THE EFFECTS OF INNOVATIVE STRATEGIES ON FIRM PERFORMANCE OF EQUATOR BOTTLERS COMPANY LIMITED IN KISUMU COUNTY, KENYA: ROLE OF GOVERNMENT POLICY

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ABSTRACT

The innovation strategies arise from high business competition. Every Organization requires improving performance by employing innovative strategies. It enables company to improve market position as one of the important strategies that gain competitive advantage. The purpose of the study was to assess the relationship between innovative strategies and firm performance of Equator Bottlers Company limited in Kisumu County. The study was guided by the following objectives; to assess the relationship between marketing strategies and firm performance in Equator Bottlers Company Limited, to find out the relationship between planning strategies and firm performance in equator Bottlers' Company Limited. This study was anchored on the vroom expectancy theory and Rogers's theory. Correlation research design was used. Target population comprised of 845 respondents from Equator bottler's limited employees and a sample size of 387 respondents was selected using stratified and simple random sampling technique. Questionnaires were used to collect data. Descriptive statistics such as mean, standard deviation was used to analyze data. Inferential statistics included correlation and regression analysis which established the relation between variables. The study found that many of the production strategies were used by equator bottlers in Kisumu County leading to the increased cost of production and firm performance. The study recommended there should be effective marketing strategies to be adopted by equator bottlers in Kisumu County by use of price wars strategy. There was need to involve marketing strategies on firm performance.

INTRODUCTION

The history of innovation can be traced back to 50s and at the start of the 60s of the 20th century and continued up to now. During that period, many approaches to the strategic management surfaced, highlighting various characteristics of the strategic behavior. Concepts of the strategic management were related to economic orientations, scientific approaches and strategic behavior. At the end of 80s of 20th century the interests in resources and skills of the company for the formulation of a strategy increased. At the beginning of 90s new approaches to the organization and the strategy also were introduced (Markiewicz and Adamus, 2012).

Innovative strategies in the current world are tools that scale up firm performance. However, the implementation of innovative strategies has not been effective in improving firm performance. Innovative is a way to put new ideas on the mechanism for determining performance and new changes. Strategically innovative is on new actions put in an extensively way which regarded as the sources of sustainable competitive gain in an ever more changing situation, because it leads to product and process of improvement which makes advance that helps firms to survive, allows firms to grow more quickly, be more efficient, and ultimately be gainful than non-innovators (Murat ,2013).

Innovation strategy involves use of new leadership skills, new technology and innovation management in new business ideas about the service to be offered by firms in Turkey. Innovative strategy is used as an approach to modernize business idea on overall performance, for business growth and changes. It is adopted as management strategy but later complexity of innovative strategy is missing action with technology to improve corporate advantage and increase competition in terms of service delivery, because business environment for innovation is used with product modification and develop a new product that needs to improve performance. For production companies to survive must grow quickly with their competitors who eventually use non-innovative business ideas (Kester, 2015).

Marketing strategy helps a firm to fully develop and exploits their knowledge and expertise in a given market with known products. It enables the company to scale up the current customer consumption. This can be attained by increasing the volume of sales, maximizing the rate of product obsolescence, looking for new users of the product, advertising other uses, looking for new markets and offering incentives to boost usage (Ballowe, 2009).

Marketing strategy tell what consumers needs better than competitors. Achieving consumer centric innovation is not an innate outcome of tactical results but it’s sustainable with time. Consumer is centric innovation to puts people in the front line. Most manufacturers adopt traditional product development but innovation lead to new production methods control market niche. Innovation centric starts with marketing of infrequent goods and services in unusual (Harvard, 2008).

Strategic planning and financial performance of the SMMEs have a direct relationship. Furthermore, the study noted that elements of strategic planning such strategy formulation, implementation, evaluation and control also are positively related with financial performance. Also the study concluded that the in SMMEs performance is positively affected by strategic planning process. Since the impact of the strategic planning process is positive, it is a good predictor of organizational performance (Gomera, Chinyamurindi and Mishi, 2017).

Strategic planning has become absolutely critical for all firms. This is motivated by the increase in uncertainty and competition. Thus, Strategic planning has become very useful because it can assist top management be visionary and mitigate unforeseen risks. Strategic planning is a part of every business. Managers realize, understand, and implement strategic planning in various ways. (Val*etal.*, 2012).

