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Ansoff's Growth Strategies and Financial Performance in Kenya's Leather Industry.

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Abstract: Objectives: This study investigates the influence of Ansoff's growth strategies on the financial performance of Kenya's leather industry, which faces declining export value despite rich raw materials. It aims to offer insights to enhance competitiveness. **Prior Work:** Grounded in Ansoff's Matrix, Market-Based View, and Resource-Based View theories, the study addresses gaps in empirical research linking strategic choices to financial outcomes in Africa's leather sector. **Approach:** A positivist, descriptive design was used. Data were collected from 75 senior managers across 15 tannery firms using structured questionnaires, supplemented with secondary financial data. **Results:** Regression analysis showed that Market Penetration, Market Development, and Product Development strategies significantly influenced financial performance, explaining 46.5% of the variance. Market Penetration had the strongest impact. **Implications:** Firms should focus on market penetration and development for short-term gains while investing in product development for long-term innovation. Policymakers should support technology adoption and diversification. The study provides empirical evidence for academia and actionable insights for industry stakeholders. **Value:** This research strengthens strategic management literature in resource-rich African economies and supports evidence-based decision-making in Kenya's leather industry.

Keywords: Market Penetration; Market Development; Product Development

JEL Classification: M21; L67; G30

1. Introduction

The global leather industry plays a cardinal economic role, contributing over $100 billion annually and supporting employment across manufacturing and trade sectors (Olga & Heikki, 2022, p. 45). Kenya, as Africa's third-largest livestock producer, possesses abundant raw materials for leather production, yet its industry has experienced a persistent decline in export performance. Between 2019 and 2023,

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leather export earnings fell from KSh 8.5 billion to KSh 6.0 billion, a 29% drop despite increased livestock slaughter rates (LACEA, 2023, p. 14). This paradox highlights a critical problem: Kenya's leather sector fails to convert its raw material advantage into financial growth due to weak strategic positioning in domestic and international markets.

Kenya's leather industry faces a strategic performance gap. While competing nations such as Italy, China, and Ethiopia employ structured growth strategies; market penetration (MPS), market development (MDS), and product development (PDS) to enhance competitiveness (Rossi & Volpe, 2021, p. 136; Zhang & Li, 2020, p. 89; Gebrehiwot et al., 2022, p. 112), Kenyan firms predominantly export low-value wet blue leather (KAM, 2020, p. 15). This limits revenue potential, as finished products yield 5–10 times higher margins (Mwinyihija, 2022, p. 72). Additionally, despite rising global demand for sustainable leather goods, Kenyan producers struggle with:

- **Weak market penetration:** Inability to deepen domestic and regional market share due to competition from cheap imports (Odhiambo & Oluka, 2021, p. 56).
- **Limited market development:** Underutilization of export opportunities in Europe and Asia, where Kenya's leather exports declined by 18% (2019–2023) (LACEA, 2023, p. 22).
- **Minimal product innovation:** Only 12% of firms invest in product diversification (e.g., eco-friendly leather), restricting access to premium markets (Mwangi & Otieno, 2023, p. 34).

The absence of empirical research on how Ansoff's growth strategies influence financial performance in Kenya's leather sector exacerbates the problem. Prior studies focus narrowly on labor costs (Boniface et al., 2021, p. 48) or policy gaps (Das, 2021, p. 112), neglecting strategic drivers that could reverse declining competitiveness. Without evidence-based insights, firms lack guidance on which growth strategies (market expansion vs. product innovation) yield optimal financial returns, perpetuating suboptimal resource allocation.

This study directly addresses this gap by analyzing the impact of Market Penetration Strategies, Market Development Strategies, and Product Development Strategies on financial performance, providing actionable data for firms and policymakers to realign Kenya's leather industry with global best practices.

2. Theoretical and Literature Review

The theoretical foundation of this study integrates four complementary yet distinct theories to provide a comprehensive understanding of how Ansoff's growth strategies influence financial performance in Kenya's leather industry. These theories - the Market-Based View, Resource-Based View, Ansoff Matrix Theory, and Market Power and Competition Theory - collectively offer a multi-dimensional perspective that addresses both external market forces and internal organizational capabilities while accounting for industry-specific regulatory environments.

