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STRATEGIC POSITIONING AND ORGANIZATIONAL PERFORMANCE IN FOREIGN MULTINATIONAL CORPORATIONS IN NAIROBI COUNTY, KENYA

[1] Rachael Gathoni Irimu & [2] Dr. Millicent Mboya

[1]Masters Student, Jomo Kenyatta University of Agriculture and Technology

[2]Lecturer, Jomo Kenyatta University of Agriculture and Technology

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Abstract

The presence of multinational firms operating within Kenya has witnessed a steady escalation. Notably, in 2019, the count stood at 1,035 multinational firms, marking a notable 12.5% upswing from the 920 firms reported in 2015. Nairobi City County, a pivotal nucleus of multinational activities, hosts a substantial cluster of these enterprises. This study sought to examine the influence of strategic positioning on organizational performance in foreign multinational corporations in Nairobi County, Kenya. Specifically, the study sought to establish the influence of brand strategy on organizational performance in foreign multinational corporations in Nairobi County, Kenya and to determine the influence of innovation on organizational performance in foreign multinational corporations in Nairobi County, Kenya. This study was anchored on brand theory and diffusion of innovation theory. This study used cross-sectional survey study design. The target population for this study was all the 108 multinational companies in Nairobi County Kenya. The unit of observation was finance managers, human resource manager, corporate strategy manager, operations manager, legal manager, sales and marketing manager, ICT manager and research and development manager from each of the 108 MNCs, forming a total of 8 managers from each company. Therefore, the target population for the study was 864 individuals. Managers were selected because they have the needed information on the effect of strategic positioning on performance of their multinational firms. The study adopted census sampling technique. The questionnaire was selected instrument or tool for data collection for the study. Twenty-seven questionnaires were piloted that is 10% of the study sample size. Statistical Package for Social Sciences (SPSS) were used to analyze the data. The returned questionnaires for the pilot test were 100%. The questionnaire was valid and reliable and was used to collect data for the actual study. Descriptive and inferential statistics were computed and findings presented in tables. The study concludes that brand strategy has a positive and significant effect on organizational performance in foreign multinational corporations in Nairobi County, Kenya. In addition, the study concludes that innovation has a positive and significant effect on organizational performance in foreign multinational corporations in Nairobi County, Kenya. Based on the findings, the study recommends that multinational corporations should continue to strengthen their brand strategy by ensuring that their brand message and identity are clearly articulated and consistently communicated across all markets. Establishing brand guidelines that

apply internationally but allow for regional customization can enhance brand recognition and trust.
Keywords: *Strategic Positioning, Brand Strategy, Innovation, Organizational Performance*

INTRODUCTION

The 21st-century business landscape is characterized by rapid globalization, technological advancements, and shifting consumer preferences, creating a highly competitive and dynamic environment. Organizations, particularly multinational corporations (MNCs), face increasing pressure to enhance their performance and sustain competitive advantages (Hill, Jones, & Schilling, 2021). Strategic positioning has emerged as a fundamental approach that enables firms to establish a distinct market identity, align with customer needs, and outperform competitors (Kotler & Keller, 2021). It involves the deliberate selection of competitive dimensions—such as brand differentiation, cost leadership, and innovation—to effectively capture market opportunities and sustain long-term growth (Porter, 2020).

In the context of foreign MNCs, strategic positioning is particularly critical due to the complexities of operating in diverse international markets. Companies must balance global strategies with local market responsiveness to optimize performance (Peng & Meyer, 2020). This dual focus requires firms to navigate cultural, regulatory, and economic variations while maintaining a coherent global brand (Hitt, Ireland, & Hoskisson, 2021). By leveraging effective strategic positioning, firms enhance their ability to penetrate new markets, strengthen customer loyalty, and drive financial and non-financial performance metrics, such as market share, operational efficiency, and innovation capabilities (Verbeke, 2020).

Organizational performance measurement has evolved beyond traditional financial indicators to include customer satisfaction, employee well-being, and sustainability efforts (Kaplan & Norton, 2021). Foreign MNCs operating in diverse environments require comprehensive performance assessment frameworks that integrate both financial and non-financial indicators (Yaprak & Karademir, 2021). A balanced scorecard approach allows firms to evaluate their strategic effectiveness holistically while adapting to market-specific conditions (Neely, 2021).

