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ABSTRACT

This research assessed how marketing innovation affect performance of Youth Enterprises Development Fund, Kenya. By examining marketing innovation, the study aimed to offer recommendations for enhancing the effectiveness and efficiency of YEDF in supporting youth entrepreneurship and mitigating youth unemployment in Kenya. This research adopted a descriptive survey and explanatory research design to investigate the influence of marketing innovation on the performance of YEDF. A census approach was used due to the manageable number of respondents. Primary data was collected using structured questionnaires administered to employees in various categories. A pilot study was conducted to identify and rectify any flaws in the measurement procedures and questionnaire design. Validity tests were carried out to ensure that the measures accurately represented the intended concepts, while reliability tests assessed the consistency of the results. The findings indicated that Marketing Innovation Strategy significantly enhances organizational performance. Findings revealed that marketing innovation strategies are crucial for enhancing YEDF's competitiveness, especially through new distribution channels and advertising methods, Recommendations include enhancing product design to align more closely with customer needs, investing in advanced digital process innovations, developing new products to explore untapped markets, and fostering greater employee involvement in innovation initiatives through formal platforms. The study recommended prioritizing improving product design within its marketing innovation strategies. While progress has been made through new advertising methods and market expansion, enhancing the design and functionality of its products can significantly increase their appeal and usability.

Key Words: *Marketing Strategies, Youth in Business, Innovations*

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INTRODUCTION

Globally, youth represent 40 percent of the overall population, with the maximum youth population anticipated to occur post-2030 (World Bank, 2019). It is essential to engage them in substantive innovation strategies to actualize development by optimizing the potential contributions of young people toward attaining social and economic objectives. Many industrialized nations express significant worry with teenagers who are neither working nor enrolled in educational programs (UNOPS, 2018).

Before the pandemic, the United States had a robust job market characterized by low unemployment; however, a significant number of young individuals were disengaged from both employment and education, with Youth Fund Programs being essential for their sustenance (Loprest, Spaulding, & Nightingale, 2019). In Australia, the number of youth attending school has risen in recent decades; however, a significant percentage of individuals aged 16 to 24 remain disengaged from both education and the labor market, prompting the government to establish a funding program to facilitate their development (Chulkov & Desai, 2018).

In a time when stagnation leads to regression, the primary issue for YEDF is not merely to innovate, but to achieve sustainable and successful innovation. An innovation plan for YEDF is essential for the fund's long-term development. It enables YEDF to maintain a competitive advantage, adjust to fluctuating market dynamics, and address the evolving requirements of youth (UNDP, 2021). A study conducted by Booz & Co revealed that firms with a robust innovation culture saw 30% more enterprise value growth and 20% increased profit growth compared to their counterparts. Moreover, recent data on the ROI of innovation demonstrates that investing in innovation can produce substantial returns. A PwC study including 1,757 board-level executives from more than 25 countries indicates that the most innovative companies project a growth of 62.2% over the next five years, whereas the least inventive organizations estimate a growth of 20.7%. The anticipated global average growth rate is 35.4%. Innovation is associated with market leadership. Organizations that emphasize innovation typically emerge as market leaders within their sectors. Apple is renowned for its innovative devices, including the iPhone, iPad, and Mac. Apple's innovation approach has enabled the corporation to attain a position among the most successful enterprises globally.

According to Shahzad et al., (2016), an organization's performance is defined as the sum of its results. According to Tubigi and Alshawi (2015), an organization's performance is defined as its results in terms of procedural efficiency, operational effectiveness, and profitability. Upadhaya, Munir, and Blount (2014) provide an expanded definition of organizational performance as the difference between an organization's actual and projected outputs. George, Walker, and Monster (2019) state that an organization's success may be defined as the difference between its stated goals and what it actually achieved in three areas: financial performance, shareholder value, and market performance. According to Hubbard (2019) and Knies, Jacobsen, and Tummers (2016), the performance concept in organizations is based on the idea that an organization is made up of the interplay of productive assets like physical, human, and capital infrastructure, all working together to achieve a common objective.

A marketing innovation is a novel approach to marketing that significantly alters the four Ps of marketing: product design, packaging, placement, and price (Hall & Jones, 2019). The strategy's objectives include enhancing customer service, penetrating new markets, and repositioning the firm's goods to increase sales. According to

Rodriguez, Carrillat, and Jaramillo (2020), the primary objectives of marketing innovations are to maximize sales volume for the purpose of taking advantage of economies of scale, to divide markets into more manageable portions, to compete successfully on price, and to provide products with qualities that make customers more willing to pay a premium for them. Process, product, and marketing innovation were the innovation strategies that were the subject of this research.

Youth Enterprise Development Fund (YEDF) has been running since 2006 and is part of "The vision 2030" (via the social pillar) with the overarching objective of reducing young unemployment. The "Ministry of Public Service, Gender and Youth Affairs" serves as its official home. In response to the growing young unemployment rate, the government has established this fund as one of many initiatives. Among the many stated goals and purposes of the YEDF is the following: "Offering finances to current micro-finance organizations, listed non-governmental establishments involved in microbankrolling, and investments and credit co-operative organizations for on-lending to youth enterprises." (Legal order No. 67 of 2007).

