistently launched effective real estate product advertisements saw an increase in non-financial performance. The study also discovered that SMEs in the real estate industry use differentiation strategies to gain a competitive edge, and that in order to do so, they must have a strong awareness of their consumers' needs. The outcomes of the study lead to the conclusion that there is no link between the focal strategy and the nonfinancial notion. According to the statistics, the majority of real estate managers are constantly looking for new ways to sell products or services in different topographical areas. Similarly, the data revealed that a majority of respondents agreed only to a moderate extent that their company offers a limited range of product variation compared to competitors, which helps secure market niche success. The main disadvantage of a focus approach is that it may put an institution at risk if the niche shrinks or becomes too small to be economically viable, resulting in a negative impact on a firm's performance, especially for SMEs.

The research found that real estate SMEs have become more inventive and have integrated information technology into their operations. Furthermore, the firm consistently delivers unique innovative products to clients and engages in research and development of new products, and that product and service innovation has the power to help improve the firm's performance. According to the findings of the study, the majority of respondents strongly agreed that leadership with a technical and innovative motivational style of management was evident in their respective SMEs, and that the organization always charges lower prices than our competitors in order to gain market share. Similarly, the survey found that the majority of SMEs in the real estate industry engage extensively in mass production and distribution while also aggressively pursuing cost reduction. This can be ascribed to the fact that company executives also provide low-cost strategy training to their staff.

Competition, technical obstacles, fraud, staff opposition, and rigorous restrictions were identified as challenges faced by the business in implementing strategies, according to the report. The main goal of a competitive business strategy should be to identify customer needs, for companies to constantly launch effective real estate product promotions, for companies to constantly offer unique innovative products to customers and innovative real estate products , for companies to form strategic alliances and joint ventures with other companies to gain a competitive advantage, for companies to implement operational turnaround measures, for companies to implement cost leadership strategies, and for companies to invest in mass production..

Small and medium-sized real estate companies in Nairobi County, Kenya, were studied for their business strategies and non-financial performance. Findings from the research show that Kenyan real estate enterprises utilize a variety of strategies to differentiate themselves from their competitors. Non-financial performance had a negative correlation with focus strategy, but a positive correlation was identified for differentiating strategy, innovating strategy, and leading with costs. In the same way, the study came to the conclusion that the biggest problems with putting a strategy into action were fraud, technical problems, and strict rules. This means that SMEs in the real estate industry should make sure that strategies (like differentiation, innovation, and cost leadership) that directly lead to better non-financial performance are well implemented. In this way, the non-financial excellence of the institutes will be improved, and in the long run, the overall performance of the organisations will improve as well.

Small and medium-sized businesses need to put money into research and development. This will help them come up with new ideas, which will give them a competitive edge. Small and medium sized enterprises (SMEs) need to make sure that their products are always different enough to meet the needs of the market. This will provide them with a competitive edge that is both short-term and long-term.

The study suggests that small and medium-sized businesses (SMEs) use a strategy called "cost leadership." This will help them gain a competitive edge through good pricing in the early stages of their growth. In the same way, SMEs should put a lot of money into mass production and distribution and work hard to cut costs. When dealing with large real estate markets, small and medium-sized real estate businesses need to have niche markets. Small and medium-sized businesses in the real estate industry need to use new technologies that will help them lower the costs of their projects and improve their non-financial performance.

Areas for Further Research

The primary goal of this research was to look into the business strategies and non-financial performance of small medium firms in Kenya's real estate sector. As a result, the study was limited to the real estate sector in Nairobi County; consequently, further investigations in other competitive sectors in the private and public sectors, as well as other counties, should be done to evaluate how the results compare to or differ from this study. This research only looked at nonfinancial success; future research could look into financial performance. Finally, this research just looked at company tactics; future research should look into other strategic factors.

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