Multinational firms play a pivotal role in the global economy, driving employment, innovation, and competition in host countries. The strategic positioning of these firms significantly influences their performance outcomes (Barney & Hesterly, 2021). Research suggests that firms adopting differentiation and innovation strategies tend to outperform those relying solely on cost leadership (Grant, 2021). However, as global competition intensifies, continuous reassessment of strategic positioning becomes essential for MNCs to sustain market leadership. This study aims to contribute to the existing literature by examining the relationship between strategic positioning and organizational performance among foreign MNCs in Nairobi County, Kenya. By identifying key success factors, this research provides practical insights for firms seeking to enhance their competitiveness in dynamic global markets.

In Kenya, the art of strategic positioning holds immense significance within the context of a dynamic and diverse business environment (UNCTAD, 2020). When multinational companies venture into the Kenyan market, they encounter a multifaceted economy spanning diverse sectors like agriculture, services, manufacturing, and technology. Effective strategic positioning demands a nuanced approach, often necessitating the adaptation of global strategies to align precisely with local customer needs and. preferences. This adaptability ensures that multinational companies can effectively cater to the distinctive demands of the Kenyan market (Deloitte, 2021).

One of the pivotal aspects of strategic positioning for multinational companies in Kenya revolves around the seamless integration of local cultural elements into their business strategies. This integration may manifest through culturally resonant marketing campaigns or the development of products and services tailored to local tastes. Embracing and respecting local culture empower multinational companies to engage more effectively with Kenyan consumers, fostering trust in their brand (Business Daily, 2019).

Multinational companies operating in Kenya confront a distinctive set of challenges, including political instability, regulatory uncertainties, and infrastructural limitations (World Bank, 2021). Strategic positioning in this context necessitates proactive measures to build resilience. This may entail contingency planning, flexible operational models, and constructive engagement with local authorities and stakeholders to navigate turbulent waters. A prominent trend among multinational companies in Kenya is the adoption of data-driven decision-making. These companies acknowledge the value of data analytics in gaining insights into local customer behavior and market trends, which in turn informs their strategic choices and sustains competitiveness. This data-centric approach ensures that decisions are firmly grounded in empirical evidence (Kenya National Bureau of Statistics, 2020).

Statement of the Problem

Foreign multinational corporations (MNCs) operating in Nairobi County face intensifying market competition, evolving consumer preferences, regulatory complexities, and rising operational costs—all of which threaten their long-term sustainability and profitability (World Bank, 2023). Kenya remains a leading investment destination in East Africa, with foreign direct investment (FDI) inflows increasing from USD 717 million in 2020 to USD 1.3 billion in 2022 (UNCTAD, 2023). However, despite this surge in investment, many MNCs continue to experience inconsistent profitability and struggle to maintain market share in Nairobi's dynamic business landscape (KNBS, 2023). A recent report by the Kenya Association of Manufacturers (KAM, 2023) indicates that 52% of foreign MNCs reported declining revenues and profitability between 2021 and 2023, attributing the decline to increased market saturation, strategic misalignment, and heightened regulatory burdens. This trend raises serious concerns about the effectiveness of current strategic positioning efforts adopted by foreign firms operating in Kenya. Strategic positioning—encompassing brand strategy, cost leadership, differentiation, and innovation—is widely recognized as a critical determinant of organizational performance (Porter, 2021; Grant, 2021). Companies that effectively align their strategic positioning with market dynamics are more likely to achieve competitive advantage and long-term success. For example, Mutegi et al. (2022) found that MNCs in Nairobi that implemented structured strategic positioning frameworks achieved 17% higher profitability and 20% greater customer retention than those that did not. However, Odhiambo and Omondi (2023) report that 52% of foreign firms in Nairobi now cite growing competition as their primary challenge, up from 45% in 2019, suggesting that current strategies may be falling short in addressing the region's unique business realities.

Innovation, while increasingly acknowledged as an essential element of modern strategic positioning, remains underexplored in the context of MNCs operating in Kenya. Mwangi and Ochieng (2022) observed that firms introducing product and business model innovations in Kenya experienced a 22–30% improvement in customer acquisition and retention. Similarly, Chesbrough (2022) emphasizes that continuous innovation enables firms to adapt to dynamic markets and sustain competitive advantage. However, limited empirical evidence exists on how innovation integrates with other strategic positioning components—such as branding, cost structure, and differentiation—to influence performance outcomes in the Nairobi context.