Statement of the Problem

Worldwide, young unemployment is becoming an enormous problem, according to an ILO research (2018). The situation is particularly bad, the report adds, as three out of five young people are probably unemployed. The Kenyan government has instituted programs like YEDF and "Kazi kwa Vijana" (KKV) to address this issue swiftly. KKV's goal is to employ 500,000 young people, 300,000 of whom are from rural areas. Despite the government's attempts to support youth-run businesses via the Youth Enterprise Development Fund (YEDF), the number of YEDF loans taken out has dropped significantly from 2020 to 2022, falling by 4%, 6.7%, and 8.9%, respectively (KIPPRA, 2018). Recent data shows that just two of every five youth initiatives sponsored by YEDF are able to sustain themselves over the long term, leading to a spike in default rates that will reach 31% in 2022 from 22% in 2019. (KNBS & SID, 2022). Recent years (2022) have likewise been difficult for YEDF's product and service marketability (YEDF report, 2022).

Government lending organizations like YEDF discourage borrowers with their long application processes and low loan output. Furthermore, the loan's debtors have a history of defaults and nonpayments. Research by Mburu (2018), Mwangi (2019), and Gugga & Ngoze (2019) among others shows that government-led microinstitutions have a terrible track record of collecting on loans due to the high default rate and frequent nonpayment. There is a conceptual gap about the need to concentrate on innovation strategies and how they influence the performance of the YEDF as the research have mostly focused with examining the effects and impacts, rather than the strategies themselves. The evaluated research failed to address the requirement to concentrate on YEDF performance because to its contextual inadequacies, which were caused by its concentration on MFIs. Methodological flaws were also evident in the studies as the researchers didn't check for any correlations between the variables. This is an example of how the connection between innovation strategies and YEDF success has not been well studied.

Objective of the Study

The objective of this study was to evaluate the effect of marketing innovation strategy on performance of Youth Enterprises Development Fund, Kenya.

LITERATURE REVIEW

Theoretical Literature Review

Resource-Based View Theory

In her 1959 proposal, the resource-based hypothesis, Edith Penrose posits that the assets possessed by a company are the main factors that dictate its ability to outperform its competitors. The examination of sources of competitive advantage is based on two assumptions. According to this hypothesis, businesses operating within the same industry or strategic alliance may differ in the kinds of resources they have. Second, it suggests that resource heterogeneity could persist over time since resources used to implement companies' strategies aren't always easily transferable (for example, certain resources are hard to come by and can't be traded on factor markets) (Kor & Mahoney, 2004).

Theoretically, a resource bundle can only provide a competitive advantage if each individual resource is distinct from the others. No business can use a strategy that isn't also available to all the other businesses in a market if all the businesses in that market have the same resources, according to the claim. Determining the effects of external factors on a business is the main use of the Resource-Based View Theory. Franj, Martínez, and Matute (2013) state that in order to obtain results, approaches such as competitive advantage, resources, and skills are used.

According to Barney (1991), there can be no long-term competitive advantage based on the assumptions of immobility and heterogeneity alone. In addition, for a company's resources to provide a lasting competitive advantage, they need to be valuable, rare, and not completely replaceable or imitable. A number of important contributions have come from the Resource-Based View (RBV), most notably the ideas of isolating mechanisms, causal ambiguity, asset mass efficiencies, and temporal compression diseconomies, all of which are related to imitation. Information and credit policies, knowledge, and flexible abilities are all examples of intangible assets that have recently been the focus of a great deal of resource-based study (Pisano, 2015).

Discussions on the varied effects of innovation methods, including as process, market, and product innovations, are grounded in the resource-based theory, which is relevant to the research. Researchers in the field are looking at how businesses handle their resources, and they've come up with better ways to position the YEDF's operations strategically so that it can beat out the competition. The idea stresses that in order for YEDF to be competitive, it must adopt measures that boost operational performance.

Empirical Literature Review

In their study of SMEs in Kenya's Nakuru East Town Sub-County, Okundi and Muchemi (2022) looked at how marketing innovation tactics affected the firms' entrepreneurial success. Questionnaires were sent to 126 SMEs as part of the study's descriptive and explanatory research strategy. To achieve growth and efficiency, SMEs should prioritize product design enhancements, novel distribution channels, exploration of new markets, and modifications in advertising techniques. The results showed a robust positive and significant correlation between marketing innovation strategy and entrepreneurial performance.
Within Korean public-sector institutions, Tanesab and Park (2020) investigated the relationships between organizational innovation, work resources, and organizational performance. Utilizing survey data sourced from the Korean Institute of Public Administration (KIPA), the research applied structural equation modeling. Using work resources as a mediator, the findings showed that organizational innovation positively improved organizational work performance. The relationship between public sector performance, organizational innovation, and available resources at work is better understood thanks to this research.

Despite the COVID-19 epidemic, Habboush (2021) aimed to determine how Saudi telecom companies' marketing innovation methods affected their ability to gain a competitive edge. Researchers used a descriptive and analytical approach to survey three different telecom companies' mobile phone users. The results showed that the marketing innovation strategy significantly improved financial and operational performance, which in turn helped the company gain a competitive edge. New marketing methods are crucial for retaining competitive market dominance, according to the report.