Strategic Planning and organizational performance have a positive and significant relation. Organizations ought to give first priority to fundamentals of strategic planning, finding key values that underline the organizations’ conduct, set realistic goals and establishment of long term objective (Otaigbe&Chinedu, 2015).

Strategic planning and firm performance and firm performance have strong relationship. Further, the study noted that all the steps in strategic planning such defining the purpose of the scrutiny of business environment, identification of firm’s strategic issues, strategy choice and implementation of strategies and evaluation and control mechanism had a direct relation with the performance of the company (Arasa and Obonyo,2012). Firm performance and Product strategy have a relationship. Performance and promotional strategy, sales volume, market share and place strategy and the level of customer have no significant relationship. Product strategies enhance organizational performance (Ogohi, 2018)

Statement of the problem

Innovation strategies are very important to the growth of the economy. Marketing innovation strategies, planning strategies, production strategies, technological strategies moderated by Government policy improves firm performance of equator bottlers in Kenya. However, this was not the case in equator Bottlers Company limited in Kisumu.

The profit after tax for this in 2013million was 8,626 million. In 2018 profit after tax was 6,476. Profit after tax declined by 2,150 million. This decrease is associated with the decline in innovation.

Letangule and Letting (2012), did a study on the effects Innovation Strategies on Performance of Firms in the Telecommunication Sector in Kenya. This study aimed at to find out whether technological, innovation, product innovation, market innovation and process innovation affected performance of telecommunication sector in Kenya. This study failed to look at marketing strategies, planning strategies, production strategies and technological strategies affected performance. Therefore, the new study was carried out to assess effect of innovative strategies and performance in equator Bottlers Company limited in Kisumu town, Kisumu County:the role of government policy to fill this study gap. The main objective of this study was to assess the effect of innovative strategies and firm performance ofEquator Bottlers Company Limited in Kisumu County Kenya: role of government policy.

The specific objectives of the study were:

i. To assess the effect of marketing strategies on firm performance of Equator Bottlers Company Limited.
ii. To find out the effect of strategic planningon firm performance of equator Bottlers' Company Limited.

LITERATURE REVIEW

Theoretical review

Vroom Expectancy Theory

It was proposed by Vroom in 1964.This theory states that, in each and every organization, there is expectation of getting good rewards in the future. Individuals try to work hard to get better performance as well as show the way of moving rewards. This theory focused on individual's efforts and their contribution towards final organization performance and rewards. Under expectancy theory, individuals' view is to create awareness on a particular achievement to generate good results. Under instrumentally, individuals beliefs are sufficient of performance due rewards. These issues are jointly related to create motivating influence which will inspire an entity to put more effort to achieve high level of financial performance, in addition to achievements if rewards at eh end of activity (Misati, 2010).

The assumptions of the theory were that, all organizations expects the best result in the future, individual ability is key in the success of the organization, recognizing and rewarding good performance ,motivation and beliefs increases employees their output. Thelimitations of theory were that, it's all about inclusiveapproach on motivational evolution. The theory indicates that an individual's need responds to positive rewards and when they have a coherent expectation on their performance leading to balanced results. It entails that work performance follows efficient buying and selling services awarded fairly than on the other way round. It is accompanied through development of financial performance, where the organization management strategies have been put down on emphasis (Kataria, 2013).

The limitations of this theory include: It assumes all components are already known. In reality, leaders must make an effort to find out what their employees value as rewards (valence).This is possible in practice without active participation from managers. They must also accurately assess employees' capabilities (expectancy) and make available all of the right resources to help employees be successful in their jobs. Managers must also keep their word; employees need to trust that if they put in the work and effort, they will actually get the promised reward (instrumentality).Another limitation of the theory is that when management offers certain motivations and rewards, but the employees don't value or believe in them. This is the main leverage management has to guide their team's behavior, so if they don't choose rewards with enough perceived value, employees will lose motivation to perform. Because of management's lack of understanding, the employee isn't motivated (Gaffney, 2018). This theory is relevant to this study in that, everybody in an organization set up works towards obtaining best benefits. Such expectation enhances their performance in which in turn leads to increased overall performance.