2.1. Market-Based View Theory

The Market-Based View theory, originating from the work of Mason and Bain (1950, p. 112) in industrial organization economics, posits that a firm's competitive advantage and performance are primarily determined by external market factors rather than internal resources. This perspective

suggests that industry structure and market positioning are more significant than firm-specific attributes in explaining performance differentials (Molloy & Barney, 2015, p. 47). The MBV emphasizes five competitive forces that shape industry attractiveness: threat of new entrants, bargaining power of suppliers, bargaining power of buyers, threat of substitutes, and intensity of competitive rivalry (Porter, 1980, p. 34). In the context of Kenya's leather industry, MBV helps explain how market penetration strategies can be optimized by analyzing these competitive forces. For instance, the high threat of substitute imports from Asia and the strong bargaining power of raw hide suppliers significantly constrain local tanneries' profitability (KAM, 2020, p. 15). The MBV's emphasis on external analysis makes it particularly relevant for understanding market development strategies, as it provides a framework for assessing the attractiveness of new geographic or demographic markets (Barney & Rangan, 2022, p. 312). However, critics argue that MBV's exclusive focus on external factors fails to explain why some firms outperform others in the same industry (Barney, 1991, p. 101), a gap addressed by the Resource-Based View.

2.2. Resource-Based View (RBV) Theory

The Resource-Based View (RBV) of the firm, pioneered by Wernerfelt (1984, p. 172) and substantially developed by Barney (1991, p. 105), offers an internal perspective on competitive advantage. RBV posits that firms achieve sustained superior performance by developing and deploying valuable, rare, inimitable, and non-substitutable (VRIN) resources (Barney, 1991, p. 107). In the leather industry context, such resources might include proprietary tanning technologies, specialized artisan skills, or strong brand reputation for quality (Mwangi & Otieno, 2023, p. 78). RBV is particularly relevant for understanding product development strategies, as it explains how firms can leverage their unique resources to create innovative products that command premium prices (Zhu & Zhang, 2019, p. 136). The theory's concept of dynamic capabilities (Teece et al., 1997, p. 516) a firm's ability to integrate, build, and reconfigure internal and external competencies - helps explain how Kenyan leather firms can adapt their product development strategies in response to changing consumer preferences, such as the growing global demand for sustainable and eco-friendly leather products (Dreze & Nunes, 2020, p. 213). However, RBV has been criticized for its limited consideration of external market conditions and institutional factors (Priem & Butler, 2001, p. 33), which are particularly relevant in developing economies like Kenya where regulatory environments significantly impact business operations.

2.3. Ansoff Matrix Theory

The Ansoff Matrix Theory, developed by Igor Ansoff (1957, p. 114), provides a structured framework for analyzing growth strategies along two dimensions: products and markets. The matrix identifies four strategic options: market penetration (existing products/existing markets), market development (existing products/new markets), and product development (new products/existing markets), and diversification (new products/new markets) (Ansoff, 1965, p. 76). This study focuses on the first three strategies, as diversification falls outside the scope of most Kenyan leather firms' current capabilities (Rezaei et al., 2016, p. 207). The Ansoff Matrix's value lies in its systematic approach to assessing risk levels associated with different growth strategies. Market penetration, being the least risky, involves tactics like increasing marketing expenditures or improving distribution efficiency (Hussain et al., 2013, p. 31). Market development carries moderate risk and might involve exporting to

neighboring East African markets (Kurniawan et al., 2020, p. 154), while product development, being higher risk, requires significant R&D investment (Gianos, 2013, p. 92). The matrix's limitation, however, is its static nature - it assumes stable market conditions and doesn't adequately account for the rapid changes characteristic of today's globalized markets (Proctor, 2014, p. 90), nor does it consider resource constraints that are particularly acute in developing country contexts (Mullins & Walker, 2013, p. 169).

2.4. Market Power and Competition Theory

The Market Power and Competition Theory, rooted in Bain's (1959, p. 75) Structure-Conduct-Performance (SCP) paradigm, examines how market structure influences firm behavior and performance. This theory is particularly relevant for understanding the moderating role of government regulations in the relationship between growth strategies and financial performance. The SCP paradigm suggests that market structure (number of competitors, barriers to entry) determines firm conduct (pricing, R&D, marketing), which in turn determines performance (profitability, efficiency) (Motta, 2004, p. 42). In Kenya's leather industry, government regulations significantly impact market structure - for instance, export restrictions on raw hides aim to promote local value addition but are often circumvented (LACEA, 2023, p. 14). The theory also highlights how firms can use strategic actions to create market power, such as through product differentiation or vertical integration (Belleflamme & Peitz, 2015, p. 221). However, the theory's focus on large-scale industrial organization makes it less attuned to the realities of small and medium enterprises that dominate Kenya's leather sector (Kipchumba & Wanjiru, 2022, p. 43).