Peng, Qin, and Tang (2021) considered a range of market situations as they investigated the effect of marketing innovations on the performance of Chinese corporations. Organizational success was the focus of the study, which differentiated between market-driven and market-driving marketing innovations. Results showed that, with the influence of competitive intensity and technological volatility mitigated, there were large effects on business performance. This research contributes to the existing body of knowledge by shedding light on the dynamics at play between marketing innovation, the external market, and business outcomes across their 2019 study, Quaye and Mensah looked at how small and medium-sized businesses (SMEs) across Ghana's many sectors used innovative marketing tactics and dynamic marketing abilities to get an edge in the market. A total of 591 SMEs were included in the study, which used a quantitative systematic research approach. According to the study's findings, keeping a competitive edge in the market requires creative marketing approaches including new product designs, retail and promotional tactics, and pricing structures.

In his 2018 study, Abdul Hamid set out to clarify how the four Ps of marketing—product, price, promotion, and distribution—impacted competitive advantage in Amman, Jordan's industrial plastic manufacturing facilities. Research using a representative sample of 140 completed surveys found that various elements of the marketing mix significantly affect competitive advantage. The results demonstrated that industrial companies may get an edge in the market by carefully planning their product, price, advertising, and distribution strategies.

Financial institutions in Algeria were the focus of an investigation by Essa et al. (2019) on how marketing innovation affects competitive advantage, with a focus on operational and functional performance. A total of 64 managers from the banking and insurance industries participated in the study. The findings highlighted the need to use new ideas and concepts to achieve sustainability, since there was a statistically significant relationship between marketing innovation and competitive advantage.

Conceptual framework

The conceptual framework illustrates how the variables are related to one another. Strategies for innovation in marketing served as the independent variables. Organizational performance served as the dependent variable.

Marketing-Innovation Strategies
- Design of the product
- Channels of Distribution
- Availability of New markets
- Advertising channel

Independent variable

→

Organizational-Performance
- Level of uptake of loans
- Repayment of loan
- Product and Services Marketability

Dependent variable

Figure 1: Conceptual Framework

METHODOLOGY

The study included an explanatory research technique in addition to a descriptive survey. The 82 chosen responders included 5 board members, 11 senior managers, 31 from the finance department, and 35 from regional offices. Because there were very few and controllable responses, the researcher relied on a census.

Using standardized questionnaires, data was collected from the staff. 2Eight YEDF participants, or 10% of the total sample size of eighty-two, were included in the pilot study.

A reliability test was conducted using Cronbach's alpha to evaluate the instruments' measurements (Cronbach, 1994).

Data was coded and organized thematically (Mugenda &vMugenda, 2003) using SPSS. The descriptive analysis of the data was shown using frequencies, standard deviations, and means. Inferential statistics, such as regression and correlation, were presented. The data presentation was made up of tables and figures.

FINDINGS AND DISCUSSION

Response Rate

82 questionnaires were and 68 were properly completed and returned questionnaires, with 14 left blank. A response rate of 82.9% was obtained.

Descriptive Analysis Results

Marketing Innovation Strategies

As a crucial component of organizational success, this section delves into the study of marketing innovation tactics. Table 1 displays the findings, which are statistical summaries of the Youth Enterprise Development Fund's marketing innovation strategy statements together with their respective means and standard deviations. The results provide insight into how beneficial these tactics are for advertising, product development, distribution networks, and market penetration.

Table 1: Marketing Innovation Strategies

	Mean	Std. Dev
The organization's marketing innovation strategies have led to noticeable improvements in product design.	3.0588	.64374
The organization actively invests in enhancing product design as a result of its marketing innovation initiatives.	3.9118	.44839
New distribution channels have been successfully integrated as a result of the organization's marketing innovation efforts	3.9118	.28575
The organization continuously explores and adopts new distribution channels, demonstrating its commitment to marketing innovation.	3.9706	.38520
The organization's marketing innovation strategies have been effective in identifying and entering new markets.	3.9118	.28575
Actively seeking and entering new markets is a direct outcome of the organization's commitment to marketing innovation	4.1324	.5583
Changes in advertising methods have been implemented due to the organization's marketing innovation initiatives	4.2941	.59997
The organization consistently adapts its advertising methods to align with emerging trends, showcasing a commitment to marketing innovation	4.5735	.49824
Aggregate Score	**3.9706**	**.4632**

Source: Researcher (2024)

The findings shed light on the perceived effectiveness of these strategies in enhancing product design, distribution channels, market entry, and advertising methods. With a mean score of 3.9706, marketing innovation initiatives seem to have widespread support among respondents who believe they may improve company performance. It seems that most respondents agree that these tactics work, since the standard deviation is just 0.4632.

The statement about the product's design receiving the lowest mean score was 3.0588, suggesting that people think there may be a lot of room for development in this area, even if there have been some advancements. The organization's dedication to improving offerings is shown by the greater level of agreement (3.9118) that respondents showed on the organization's investment in improving product design via marketing innovation activities. Both the discovery of new channels (3.9706) and the effective integration of new distribution channels (3.9118) indicate that the organization is being well-received for its efforts in this area. A strong dedication to using marketing innovations for market expansion and responding to new trends was indicated by the highest mean scores for the effectiveness of marketing innovation strategies in actively seeking and entering new markets (4.1324) and adapting advertising methods (4.2941 and 4.5735).