Roger's Theory

It was proposed by Rogers during organization target adoption in 1995. It states that organization require every strategy to be reinvented to continue excellence of performance with strong improvement of the company. Organization strategy is very important for every organization to overcome rival competitive in the present economic needs. Competitive business organizations have become very stiff. He further argued that technology is changing and it involves five major types i.e. center of attention to perceived quality of the company's strategic plans, strategies adopted by organization management, communication and encourage change of decisions using change agents to measure the effort of organization innovation strategies and measure the nature of social organization by set of connections between organizations (Kwamboka et al, 2014).

The assumptions of the study were based on how innovation determine organizational excellence, innovation efforts of an organization must be measured continuously, Nature of measures; instead of depending on many financials and nonfinancial to measure outcomes, Perspective in time; instead of looking on the results of current-period consider the history of strategic experiment in its entirety and look attends over time and reviewing of strategies is recurrent (Shafritz, Ott, & Jang, 2011).

The limitation of the theory were that, reinvention of strategies is expensive especially for smaller companies, using most recent and complex technology may not be viable for other organizations and measuring organization innovation success is does not occur more often (Lindic, Bavdaz, &Kovacic, 2012).

The application of this theory is relevant to this study, because strategy formulation is not one day event. Formulation of strategies is a continuous process. Existing strategies are reviewed and put into current perspective while new ones are created to keep the focused on its main objectives and goals. Strategy formulation is done at the top level of management and implement. They are aimed at enabling organization attain and sustain profitability and have an edge over its rivals.

Empirical Literature

Marketing Strategy and Firm Performance

Ogohi (2018) studied the effects of marketing strategies on organizational performance. The study was based on the following objectives:To determine the degree at which product strategy improves the level of profit of Nigeria Bottling Company in Kaduna State and to find out the extent at which promotional strategy influences the sales volume of Nigeria Bottling Company in Kaduna State. Data used in the study was sourced from secondary sources such books, journals, and internet. The simple size for the study was 245 out of a target population of 635.Collectd data was analysed through descriptive and inferential methods. The findings of the study noted that product strategy and performance. More findings of the study indicated that performance and promotional strategy , sales volume, market share and place strategy and the level of customer loyalty in Nigeria Bottling Company, Kaduna have no significant relationship. Also, the study noted that the use of product strategies improves profitability in Nigeria Bottling Company Kaduna. The study concluded that marketing strategies (product, promotion, price and place strategies don't play a vital role on organizational performance in Nigeria Bottling Company, Kaduna.

Gbolagade,Adesola, Oyewale (2013), did a study on the effects of Marketing Strategy on business performance a study of selected small and medium enterprises (SMES) in Oluyole local government, Ibadan, Nigeria. This study was based on the following independents variables: product strategy, promotion strategy, place strategy, packaging strategy, pricing strategy and after sale service strategy. A sample of 103 respondents was selected using random sampling method. Questionnaires were used to collected primary data from the respondents. Obtained data was analysed through descriptive and inferential methods. The findings of the study noted that product consideration affects the performance of the business in terms of profitability, market share, return on investment and expansion. The study also noted that such effects are contributed by customers' preferences like product quality, features, design and style. Further the study established that independent predicators affected greatly the performance of the business. The study recommended that SMEs should aim at producing products of high quality, charge competitive prices, position strategically, use attractive packages, engage in after sales service and provide differentiated functional benefits to consumers.

Muthengi (2015), did a study on the effects of marketing strategies on sales performance of commercial banks in Kenya. Price of service, product development, promotional activities and place and channel of distribution of banking services were the independent variables of the study. The study also adopted descriptive research design. Census methods were used to select a sample size of 43 banks in Kenya. Primary data used in the study was collected using questionnaires. Secondary data was obtained from annual reports. Collected data was analysed through descriptive and content analysis. The findings of the study identified that marketing is major player in the banking industry due to increased competition resulting from bank consolidation and reforms. Further, the study noted that in principal, a combination marketing variables adopted have greater effect on performance unlike a single variable. The study concluded that marketing strategies techniques must be used collectively to reap maximum benefits.