2.5. Theoretical Integration and Industry Application

The integration of these four theories provides a robust framework for analyzing Kenya's leather industry challenges. The MBV explains why market penetration strategies often fail - intense competition from imports and buyer power suppress margins (Barney & Rangan, 2022, p. 314). RBV suggests that product development strategies could be more successful if firms leverage unique capabilities like artisan skills or sustainable production methods (Zhu & Zhang, 2019, p. 138). The Ansoff Matrix provides a structured approach to balancing these strategies based on risk appetite (Clarissia, 2020, p. 64), while Market Power Theory explains how regulatory interventions could level the playing field (Bain, 1959, p. 77).

This theoretical synthesis reveals that Kenya's leather industry requires a dual approach: short-term market penetration to defend domestic market share, coupled with longer-term product development to build sustainable competitive advantages. Government regulations should focus on reducing import competition while incentivizing value-addition investments (Kipchumba & Wanjiru, 2022, p. 45). The framework also suggests that the industry's poor performance stems not just from individual firm weaknesses, but from systemic failures in market structure and institutional support - issues that require coordinated policy responses alongside firm-level strategic adjustments.

Future research could extend this theoretical integration by examining how digital technologies are reshaping traditional strategy frameworks in the leather industry, particularly in developing economy contexts where technological leapfrogging may create new strategic possibilities (West, 2021, p. 112). Additionally, the growing importance of environmental sustainability suggests the need to incorporate

natural resource-based view theory (Hart, 1995, p. 991) into future analyses of the leather industry's strategic challenges and opportunities.

3. Methodology

This study employed a descriptive and correlational research design to analyze the direct relationships between Ansoff's growth strategies and financial performance in Kenya's leather industry. The study targeted 75 senior managers from Kenya's 15 operational tanneries. A census approach was adopted due to the small, well-defined population, ensuring complete representation of decision-makers. This eliminated sampling bias while capturing strategic insights from all key tannery firms. Primary data was collected through self-administered questionnaires distributed to all 75 senior managers. The instrument was pretested for validity and reliability before administration (Cronbach's $\alpha > 0.7$). Secondary data (2019-2023 financial reports) was obtained from KLDC, company filings, and industry associations. Collected data underwent validity checks before being coded and analyzed using SPSS for regression and ANOVA tests, with Likert-scale responses transformed into quantitative values for statistical processing.

4. Research Findings and Discussions

The study achieved an exceptional 94.67% response rate (71 out of 75 questionnaires returned), ensuring high data reliability and representativeness. Multiple regression analysis revealed statistically significant relationships ($p<0.05$) between all three Ansoff strategies and financial performance indicators. Market penetration showed the strongest positive correlation ($\beta=0.42$), followed by product development ($\beta=0.38$) and market development ($\beta=0.35$). ANOVA results confirmed significant variance in financial performance across strategy implementations ($F=12.7$, $p=0.001$), validating the study's hypotheses.

4.1. Firm Characteristics

The study examined five key firm characteristics among Kenya's leather tanneries to contextualize strategic behavior and financial performance. Firm age distribution revealed a predominantly young industry, with 36.6% operating <5 years and only 14.1% exceeding 15 years. This aligns with developing economy sectors where entrepreneurial firms dominate growth industries (Gebrehiwot, Negash & Tesfaye, 2022, p. 112), though younger firms face financing and regulatory hurdles (Karinga, 2019, p. 47).

Workforce size analysis showed medium-sized enterprises (101-200 employees) dominated at 39.4%, followed by large firms (>200 employees) at 29.6%. Medium firms demonstrated optimal balance between flexibility and economies of scale (Penrose, 1959, p. 67), while larger firms leveraged advanced technologies but faced bureaucratic inefficiencies (Murugi & Kariuki, 2020, p. 33). Small firms (<50 employees) comprised merely 5.6%, constrained by limited resources (Karinga, 2019, p. 49).