The findings align with previous research that highlights the importance of marketing innovation in driving organizational performance. For instance, Okundi and Muchemi (2022) established a significant positive relationship between marketing innovation strategy and entrepreneurial performance in SMEs. Similarly, Tanesab and Park (2020) demonstrated that organizational innovation positively influences performance, indicating that effective marketing strategies are crucial for enhancing competitive advantage. The results underscore the need for the Youth Enterprise Development Fund to continue investing in marketing innovation initiatives. The emphasis on adapting advertising methods and actively seeking new markets aligns with the findings of Habboush (2021) and Peng et al. (2021), who stressed the significance of innovative marketing practices for achieving competitive advantage

Process Innovation Strategy

Table 2: Process Innovation Strategy

	Mean	Std. Dev
The organization has successfully implemented the digitalization of all retail products	3.9412	.54622
Digitalization of retail products is actively pursued by the organization as part of its process innovation strategies	4.0001	.50022
Electronic Funds Transfer (EFT) has been seamlessly integrated into the organization's operational processes	3.8512	.57676
The organization consistently explores and adopts Electronic Funds Transfer to enhance operational efficiency, showcasing its commitment to process innovation	4.4118	.52505
The organization effectively ensures regulatory compliance through its process innovation strategies	4.4412	.50022
Regulatory compliance is a key focus of the organization's process innovation initiatives, ensuring adherence to industry standards	4.3824	.48958
The organization has successfully achieved cost reduction through its process innovation efforts	4.3824	.51917
Cost reduction is an ongoing goal, and the organization actively implements process innovations to achieve greater operational efficiency and financial savings	4.3088	.55334
Aggregate Score	4.2149	.52632

Source: Researcher (2024)

The findings summarized in Table 2 indicate that respondents generally perceive the organization's process innovation strategies as effective, with an aggregate mean score of 4.2149. This score reflects a strong consensus among respondents regarding the success of these strategies in improving operational efficiency and overall performance. The standard deviation of 0.52632 suggests a moderate level of agreement on the effectiveness of these strategies.

Among the individual items, the highest mean score of 4.4412 was associated with the organization's commitment to ensuring regulatory compliance through process innovation strategies. This finding emphasizes the organization's focus on adhering to industry standards, which is crucial for maintaining credibility and operational integrity. Similarly, the integration of Electronic Funds Transfer (EFT) into operational processes received a mean score of 4.4118, indicating a robust commitment to enhancing operational efficiency. Furthermore, the respondents indicated that cost reduction is an ongoing goal, with a mean score of 4.3824, underscoring the importance of implementing process innovations to achieve financial savings.

The results align with existing literature that highlights the significance of process innovation strategies in driving organizational performance. For instance, Yator and Kipchumba (2023) investigated the impact of product and process technological innovation strategies on organizational performance within the Kenyan telecommunications industry. Although they found that product innovation had a more pronounced effect on performance than process innovation, this highlights the critical role of technological advancements in organizational success. In contrast, Kowo (2021) found that process innovation significantly impacts organizational performance in Nigeria's telecommunications sector, reinforcing the necessity for organizations to establish clear objectives for their innovation projects to maximize their potential benefits.

Similarly, research by Losonci *et al.,* (2021) indicated that while innovating companies generally perform better, the type of innovation plays a critical role, with process innovation significantly impacting performance. This finding emphasizes the importance of understanding the contextual factors that influence the effectiveness of different innovation strategies. Zand and Rezaei (2020) further supported this notion by demonstrating that both process and product innovation positively influence business performance, mediated by environmental dynamism. Their findings suggest that organizations need to consider external factors when implementing innovation strategies to enhance their effectiveness.

Moreover, the research conducted by Peter et al. (2021) on tier one commercial banks in Kenya revealed that improved processes, such as queuing and electronic funds transfer, significantly enhance financial performance. This highlights the critical need for organizations to focus on process innovations to remain competitive in a rapidly evolving market landscape. The results underscore that process innovations, while sometimes overshadowed by product innovations, play a fundamental role in organizational success by enhancing operational efficiency and regulatory compliance.

Product Innovation Strategies

This section focuses on the assessment of product innovation strategies within the Youth Enterprise Development Fund and their correlation with organizational performance. The importance of product innovation strategies lies in their capacity to adapt and enhance an organization's market presence, competitiveness, and overall effectiveness.