Mathenge (2017), did a study on the effects of online marketing strategies on performance of telecommunication companies: a case of Safaricom limited. This was guided by the following variables promotion and product development. The study adapted the descriptive survey research design. Performance of telecom firms was measured in terms of competitive edge, market growth, Customer Satisfaction and market share. Stratified random sampling was used to sample 72 respondents. Primary data was collected using questionnaires. Descriptive and inferential techniques were used to analyse the collected data. The findings of the study indicated that online promotion affected positively the performance of Telkom firms. Further, the study noted that promotion acts as stimuli to consumers making them to buy a firm's product or service. The study concluded that there exists a positive relationship between online marketing strategies; promotion and product development with performance. Also the study recommended that organizations enhance the usage and implementation of internet based promotion and product development so as to attain and sustain competitive edge.

Nguru, Ombui and Iravo (2016),analyzed the effects of marketing strategies on the performance of equity Bank. The study was guided by the following objectives: To examine the effect of customer satisfaction on the performance of equity bank and to find out the effect of customer relationship management on the performance of equity bank. The study adapted a descriptive research design. The sample for the study was 62 was out of the population 80.Questionnaires was used to collected primary data. Collected data was analysed through descriptive and inferential. The findings indicated that marketing strategies affected the performance of equity bank positively. Further, the study noted that the relationship all independent variables affecting performance of Equity bank. The study recommended that the bank should come up strategies that enhance customer relationship management and customer satisfaction in order to attract more customers and increase retention levels.

Odhiambo (2014) did a study on the Effects of Marketing Strategies on the Performance of Retail Stores in Footwear Sector in Nairobi City County. This study was based on the following independent variables Product Strategy, Pricing Strategy, Distribution Strategy and Promotions Strategy. Also the study applied a cross sectional descriptive survey design. Census method was used to select a sample size of 6 footwear retail stores for a target population of 6 retails stores.

A questionnaire was used to obtain data from the respondents. The data was analyzed using descriptive statistics and regression models. The finding of the study indicated that the retail stores in footwear sector use many marketing strategies in so that they can enhance their performance The further noted that product strategy, pricing strategy, physical evidence strategy are the most used strategies. Also, the study noted that Product strategy gives these stores room to offer a range of products, stock products for different customer groups.

Planning Strategy and Firm Performance

Gomera, Chinyamurindi and Mishi (2017), did a study on the relationship between strategic planning and financial performance: the case of small, micro-and medium-scale businesses in the Buffalo City Metropolitan. This study was based on the following independent variables strategic planning process, strategy formulation, strategy implementation and strategy evaluation and control and evaluation. Using a convenience sampling method on a sample size of 225 SMMEs was chosen. Questionnaire was used to collect primary data. Cronbach’s alpha coefficients and a descriptive and inferential statistics were used to analyze data. The findings of the study indicated that strategic planning and financial performance of the SMMEs have a direct relationship. Furthermore, the study noted that elements of strategic planning such strategy formulation, implementation, evaluation and control also are positively related with financial performance. Also the study concluded that the in SMMEs performance is positively affected by strategic planning process. Since the impact of the strategic planning process is positive, it is a good predictor of organizational performance.

Otaigbe&Chinedu(2015) did a study on Strategic Planning as an Effective Tool on Organizational Performance in Nigeria: An Empirical Study of Some Firms in Delta State. This study was based on the following objectives: to findout degree towhich strategic planning enhances organizational performance and todeterminehow strategic planning contribute to organizational survival. Questionnaires were used to obtained data from the respondents. Collected data was analysed through descriptive and inferential methods. The study found out that strategic planning and organizational performance had a positive and significant relation., The study recommended that organizations ought give first priority fundamentals of strategic planning, finding key values that underline the organizations' conduct, set realistic goals, establishment of long term objective.