Market orientation data revealed 59.2% focused on exports, 31.0% served dual markets, and only 9.9% targeted domestic markets exclusively. Export-oriented firms benefited from diversified

revenues but faced stringent quality standards (Leonidou et al., 2002, p. 158), whereas domestic-focused firms struggled with market saturation (Ombaka, 2022, p. 75).

Product specialization showed 36.6% produced leather garments and 35.2% industrial leather products. Garment manufacturers capitalized on premium fashion demand (United Nations Industrial Development Organization, 2023, p. 21), while industrial product firms relied on technical specifications and long-term contracts (Murugi & Kariuki, 2020, p. 37). Footwear (12.7%) and accessories (4.2%) segments remained underdeveloped despite global demand.

Strategic planning adoption was remarkably high at 91.5%, reflecting industry recognition of structured management's value (Kaplan & Norton, 2021, p. 89). Non-adopting firms (8.5%) risked operational inefficiencies in this dynamic sector (Ansoff, 1965, p. 54). The findings collectively portray an industry transitioning from entrepreneurial to institutionalized operations, with strategic maturity varying by firm lifecycle stage.

4.2. Descriptive Statistics

The descriptive analysis of Market Penetration Strategies revealed strong adoption among Kenyan tanneries, with a grand mean of 4.173 (SD=0.907) on a 5-point Likert scale, indicating overall strategic effectiveness. Temporary promotional pricing scored highest (Mean=4.549, SD=0.693), reflecting its widespread use to create customer urgency, consistent with global retail trends (Kotler & Keller, 2016, p. 145). Volume discounts (Mean=4.324, SD=0.671) and seasonal sales (Mean=4.324, SD=0.732) were equally prevalent, aligning with studies linking such tactics to repeat purchases (Leonidou et al., 2002, p. 55). Price flexibility (Mean=4.099, SD=0.944) demonstrated industry adaptability to market dynamics, a critical capability in competitive sectors (Ansoff, 1965, p. 78). However, perceived impact on profitability scored lowest (Mean=3.451, SD=1.307), with high variability suggesting uneven cost-benefit outcomes across firms. This aligns with Porter's (1980, p. 36) caution about price wars eroding margins. Market share gains (Mean=3.676, SD=1.131) also showed moderate agreement, indicating potential misalignment between customer acquisition and sustainable growth. The results underscore the need for complementary value-added strategies to convert short-term sales into long-term profitability, particularly given the industry's export orientation and quality standards (Gebrehiwot, Negash & Tesfaye, 2022, p. 118).

The analysis of Market Development Strategies revealed strong implementation among Kenyan leather firms, with a grand mean of 4.269 (SD=0.783), indicating robust adoption of expansion strategies. Geographic expansion emerged as the most prevalent strategy (Mean=4.662, SD=0.559), reflecting the industry's focus on internationalization to diversify revenue streams (Kotler & Keller, 2016, p. 212). Strategic partnerships (Mean=4.366, SD=0.681) and distribution network expansion (Mean=4.549, SD=0.628) were equally emphasized, aligning with research highlighting collaboration as critical for market penetration (Leonidou et al., 2002, p. 59). However, establishment of new branches showed moderate adoption (Mean=3.718, SD=1.111), suggesting cost concerns in physical expansion. International market entry, while recognized (Mean=3.944, SD=0.809), revealed hesitation due to regulatory complexities (Porter, 1980, p. 127). The findings underscore the industry's export-oriented nature while highlighting the need for risk assessment in market expansion (Ansoff, 1965, p. 84). Firms demonstrated strategic sophistication in balancing organic growth with partnerships, though physical expansion appears constrained by resource limitations.

The analysis of Product Development Strategies revealed strong implementation among Kenyan leather firms, with a grand mean of 4.068 and standard deviation of 0.923, indicating robust adoption of innovation strategies. Cross-functional collaboration emerged as the most prevalent practice (Mean=4.310, SD=0.872), reflecting the industry's recognition of interdisciplinary teamwork in driving innovation (Barney, 1991, p. 102). Diversification strategies scored equally high (Mean=4.338, SD=0.827), demonstrating firms' efforts to mitigate risks through product variety (Cooper & Schindler, 2014, p. 215). However, innovation emphasis showed moderate adoption (Mean=3.423, SD=1.167), suggesting resource constraints in R&D investments. Trend utilization, while recognized (Mean=3.578, SD=1.227), revealed implementation gaps in translating market insights into products. The findings highlight the industry's strength in collaborative development but indicate challenges in systematic innovation (Ansoff, 1965, p. 91). Firms demonstrated effective competitor analysis (Mean=4.197, SD=0.980), suggesting strong market orientation, though innovation execution remains an area for improvement.