Moreover, findings from other emerging markets suggest that localizing global strategies to fit market-specific conditions enhances firm success. Kamau and Chege (2021) revealed that MNCs tailoring their strategic positioning to local consumer behaviors and regulatory demands achieved 25% higher operational efficiency and profitability. Yet, it remains unclear whether similar outcomes apply to Nairobi, given Kenya's unique market characteristics, regulatory frameworks, and socio-economic challenges. Despite the acknowledged role of strategic positioning in enhancing firm performance, most existing studies have examined its components in isolation. There is a notable gap in empirical research assessing the collective effect of brand strategy, cost leadership, innovation, and differentiation on the performance of foreign MNCs in Nairobi—especially in the post-COVID-19 era, which has significantly altered global business dynamics (World Bank, 2023).

Therefore, this study sought to bridge this gap by analyzing the combined influence of strategic positioning elements—brand strategy, cost leadership, differentiation, and innovation—on the organizational performance of foreign MNCs in Nairobi County. By investigating these variables collectively, the study aimed to provide actionable insights for MNCs, policymakers, and business leaders on how to refine strategic positioning to maximize performance, competitiveness, and sustainability in Kenya's rapidly evolving business environment.

General Objective

The general objective of this study was to examine the influence of strategic positioning on organizational performance in foreign multinational corporations in Nairobi County, Kenya

Specific Objectives

The study was guided by the following specific Objectives;

i. To establish the influence of brand strategy on organizational performance in foreign multinational corporations in Nairobi County, Kenya
ii. To determine the influence of innovation on organizational performance in foreign multinational corporations in Nairobi County, Kenya

LITERATURE REVIEW

Theoretical Review

Brand Theory

Martineau (1958) was a pioneer in establishing the concept of brand personality, demonstrating as early as the 1950s that even when two similar stores offer identical prices, product quality, and comparable services, customers frequently exhibit a preference for one over the other. This highlights the critical role of brands in contemporary business, as they significantly shape consumer preferences and affect purchasing decisions. In the context of brand strategy, this theory was applied in the current study to evaluate the impact of brand strategy on the performance of foreign multinational corporations operating in Nairobi County, Kenya.

Diffusion of Innovations Theory

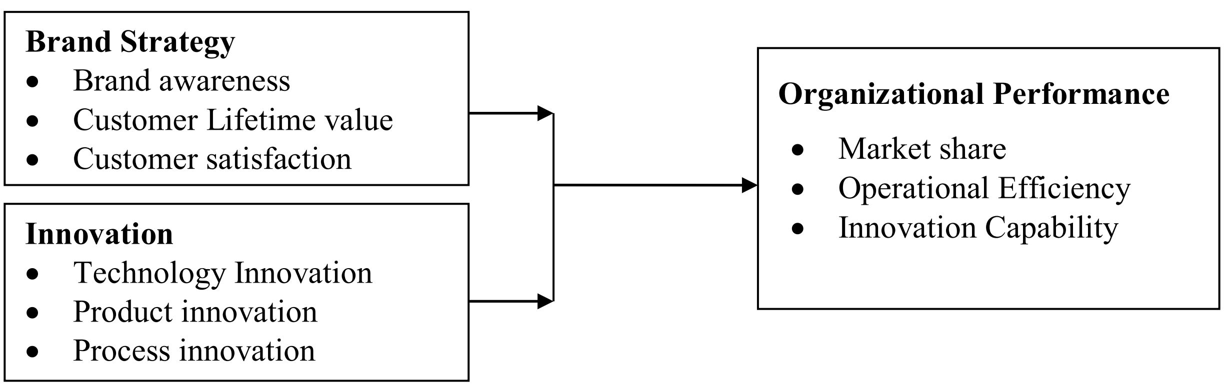
The theory of innovation diffusion, as pioneered by Everett Rogers in his seminal work "Diffusion of Innovations" (1962), offers a comprehensive framework for understanding how new ideas, technologies, products, and practices spread within societies or organizations. According to Rogers, the diffusion process involves several key elements. Innovations, representing new ideas or technologies, are disseminated through various communication channels such as mass media, interpersonal networks, or formal organizational channels (Rogers, 1962). Individuals within a social system go through stages of awareness, interest, evaluation, trial, and adoption before fully embracing an innovation. This process occurs over time, influenced by the characteristics of the social system, including its culture, norms, and structure (Rogers, 1962).

Critiques of the theory have been raised over the years. One critique concerns the assumption of a linear adoption process, which may oversimplify the complexities of innovation diffusion, particularly in today's fast-paced, interconnected world (Damanpour, 1991). Additionally, the theory's focus on individual-level adoption may overlook the role of broader institutional and societal factors in shaping innovation diffusion patterns. Despite these critiques, the theory of innovation diffusion remains a foundational framework for understanding how innovations spread and gain acceptance within social systems.