Owolabi and Makinde(2012) did a study on the effects of strategic planning on corporate performance in university education: a study of Babcock University. This study was based on the following research questions: to what extent does the organization carry out strategic planning? Towhich level staffs are involved in the strategic planning process. To what extent does the organization comply with plans to ensure performance? And to what degree does the use of strategic planning affect corporate performance? The study also used data that was obtained from both primary and secondary sources. Questionnaires were used to get primary data .Collected data was analyzed through descriptive and inferential statistics. The Pearson's Product Moment Correlation Coefficient was used in testing the hypothesis. The findings of the study indicated that strategic planning and corporate governance have a direct and important relationship. The study concluded that strategic planning has many benefits to corporate as they assist them to attain their goals and objectives. Also, the study recommended that corporate should put strategic planning at the center of everything so that performance may be enhanced.

Arasa and Obonyo (2012), set out to determine relationship between Strategic Planning and Firm Performance. This study was guided by the following objectives: to examine the relationship between strategic planning and firm performance and to find out the relationship between strategic planning constituent variables and firm performance. Also, the study applied quantitative analytical approach and Survey design.Data was obtained from both primary and secondary sources. Questionnaires and interviews were used to collect primary data from the respondents. Secondary data was sourced from published and unpublished records like annual reports. Collected data was analyzed through descriptive, inferential and Likertscale. The findings of the study revealed that, strategic planning and firm performance have strong relationship. Further, the study noted that all the steps in strategic planning such defining the purpose of the scrutiny of business environment, identification of firm's strategic issues, strategy choice and implementation of strategies and evaluation and control mechanism had a direct relation with the performance of the company.

Odongo and Owuor (2017) did study on the effects of strategic planning on Organizational Growth A Case Study of Kenya Medical Research Institute, Kemri).This study was based on the following objectives :to find out the effect of setting objectives on organization growth ,to determine the effect of budgetary allocations on organization growth, to establish the effect of organization structure on organization growth and to examine the effect of performance review on organization growth. Descriptive research design was used which included questionnaires.Stratified random sampling method was used to select a sample size of 50 respondents from a target population of 200 respondents. Collected data was analyzed through descriptive and inferential methods. The study established that strategic planning affects the growth of a firm positively if it's implemented well. The study recommended that objectives should be clear, precise and measurable. Also, organizations should put more funds research and development to facilitate innovation.

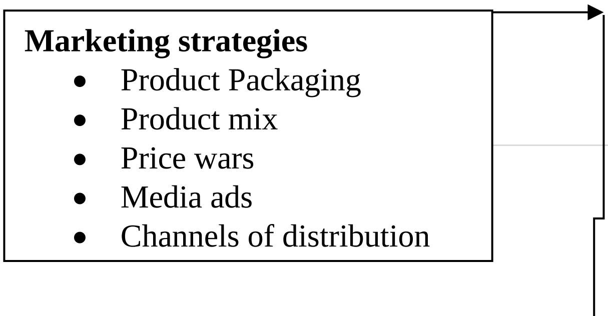
Kathama (2012) did a study on the effects of strategic planning practices and performance of state corporations in Kenya. The study adopted descriptive cross sectional survey. The study banked on the following objectives: to find out the strategic planning practices adopted by state corporations in Kenya and to determine the influence of strategic planning practices on the performance of state corporations in Kenya. In this study, stratified random sampling method was applied to select sample size of 50 parastatals from a target population of 125 state corporations. Using descriptive and inferential statistics to analyse secondary data collected, the study identified that parastatals are engaged in strategic planning. Further, the study found out that used many a strategic planning practices which affected their performance positively. The study was concluded that proper strategic planning practices enhance organizational performance. The study recommended that the top brass in corporations should endeavour improve their operating efficiency, effectiveness and products or services so as to enhance performance.

Jepkemoi (2010), investigated the effects of strategic planning on the performance of teachers Service Commission of Kenya. The study adopted a case study research design. Questionnaires were to obtain primary data from the sample of 35 respondents. Descriptive statistics were used to analyse collected data .The study found out that Teachers Service Commission uses strategic planning in their daily activities. The study further noted that strategic planning enables TSC to handle volatile environment, achieve its objectives and goals enhance their performance and to relate well with external environment, economic, social, cultural and technological factors and its operating environment. The study concluded that TSCshould come up with diverse abilities to gain a competitive advantage in the marketplace by formulating and implementing effective strategic plan. Strategic planning should assist management of TSC to find resource needed at an early stage and acquire them.
Kariuki, Maiyo and Ndiku (2016)analyzed the Relationship between Strategic Planning and Performance of Public Secondary Schools in Kangundo Sub-County, Machakos County, Kenya. The study adopted Cross-sectional descriptive survey design. Census method was used to obtain a sample size of 112 respondents. Primary data collection was done through structured questionnaires collection. Data was analysed through Descriptive and inferential statistics. The study findings of the study indicated that strategy implementation was found to have the largest impact in school performance. Further, the study noted that increase in strategy implementation by one unit led 0.335 increases in school performance. The study concluded that strategy implementation was the most important part of on school performance compared.