The analysis of Financial Performance indicators revealed generally positive outcomes among Kenyan leather firms, with a grand mean of 4.061 (SD=0.907), indicating satisfactory financial health. Debt-to-equity ratio improvement showed the strongest performance (Mean=4.394, SD=0.727), demonstrating effective financial management (Creswell, 2018, p. 215). Sales growth (Mean=4.183, SD=0.900) and net profit maintenance (Mean=4.056, SD=0.998) also scored highly, suggesting resilience against market challenges. However, growth strategy impact scored moderately (Mean=3.873, SD=0.827), indicating room for strategic refinement. Technological and policy challenges (Mean=3.718, SD=0.927) emerged as significant constraints, aligning with findings on developing economy manufacturing sectors (Kotler & Keller, 2016, p. 312). Market demand influence was strongly acknowledged (Mean=4.338, SD=0.827), confirming customer-centric orientation as a key performance driver.

The analysis of five-year financial records (2019-2023) reveals stable but constrained performance in Kenya's leather industry. Revenue showed marginal growth from Kshs 20.423 million to Kshs 20.665 million, demonstrating market resilience yet limited expansion capacity (Brigham & Ehrhardt, 2021, p. 143). Net profits declined from 0.305% to 0.254%, reflecting persistent cost pressures and competitive challenges (Hirschey, 2020, p. 89). Return on Investment (ROI) exhibited gradual improvement (1.581% to 1.633%), suggesting modest gains in capital efficiency (Damodaran, 2021, p. 215). The data indicates three key trends: 1) revenue stability points to established market positioning, 2) profit margin contraction signals urgent need for cost optimization, and 3) incremental ROI growth suggests cautious capital deployment. These patterns align with developing economy manufacturing sectors facing input cost volatility (KLDC, 2023).

4.3. Triangulation of Primary and Secondary Data for Descriptive Statistics on Financial Performance (Y)

The integration of primary and secondary data reveals both alignment and divergence in assessing the financial performance of Kenya's leather industry. Primary data from managerial perceptions showed strong confidence in strategic effectiveness, with sales growth (Mean=4.18, SD=0.90) and policy influence (Mean=4.13, SD=0.84) scoring particularly high (Aosa et al., 2020, p. 112). However, secondary financial records from 2019-2023 presented a more tempered reality, with revenue growth stagnating at 1.2% annually and net profits declining from 0.305% to 0.254% (Hirschey, 2020, p. 76).

Three critical insights emerge from this triangulation. First, the optimism in primary data reflects strategic awareness but overestimates implementation efficacy. While 78% of managers reported effective cost control (Mean=4.06, SD=0.99), secondary data showed persistent profit margin erosion, suggesting perceptual gaps in operational execution. Second, market demand recognition (Mean=4.34, SD=0.83) aligned with actual revenue stability, confirming demand resilience despite economic fluctuations (KLDC, 2023). Third, the modest ROI improvement (1.58% to 1.63%) contrasted with strong strategic confidence (Mean=3.87, SD=0.83), indicating underutilized capital deployment strategies.

The divergence between perceptual and objective data underscores three strategic imperatives. Operational efficiency requires urgent attention, as rising costs (secondary data) were underweighted in managerial assessments (primary data). Technology adoption gaps (Mean=3.72, SD=0.93) correlate with stagnant productivity metrics in financial records, suggesting innovation implementation lags. Policy advocacy needs strengthening, as regulatory impacts were perceived as significant (Mean=4.13) but not sufficiently leveraged in financial outcomes.

4.4. Discussion of Individual Objective Results

The regression analysis provides compelling evidence for the distinct contributions of each Ansoff strategy to financial performance in Kenya's leather industry. As summarized in Table 1, all three strategies demonstrate statistically significant positive relationships, though with varying degrees of influence.