Table 3: Product Innovation Strategies

	Mean	Std. Deviation

The organization has effectively implemented product repositioning strategies for existing products	3.7676	.48575
Product repositioning is actively pursued by the organization to enhance the market presence of existing products	3.7891	.49992
Product specifications are regularly updated to meet evolving customer demands and industry standards	4.0006	.51285
The organization places a strong emphasis on adapting product specifications to align with market trends and customer needs	3.8676	.48575
The organization has successfully implemented product replacement strategies for outdated products	3.8829	.49293
Product replacement is a key aspect of the organization's product innovation approach, ensuring a modern and competitive product portfolio	3.8853	.50350
The organization actively explores and capitalizes on new development opportunities for innovative products	3.9987	.49581
Identifying and seizing new development opportunities is a central focus, and the organization is committed to driving innovation in its product offerings	3.7658	.59372
The organization has effectively implemented product repositioning strategies for existing products	3.7612	.65422
Aggregate Score	**3.8697**	**.50878**

Source: Researcher (2024)

Organizational Innovation Strategies

In this part, we will examine the Youth Enterprise Development Fund's (YEDF) organizational innovation initiatives and how they have affected its overall success. When new ideas, procedures, or partnerships are put into place by an organization, it may lead to improvements in operational efficiency, service delivery, and creativity. In Table 4, we can see how the YEDF has used innovation to help young people start businesses and increase participation from both internal and external stakeholders.

Table 4: Organizational Innovation Strategies

Statements	Mean	Std Dev
The Youth Enterprise Development Fund actively seeks and incorporates feedback from its customers (entrepreneurs and beneficiaries) to improve its programs and services.	4.25	0.65
There is satisfaction with the responsiveness of the Youth Enterprise Development Fund in addressing and implementing changes based on customer feedback to enhance its support.	4.10	0.72
The Youth Enterprise Development Fund engages in collaborative projects with external partners (e.g., government agencies, NGOs, private sector) to enhance its impact.	3.95	0.81
The Youth Enterprise Development Fund fosters a collaborative culture among its internal teams and departments to support innovation and creativity in its programs.	4.20	0.63
Top leadership at the Youth Enterprise Development Fund demonstrates visible support and commitment to fostering innovation in youth entrepreneurship development.	4.30	0.70
The allocation of resources by the Youth Enterprise Development Fund's leadership specifically for innovation initiatives aimed at enhancing youth entrepreneurship is sufficient.	4.05	0.75
Employees at the Youth Enterprise Development Fund frequently participate in idea generation sessions and contribute innovative solutions to improve youth entrepreneurship programs.	3.85	0.80
The Youth Enterprise Development Fund invests in training and development programs to enhance the innovation skills of its employees, fostering a culture of continuous improvement.	4.15	0.68

Source: Researcher (2024)

The results from Table 4 show high mean scores across various dimensions of organizational innovation, suggesting that the YEDF has successfully implemented several innovation strategies. For instance, the highest mean score of 4.30 indicates that top leadership at the YEDF demonstrates visible support and commitment to fostering innovation in youth entrepreneurship development. This strong leadership backing is crucial for driving a culture of innovation and ensuring that innovation initiatives receive the necessary attention and resources.

Another key finding is the high mean score of 4.25 for seeking and incorporating customer feedback. This result suggests that the YEDF places significant importance on being responsive to the needs of its entrepreneurs and beneficiaries. The ability to gather and act on feedback enhances the relevance and effectiveness of the YEDF's programs, as it helps tailor services to the evolving needs of its stakeholders. The YEDF also performs well in fostering a collaborative culture within its teams, with a mean score of 4.20. This points to the organization’s internal efforts to encourage teamwork, creativity, and innovation. Such a collaborative environment is essential for generating new ideas and continuously improving youth entrepreneurship programs.

However, the relatively lower mean score of 3.85 for employee participation in idea generation suggests that there may be room for improvement in involving staff more actively in contributing innovative solutions. Increasing opportunities for staff to engage in idea generation could further enhance the YEDF's innovation capacity. These findings are supported by previous studies that emphasize the role of organizational innovation in boosting performance. For instance, Jimenez-Jimenez and Sanz-Valle (2011) highlighted the positive impact of innovation across products, processes, and management on organizational outcomes. Their research, along with others by Camizon and Villar-Lopez (2014) and Ali et al. (2016), underscores that organizations capable of integrating innovation in various dimensions tend to achieve superior performance. Furthermore, studies such as Mazzanti et al. (2006) and Mol and Birkinshaw (2009) assert that organizations that adapt and innovate in response to environmental changes are better positioned to handle uncertainties and improve their services.

This is particularly relevant for the YEDF, as its ability to innovate continuously is crucial for addressing the challenges faced by youth entrepreneurs in Kenya. The results suggest that the YEDF has effectively implemented organizational innovation strategies, particularly in leadership support, customer feedback incorporation, and fostering a collaborative culture. However, there is potential to further engage employees in idea generation and innovation processes. Overall, the findings reinforce the importance of organizational innovation in driving performance and supporting youth entrepreneurship development. By continuously refining its innovation strategies, the YEDF can maintain its relevance and effectiveness in a dynamic environment.

Performance of YEDF

This section presents and analyzes the performance of the Youth Enterprise Development Fund (YEDF) based on key performance indicators, such as loan uptake, loan repayment, and service efficiency. The performance of YEDF is a critical measure of its effectiveness in supporting youth entrepreneurship through financial assistance and other support services. Table 5provides an overview of the responses regarding YEDF's performance, which is essential for understanding the fund's impact on its target beneficiaries.