The theory of innovation diffusion can be effectively applied to explain the variable of innovation within strategic positioning. In strategic management literature, innovation is often regarded as a crucial driver of competitive advantage and strategic positioning (Tidd et al., 2005). By adopting and diffusing innovations strategically, organizations can differentiate themselves from competitors, enter new markets, and enhance overall performance.

Conceptual Framework

A conceptual framework is a systematically developed structure that shows the relationship among variables in a study (Sekaran & Bougie, 2022). In this study, the independent variables are: brand strategy and innovation strategy. The dependent variable is the organizational performance of foreign multinational corporations in Nairobi County, Kenya.



Independent Variables **Dependent Variable**

Figure 1: Conceptual Framework

Brand Strategy

An effective brand strategy is a critical component of organizational success, influencing market positioning, customer retention, and overall firm performance. In a highly competitive business environment such as Nairobi County, foreign multinational corporations (MNCs) must adopt strategic brand positioning to sustain market share and enhance profitability. Brand strategy in this study is conceptualized through three key constructs: brand awareness, customer lifetime value (CLV), and customer satisfaction. Each of these constructs plays a fundamental role in determining how brands differentiate themselves, build customer loyalty, and achieve long-term business growth.

Brand awareness refers to the extent to which consumers can recognize and recall a brand under different conditions (Keller, Parameswaran, & Jacob, 2021). It is a crucial determinant of a brand's market presence and influences consumer decision-making by ensuring that a brand remains at the forefront of a customer's mind when making purchase decisions (Rossiter & Bellman, 2020). High brand awareness strengthens consumer trust, fosters positive associations, and increases brand preference, ultimately leading to higher customer acquisition rates (Huang & Sarigöllü, 2020). Organizations enhance brand awareness through advertising, social media engagement, influencer marketing, digital content strategies, and brand storytelling (Kotler & Keller, 2021). Increased brand recognition and familiarity often translate into a higher probability of consumer preference and purchase intent (Buil, De Chernatony, & Martínez, 2021). In this study, brand awareness is measured using structured questionnaires that assess consumer recall, brand recognition, exposure to marketing efforts, and association with brand attributes, ensuring an empirical evaluation of its impact on firm performance.

Customer lifetime value (CLV) is a financial and behavioral metric that quantifies the total revenue a firm can expect to earn from a single customer throughout their entire relationship with the brand (Gupta & Zeithaml, 2020). Unlike traditional sales performance indicators that focus on one-time transactions, CLV accounts for repeat purchases, long-term customer retention, and referral behavior, making it an essential measure of a brand's sustainability and profitability (Lemon & Verhoef, 2022). A high CLV indicates strong customer loyalty and long-term engagement, which reduces customer acquisition costs and enhances revenue generation (Rust & Chung, 2021). Firms enhance CLV by implementing personalized marketing strategies, loyalty programs, superior customer service, and continuous value addition to the consumer experience (Venkatesan & Farris, 2020). In this study, CLV is assessed using structured questionnaires targeted at managers in sales, marketing, and customer relations departments, focusing on key indicators such as customer retention rates, purchase frequency, average revenue per customer, and referral likelihood. These measures provide empirical insights into how brand strategy influences customer loyalty and long-term financial sustainability.

Customer satisfaction is the degree to which a brand meets or exceeds customer expectations, leading to positive post-purchase evaluations and ongoing loyalty (Oliver, 2020). It is a key driver of consumer behavior, influencing repeat purchases, word-of-mouth recommendations, and brand advocacy (Parasuraman, Zeithaml, & Berry, 2020). High customer satisfaction levels are associated with stronger customer-brand relationships, increased brand credibility, and reduced churn rates (Gómez, Arranz, & Cillán, 2020). Firms that prioritize customer satisfaction often invest in product quality improvements, responsive customer service, seamless digital interactions, and feedback mechanisms such as customer surveys and service evaluations (Kotler, Kartajaya, & Setiawan, 2021).

In this study, customer satisfaction is measured using structured survey questionnaires, with a focus on customer experience perceptions. NPS is widely recognized as a reliable indicator of customer satisfaction, assessing the likelihood of customers recommending a brand to others (Reichheld, 2020). Survey responses will assess customer perceptions of product quality, service responsiveness, and overall brand experience, providing a comprehensive view of satisfaction levels. The results will establish a clear link between customer satisfaction and brand positioning, demonstrating how positive consumer experiences translate into increased brand equity and long-term firm performance.