Conceptual Framework

In this study, marketing strategies and planning strategies and firm performance as shown in figure 2.1.

Independent variables



dependent variables

Firm performance
- Customer satisfaction
- Number of products sold
- Services delivered
- Quality of products

Planning strategies
- Top management
- Participation of stake holders.
- Planning review

Figure 2.1: Conceptual framework

Researcher 2021

Marketing strategies are used to enhance penetration into new market and creating awareness in existing marketing. An efficient and effective marketing strategy increases the firms' market size. A bigger market size ensures mores sales and hence improves firm performance. Planning strategies enables the firms to plan what to be done, how to done who to do it and when it should be done. They enhance efficiency and effectiveness. Proper panning ensures that all functions of the firm are running normally. Continuous operations ensure stable production, hence enhances firm performance.

RESEARCH METHODOLOGY

Research design

The study adopted correlational research design. For this study the research design enabled the researcher to identify innovative strategies that equator Bottlers Company limited is putting in practice to ensure proper utilization of the resources. The target population of the study was 845employees at top, middle and lower levels of management working in Equator Bottlers Company Limited. Sample sizes of 387 employees were sampled and questionnaires distributed in data collection.

RESULTS AND DISCUSSION

Marketing strategies

The study sought to assess the relationship between marketing strategies and firm performance of Equator Bottlers Company Limited. The results were presented in table 4.1. The study showed that no marketing strategies are adopted by equator bottlers in Kisumu county had a mean of 3.83 with standard deviation of.998, online marketing is more convenient for equator bottlers in Kisumu county had a mean of 3.56 with standard deviation of .971, Product packaging is the effective marketing strategy had a mean of 3.20 with standard deviation of.992,Channel of distribution contribute more to overall incomehad a mean of 3.10 with standard deviation of 1.048,Marketing through the media like Tv, radio, newspaper is used by equator bottlers in Kisumu county had a mean of 2.97 with standard deviation of 1.034, Product mix strategy is an effective marketing strategy used by equators bottlers had a mean of 2.77 with standard deviation of 1.201 and use price wars strategy reduces earning for the firm had a mean of 2.04 with standard deviation of .044.

Table 4.1 Marketing Strategies

	N	Minimum	Maximum	Mean	Std. Deviation
Product packaging is the effective marketing strategy	271	1	5	3.20	.992
Product mix strategy is an effective marketing strategy used by equators bottlers	271	1	5	2.77	1.201
Marketing through the media like Tv, radio, newspaper is used by equator bottlers in Kisumu county	271	1	5	2.97	1.034
Online marketing is more convenient for equator bottlers in Kisumu county	271	1	5	3.56	.971
Use Price wars strategy reduces earning for the firm	271	1	5	2.04	1.044
Channel of distribution contribute more to overall income	271	1	5	3.10	1.048
No marketing strategies are adopted by equator bottlers in Kisumu county	271	1	5	3.83	.998
Valid N (listwise)	271				

Field data (2021)

Kisumu County had a mean of 3.83 with standard deviation of.998,and use price wars strategy reduces earning for the firm had a mean of 2.04 with standard deviation of .044.

Strategic Planning

The study sought to find out the relationship between planning strategies and firm performance of equator Bottlers' Company Limited. Table 4.2 shows the results.