Table 5: Performance of YEDF

	Mean	Std. Dev
The YEDF have enjoyed improved number of loans	3.3601	.40005
The level of loan uptake has continuously increased over the years	3.4004	.55456
The level of loan repayment has increased considerably	3.4716	.54485
The loan default rate has declined over the years	3.3676	.48533
The loan products and services are efficient	3.6339	.44563
The managers have enhanced marketing for the products and services	3.6853	.50350
The YEDF have enjoyed improved number of loans	3.7788	.49581
The level of loan uptake has continuously increased over the years	3.4322	.51372
The level of loan repayment has increased considerably	3.4428	.54345
Aggregate Score	**3.5162**	**.49293**

The aggregate mean score of 3.5162 indicates a generally positive perception of the YEDF's performance. This suggests that, on average, stakeholders believe that the YEDF has made progress in its core functions, particularly in relation to loan uptake and repayment. However, the relatively moderate mean scores across various dimensions highlight that there is room for further improvement in the fund's overall performance.

The highest mean score, 3.7788, corresponds to the perception that YEDF has enjoyed an improved number of loans. This finding suggests that more youth entrepreneurs are accessing loans through the fund, a positive indicator of its outreach and relevance to the target population. Similarly, the efficiency of loan products and services, which scored a mean of 3.6339, indicates that stakeholders find YEDF's financial products to be user-friendly and suitable for their needs.

Another notable observation is the increase in loan repayment levels, with a mean score of 3.4716. This result implies that beneficiaries are increasingly able to meet their loan obligations, which could be attributed to better financial management training or more favorable loan terms. Concurrently, the decline in the loan default rate, with a mean score of 3.3676, is a positive sign that fewer loans are falling into arrears, improving the overall financial health of the fund.

However, the relatively lower mean score for the improvement in the number of loans (3.3601) and the level of loan uptake (3.4004) suggests that while there have been improvements, these areas still require attention. YEDF may need to focus on increasing awareness of its loan products and improving access to ensure that more youth can benefit from its services.

The findings align with previous research on the role of financial institutions in youth entrepreneurship. For instance, studies by Ajagbe et al. (2019) have emphasized the importance of access to credit for improving entrepreneurial outcomes among youth. Similarly, a study by Gichuki and Mulu-Mutuku (2018) identified loan repayment as a key indicator of the success of microfinance institutions in empowering youth entrepreneurs. The positive performance of YEDF in terms of loan repayment and default reduction reflects these broader trends in the literature, suggesting that the fund is fulfilling its mandate to support sustainable entrepreneurship.

Inferential Analysis

Correlation Analysis

To better understand how the Youth Enterprise Development Fund's (YEDF) several novel approaches contributed to its success, this section gives a synopsis of the correlation analysis that was conducted. The results of a correlation research may provide light on the nature and strength of the relationship between many variables. Product innovation, process innovation, and organizational innovation strategies are the independent variables that will be examined in this research. Its goal is to ascertain whether or not YEDF's performance is positively or negatively correlated with these characteristics.

Table 6: Correlations

		Marketing Innovation Strategy	Process Innovation Strategy	Product Innovation Strategy	Organizational Innovation Strategy	Organizational Performance
Marketing Innovation Strategy	Pearson-Correlation	1				
	Sig.(2-tailed)					
	N	68				

Process Innovation Strategy	Pearson-Correlation	.113	1			
	Sig. (2-tailed)	.360				
	N	68	68			
Product Innovation Strategy	Pearson-Correlation	.329**	-.331**	1		
	Sig. (2-tailed)	.606	.606			
	N	68	68	68		
Organizational Innovation Strategy	Pearson-Correlation	.239*	-.338**	.963**	1	
	Sig.(2-tailed)	.650	.605	.400		.
	N	68	68	68	68	
Organizational Performance	Pearson-Correlation	.752**	.789**	.646**	.648**	1
	Sig.(2-tailed)	.000	.000	.000	.000	
	N	68	68	68	68	68

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

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

Source: Researcher (2024)

Table 6 shows the results of a correlation study that looked at how the Youth Enterprise Development Fund's (YEDF) organizational performance was affected by four different types of innovation strategies: marketing, process, product, and organizational. The direction and intensity of these

associations may be better understood with the use of Pearson correlation coefficients, which reveal

which innovation tactics are most strongly linked to enhanced performance.

At the 0.01% significance level, the positive and statistically significant association between marketing innovation strategy and organizational performance is 0.752 according to the Pearson correlation coefficient. This points to a robust and favorable correlation between YEDF's total performance and marketing innovation initiatives. According to the findings, YEDF's performance,

including metrics like loan uptake and payback rates, may be improved by enhancing marketing innovations like better communication and promoting loan products. Such results are in line with those of other studies, such the one by Jimenez-Jimenez et al. (2011), that have shown how crucial marketing innovation is to the success of organizations.

With a Pearson coefficient of 0.789, which is significant at the 0.01 level, Process Innovation Strategy also demonstrates a robust and positive connection with Organizational Performance. The importance of enhancing operational efficiency and internal procedures at YEDF is underscored by this conclusion. Innovations in process, such as those that simplify loan processes or improve service delivery, are strongly associated with improved performance results. Camizon and Villar-Lopez (2014) also discovered that process innovation is critical to enhancing organizational performance, therefore our findings are in line with theirs.