Table 1. Impact of Ansoff's growth Strategies on Financial Performance

Strategy	Coefficient	p-value	Key Findings
MPS	0.326	0.001	Strong positive impact through existing market optimization
MDS	0.336	0.000	Most influential strategy via market expansion
PDS	0.149	0.046	Significant but modest effect from product innovation

Source: Research Data (2025)

Market Penetration Strategies exhibited a robust positive effect (β=0.326, p=0.001), confirming that deepening existing market presence through promotional pricing (mean=4.549) and volume discounts (mean=4.324) significantly enhances financial outcomes (Njiru et al., 2023, p. 112). This aligns with the industry's export orientation, where 59.2% of firms focus on international markets (KLDC, 2023, p. 15). The results suggest that leather firms achieve immediate financial gains by optimizing current operations rather than seeking new opportunities.

Market Development Strategies emerged as the most influential predictor (β=0.336, p<0.001), with geographic expansion showing particularly strong adoption (mean=4.662). This dominance reflects the industry's growth phase, where medium-sized firms (39.4% of sample) leverage export opportunities to achieve economies of scale (Gikonyo & Okech, 2021, p. 58). The findings underscore the strategic importance of trade partnerships and distribution network expansion in emerging markets.

Product Development Strategies demonstrated a smaller but statistically significant effect (β=0.149, p=0.046), consistent with the industry's focus on industrial leather products (35.2% of firms) over innovative consumer goods (Kimani & Ndung'u, 2022, p. 34). The moderate emphasis on innovation (mean=3.423) suggests most firms prioritize incremental improvements over radical innovation, potentially limiting Product Development Strategies 's financial impact.

The results collectively validate Ansoff's framework while highlighting contextual nuances in emerging markets. Future research should explore how firm characteristics (age, size) moderate these relationships to enable more tailored strategy formulation.

5. Conclusion and Recommendations

This study examined how Ansoff's growth strategies impact financial performance in Kenya's leather industry, revealing key insights for strategic management in emerging markets. The findings demonstrate that while all three strategies contribute to financial success, their effectiveness varies significantly.

Market penetration strategies prove essential for maintaining stability in competitive environments. Firms excelling in pricing optimization, promotions, and distribution channels achieve consistent revenue streams even during market fluctuations. These tactics provide a reliable foundation for businesses to protect their core market positions while exploring growth opportunities. Market development emerges as the most powerful growth driver, particularly through geographic expansion and new customer acquisition. The data shows companies prioritizing market development outperform peers in key metrics like ROI and revenue growth. This strategy's effectiveness highlights the importance of diversifying market presence to reduce dependence on any single segment. Product development shows more modest but crucial long-term benefits. While the financial impact appears gradually, continuous innovation sustains competitiveness as markets mature. Firms maintaining consistent investment in product improvements build differentiation that protects margins over time.

The study reveals a clear hierarchy of strategic effectiveness: market development drives growth, market penetration ensures stability, and product development sustains competitiveness. Successful firms balance these approaches based on their position and goals. Smaller enterprises may focus first on penetration before expansion, while established players should emphasize development initiatives. For practitioners, these findings emphasize three critical requirements: rigorous market analysis to guide strategy selection, flawless execution, and continuous performance monitoring. The most successful companies combine strategic clarity with operational excellence and adaptability. Policymakers can enhance strategy effectiveness by creating favorable environments for market entry, exports, and innovation. Targeted measures like export incentives and technology support would help firms overcome implementation barriers, particularly for SMEs. Industry associations should facilitate knowledge sharing and develop implementation guidelines. Collective action in areas like international marketing and quality standards could amplify individual firms' strategic efforts. Future research should explore how strategy effectiveness evolves across economic cycles and different sectors. More granular examination of implementation approaches would yield practical insights, as would studies on how firm size and resources influence outcomes.

Three fundamental lessons emerge: First, deliberate strategy consistently outperforms ad hoc management. Second, optimal strategy mix depends on specific circumstances. Third, execution quality determines success as much as strategy choice. For Kenya's leather sector, strategic sophistication represents a pathway to greater competitiveness. As the industry develops, firms mastering strategic management will best capitalize on emerging opportunities. The framework remains relevant for emerging markets when adapted to local conditions.

The findings offer valuable guidance for navigating current challenges: prioritize market development for growth, maintain penetration for stability, and sustain product innovation for longevity. This balanced approach, combined with strong execution, positions firms for sustainable success in evolving markets. Ultimately, strategic excellence at both firm and industry levels can transform sector performance while contributing to broader economic goals. The Kenyan leather industry's experience provides a model for other developing economy sectors seeking to enhance competitiveness through strategic management.

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