Table 4.2 Planning strategies

	N	Minimum	Maximum	Mean	Std. Dev
Planning is only done by top level management in equator bottlers in Kisumu county	271	1	5	3.61	1.005

Middle and lower levels managers take part in strategic planning in equator bottlers	271	1	5	3.29	1.088
Others relevant stakeholders like shareholder are involved in strategic planning in equator in Kisumu County.	271	1	5	2.94	1.078
Strategic plans in equator bottlers are reviewed every after 5 years	271	1	5	2.24	.970
Employee participation in strategic plans motivates them	271	1	5	3.78	.903
Implementation of strategic plans in equator bottlers is successful	271	1	5	3.44	1.289
Valid N (listwise)	271				

Field data (2021)

The study showed that employee participation in strategic plans motivates them had a mean of 3.78 with standard deviation of .903, Planning is only done by top level management in equator bottlers in Kisumu county had a mean of 3.61 with standard deviation of 1.005, implementation of strategic plans in equator bottlers is successful had a mean of 3.44 with standard deviation of 1.289, middle and lower levels managers take part in strategic planning in equator bottlers had a mean of 3.29 with standard deviation of 1.088, others relevant stakeholders like shareholder are involved in strategic planning in equator in Kisumu County had a mean of 2.94 with standard deviation of 1.078 and strategic plans in equator bottlers are reviewed every after 5 years had a mean of 2.24 with standard deviation of.970.

The study indicated that employee participation in strategic plans motivates them had a mean of 3.78 with standard deviation of .903and strategic plans in equator bottlers are reviewed every after 5 years had a mean of 2.24 with standard deviation of.970.

The study conducted correlation analysis to establish the relationship between independent variables (innovative strategies) and dependent variable (firm performance) of equator bottlers companies limited in Kisumu County. There is a positive relationship between marketing strategies and firm performance supported by a correlation coefficient value r .182 p<.003. This was statistically significant at 0.01.

There is a negative relationship between planning strategies and firm performance supported by a negative correlation coefficient value r -.293** p<.000. This was statistically significant at 0.01.

Table 4.3 correlations analysis

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		Marketing Strategies	strategic Planning	Firm performance
Marketing Strategies	Pearson Correlation	1	-.151*	.182**
	Sig. (2-tailed)		.013	.003
	N	271	271	271
Strategic Planning	Pearson Correlation	-.151*	1	-.293**
	Sig. (2-tailed)	.013		.000
	N	271	271	271
Firm performance	Pearson Correlation	.182**	-.293**	1
	Sig. (2-tailed)	.003	.000	
	N	271	271	271

Multiple regressions

Multiple regressions were used to test the effect of the relationship between innovative strategies and firm performance, Table 4.4 presents model summary.

Table 4.4 Table Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.567[a]	.322	.311	1.113

a. Predictors: (Constant), marketing strategies, and strategic planning strategy

The results show that R .567 indicates the strength of the relationship between innovative strategies (marketing strategies, strategic planning strategy,) and firm performances while the R2 =.322 implied that innovative strategies predict firm performance by 32.2% while the remaining can be explained by other variables.

Table 4.5 results showed that keeping other factors constant, innovative strategies can predict B 3.084, T 7.895 and statistically significant at .05. The change of innovative strategies causes an increase in firm performance by 3.084.
Y=3.084 +.182X1+193X2+e……………………………………………..v

Table 4.5 Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.084	.391		7.895	.000
	Marketing Strategies	.182	.057	.165	3.195	.002
	Strategic Planning strategy	.193	.044	.230	4.363	.000

a. Dependent Variable: Firm Performance

CONCLUSION AND RECOMMENDATION

Conclusion

The study assessed the relationship between marketing strategies and firm performance of Equator Bottlers Company Limited. The study concluded that there marketing strategies are effectively adopted by equator bottlers in Kisumu county and use price wars strategy reduces earning for the firm. There was a negative relationship between marketing strategies and firm performance.

The study sought to find out the relationship between planning strategies and firm performance of equator Bottlers' Company Limited. The study showed that employee participation in strategic plans motivates them and strategic plans in equator bottlers are reviewed after every 5 years. There is a positive relationship between strategic planning strategies and firm performance.

Recommendation for study

Equator Bottlers Company Limited should effectively adopt marketing strategies by use of price wars strategy. The study sought to find out the relationship between planning strategies and firm performance of equator Bottlers' Company Limited. The study recommended that strategic plans in equator bottlers should be reviewed for after 5 years. Another study can be done on marketing strategies on firm performance of other firms.

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