Product Innovation Strategy and Organizational Performance Have a Moderately Strong Positive Correlation of 0.646, Significance Level: 0.01. This shows that YEDF's success is improved by its endeavors to reinvent its product offerings, such creating new loan products or adapting current ones to meet the needs of young entrepreneurs. Research by authors like Makau and Jagongo (2018) has also shown the correlation between innovative products and improved business outcomes.

A positive correlation of 0.648 between organizational innovation strategy and organizational performance is statistically significant at the 0.01 level. This provides further evidence that the tactics used by YEDF to foster innovation from within, such as the promotion of collaboration and leadership-driven innovation, lead to better results. Mol and Birkinshaw (2009) found that organizational innovation methods assist increase flexibility and overall competitiveness; these results are in line with their observations. Furthermore, there are notable links between some of the innovation techniques themselves, according to the research. An example of this is the strong correlation (Pearson coefficient = 0.963) between organizational innovation strategy and product innovation strategy. According to Naranjo-Valencia et al. (2016), YEDF seems to have a strong relationship between product and organizational innovations. When the company innovates its goods, it also changes its internal structures to accommodate these advances. Marketing, Process, Product, and Organizational are the four pillars of innovation, and the correlation study shows that they all positively and substantially impact YEDF's success. Both process and marketing innovations are crucial to YEDF's success, as shown by the significant connection between process innovation strategy (0.789) and performance and marketing innovation strategy (0.752). These results highlight the significance of ongoing investments in many types of innovation to maintain and improve organizational performance, especially when it comes to encouraging young entrepreneurship.

Regression Analysis

Youth Enterprise Development Fund (YEDF) organizational performance may be better understood using the regression analysis, which sheds light on the impact of different innovation methods. By breaking down YEDF's success into its component parts, we may learn more about the roles played by marketing, process, product, and organizational innovation.

Table 7: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.843[a]	.710	.692	1.57584

A robust positive correlation between the independent variables (innovation strategies) and the dependent variable (organizational performance) is shown by the model summary in Table 7, which displays a R value of 0.843. With an R-squared value of 0.710, the four innovation methods account for 71% of the variance in YEDF's success.

Table 8: ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	383.790	4	95.947	38.638	.000[b]
	Residual	156.445	63	2.483		
	Total	540.235	67			

a. Dependent Variable: Organizational Performance

b. Predictors: (Constant), Marketing Innovation Strategy, Process Innovation Strategy, Product Innovation Strategy, Organizational Innovation Strategy

Source: Researcher (2024)

Additional evidence of the model's importance is provided by the ANOVA findings in Table 9. At the 1% level of significance, the regression model is shown to be accurate by an F-statistic of 38.638 and a p-value of 0.000. Thus, the model's overall efficacy is confirmed, and at least one innovation strategy makes a substantial contribution to YEDF's organizational performance forecast.

Table 9: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	15.242	4.056		3.758	.000
	Marketing InnovationStrategy	.678	.225	.234	3.019	.004
	Process InnovationStrategy	1.281	.142	.671	9.045	.000
	Product InnovationStrategy	-.085	.386	-.060	-.220	.826
	Organizational InnovationStrategy	1.001	.389	.677	2.570	.013

a. Dependent Variable: Organizational Performance

Source: Researcher (2024)

Marketing Innovation Strategy has a positive and statistically significant coefficient (B = 0.678) that has a large and meaningful impact on organizational performance (p = 0.004). Okundi and Muchemi (2022) also discovered that marketing innovation tactics, such as new distribution channels and adjustments to promotion, greatly enhanced company performance for SMEs in Kenya. The findings are in line with those of Peng et al. (2021), who found that marketing innovations may boost company success, particularly in ever-changing markets.

The most important component in the model, with a coefficient of 1.281 (p = 0.000), is Process Innovation Strategy, which has the greatest beneficial effect on organizational performance. Losonci et al. (2021) and others have shown that process innovation is a key factor in company success, especially in market economies that rely on external factors. Our results are in line with theirs. Tier one banks in Kenya had a considerable improvement in their financial performance after implementing process improvements, such as better electronic money transfer systems (Peter et al., 2021).

Organizational performance is negatively impacted by Product Innovation Strategy, however this effect is not statistically significant (B = -0.085, p = 0.826). This result goes against what other research has shown; for example, Ndungu and Muturi (2019) discovered that diversifying a bank's products improved its performance in Kenya. It is possible that the model's lack of importance is due to the fact that Wadho and Chaudhry (2020) noted that product innovation, particularly in the absence of process or organizational improvements, might disrupt worker productivity.

Organizational innovation strategy has a very favorable impact on organizational performance, as shown by the positive (B = 1.001) and statistically significant (p = 0.013) coefficient. Organizational innovation aids businesses in responding to dynamic marketplaces, according to studies conducted by Mazzanti et al. (2006) and Camison and Villar-Lopez (2014), which in turn boosts their overall performance. According to Zhang (2011) and other researchers, it seems that companies can't

CONCLUSIONS AND RECOMMENDATIONS

The results show that YEDF's performance is greatly improved by using marketing innovation tactics.

The organization has successfully integrated new distribution channels and advertising methods, with a high level of commitment to seeking new markets. However, there are areas for improvement in product design, as evidenced by lower perceptions of effectiveness in this regard. The study concludes that while marketing innovation has largely contributed to YEDF's competitiveness and market responsiveness, more effort is needed in enhancing product design to fully capitalize on the potential benefits of innovation. The focus on advertising and market entry aligns with global trends that stress the importance of innovative marketing for organizational success.

The results demonstrate that process innovation strategies significantly enhance YEDF's operational efficiency, regulatory compliance, and cost reduction efforts. The organization’s successful implementation of digitalization, including the integration of Electronic Funds Transfer (EFT), underscores its commitment to modernizing operations. Regulatory compliance is a key focus, which highlights YEDF’s strategic efforts to maintain industry standards while pursuing innovation. The study concludes that process innovation is crucial for improving operational processes and reducing costs, thereby contributing to overall organizational performance. Continued investment in such innovations will likely result in sustained improvements in operational efficiency.

The study concludes that product innovation strategies have moderately improved the YEDF's market presence and ability to meet customer needs. The organization has been successful in product repositioning and updating product specifications to align with evolving market demands. However, there is room for further innovation, particularly in developing new products and seizing new opportunities. The findings suggest that while YEDF has made strides in product replacement and repositioning, a stronger focus on continuous innovation in product development could yield greater competitive advantages and improve organizational performance in the long term.

The conclusions drawn from the findings indicate that organizational innovation strategies are highly effective within YEDF. Leadership support and commitment to fostering innovation are critical factors driving the success of these strategies. The organization’s emphasis on gathering and acting on customer feedback, coupled with fostering collaboration within teams, strengthens its ability to continuously improve its programs and services. However, the study concludes that more could be done to enhance employee participation in idea generation, as this could further contribute to YEDF's innovation efforts. Overall, the organization's leadership and collaborative culture have set a strong foundation for sustained innovation and performance improvements.

Recommendations of the study

The study recommends that YEDF should prioritize improving product design within its marketing innovation strategies. While progress has been made through new advertising methods and market expansion, enhancing the design and functionality of its products can significantly increase their appeal and usability. By aligning products more closely with customer needs, YEDF can drive higher customer satisfaction and improve organizational performance.

Additionally, YEDF should increase its investment in digital process innovations. Findings indicate that the use of Electronic Funds Transfer (EFT) has enhanced efficiency, but further digitalization could bring even greater benefits. With the use of cutting-edge tech like AI and ML, businesses can simplify their operations by automating procedures, reducing operational expenses, and improving decision-making.

Moreover, the organization should focus on developing new products. While efforts to reposition and update existing products have yielded some success, launching entirely new products could help YEDF stay competitive. New products can open up untapped markets, cater to emerging customer needs, and diversify revenue streams, providing a safeguard against market risks.

Encouraging greater employee involvement in innovation is another important recommendation. Though leadership support and teamwork are present, YEDF could enhance employee participation in generating ideas. Establishing formal platforms such as innovation hubs or systems for managing ideas would allow employees to contribute more to the organization's innovation efforts, leading to creative solutions and sustainable growth.

To back up government-funded organizations like YEDF, the report suggests creating innovation-driven frameworks. Policies that offer financial incentives, tax breaks, or grants for institutions investing in innovative technologies and processes will create an environment conducive to ongoing innovation. This would be vital for enhancing service delivery and amplifying the impact of such organizations.

In addition, YEDF should incorporate innovation metrics into its strategic goals and employee evaluation processes. By tying innovation efforts to measurable outcomes—such as increased customer satisfaction, cost savings, or improved efficiency—the organization can ensure that innovation remains central to its mission and contributes to overall organizational objectives.

The study also advocates for policy support for digital transformation initiatives in public institutions. Clear guidelines on the adoption of secure digital technologies, data protection, and ethical use of artificial intelligence are essential. Such policies would enable organizations like YEDF to maintain high operational efficiency while ensuring data privacy and security, thus fostering public trust.

Finally, the study suggests fostering public-private partnerships to bolster innovation. Collaborating with private-sector companies specializing in digital technologies and product innovation can provide YEDF access to valuable expertise and resources. These partnerships would enhance the organization's capacity to innovate and improve the performance of its youth empowerment programs across Kenya.

Suggestions for Further Study

Future research should consider exploring the long-term impacts of specific marketing innovations implemented by the Youth Enterprise Development Fund (YEDF) on youth entrepreneurship in Kenya. This could involve longitudinal studies that assess the sustainability of innovation initiatives over time and their effects on the overall success rates of youth-led enterprises. Additionally, it would be valuable to investigate the relationship between the degree of employee involvement in innovation processes and organizational performance within YEDF. Research focusing on how varying levels of employee engagement influence innovation outcomes can provide insights into best practices for fostering a culture of innovation.

Another area of potential study includes examining the role of external factors—such as economic conditions, regulatory changes, and competitive pressures—on the effectiveness of innovation strategies at YEDF. Understanding how these factors interact with internal innovation efforts can help organizations better navigate challenges and adapt their strategies accordingly. Furthermore, comparative studies between YEDF and similar organizations in other countries could yield valuable lessons regarding best practices in innovation management. This could help identify successful strategies and policies that could be adapted for the Kenyan context to enhance YEDF's effectiveness in empowering youth.

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