By examining brand awareness, customer lifetime value, and customer satisfaction, this study aims to generate empirical evidence on the role of brand strategy as a positioning tool for foreign MNCs operating in Nairobi County. Understanding these constructs enables firms to refine their branding approaches, enhance consumer engagement, and optimize long-term profitability. The structured questionnaire-based measurement ensures a systematic approach to data collection, aligning with the study's objective of assessing the impact of brand strategy on firm performance.

Innovation

Innovation plays a pivotal role in the strategic positioning and performance of multinational corporations (MNCs), influencing their ability to create novel products, processes, and business models that enhance competitive advantage (Moradi, Jafari, & Mirzaei, 2021). In today's dynamic business landscape, firms that prioritize innovation are more likely to experience improved financial performance, market expansion, and customer loyalty. Innovation is categorized into multiple dimensions, including technology innovation, product innovation, process innovation, and business model innovation (Naveed et al., 2022). The integration of these innovation types enables firms to sustain long-term growth and adaptability in highly competitive markets.

Technology innovation refers to the capacity of an organization to develop and integrate emerging technologies into its operations and product offerings. In an era where digital transformation is reshaping industries, multinational corporations leverage artificial intelligence, blockchain, and data analytics to optimize efficiency and improve customer experiences (Khan et al., 2021). Technology innovation is also linked to open innovation practices, where firms collaborate with external partners, including startups, research institutions, and tech firms, to drive continuous improvements (Papanastassiou & Zanfei, 2020). This form of innovation is particularly crucial in technology-driven sectors such as telecommunications, financial services, and e-commerce, where firms must continuously reinvent themselves to remain relevant.

Product innovation is a significant driver of organizational performance, as it enables firms to introduce new or improved products and services that align with evolving customer needs (Al-Hawary, 2021). Firms that invest in research and development (R&D) to create differentiated products often achieve stronger market positions and customer retention (Donbesuur et al., 2020). Product innovation is particularly evident in industries such as pharmaceuticals, consumer electronics, and automotive manufacturing, where companies must develop new solutions to meet regulatory standards and changing consumer preferences. Multinational corporations such as Apple, Tesla, and Pfizer exemplify how product innovation can lead to brand loyalty, pricing power, and sustained profitability (Shams et al., 2021).

Empirical Review

Brand Strategy

Singh and Misra (2021) conducted a study investigating the impact of corporate social responsibility (CSR) on organizational performance, focusing on European multinational firms. The study used a quantitative approach, incorporating survey responses from senior brand managers across various industries. The findings revealed that corporate reputation acts as a moderating factor in the relationship between CSR-driven branding and firm performance. Firms that strategically positioned their brands as socially responsible experienced enhanced customer loyalty, increased market share, and improved financial returns. This study underscores the growing importance of ethical branding and CSR integration in multinational firms.

Hongal and Kinange (2020) explored talent management and its impact on branding strategy and organizational performance. The study, which focused on a sample of large corporations in India, found that brand strategy is closely linked to human resource management. Companies that invest in employer branding—such as fostering a positive work culture and leveraging digital platforms for brand communication—experienced higher employee engagement, which translated to stronger brand identity and superior market positioning. This study highlights the intersection between internal brand equity (employees) and external brand perception in shaping organizational success.

Hanaysha and Alzoubi (2022) investigated the effect of digital branding strategies on brand performance in the Malaysian manufacturing sector. Using a mixed-methods approach, they analyzed survey responses from 178 multinational companies and found that digital brand engagement and social media presence significantly impact brand equity and consumer trust. The study emphasized that firms that actively engage with customers through digital platforms enhance their brand recall, customer loyalty, and ultimately, financial performance. The study further suggested that integrating artificial intelligence (AI) and data analytics into brand management improves brand personalization and customer segmentation.

Christofi, Vrontis, and Cadogan (2021) conducted a study examining the role of micro-foundational ambidexterity in branding strategies among multinational enterprises. They assessed how firms balance brand exploration (innovation) and brand exploitation (existing brand assets) to sustain competitive advantage. Their findings indicated that firms that maintain a balance between brand innovation and consistency outperform competitors in terms of brand recall, customer acquisition, and market expansion. The study also highlighted that firms with adaptive branding strategies—that adjust to market trends and technological disruptions—achieve better performance than those with rigid brand structures.

Innovation

Migdadi (2022) conducted an empirical study on the role of knowledge management processes (KMP) and innovation capability (IC) in enhancing organizational performance. The study used a quantitative research design, collecting data from 312 multinational firms in Europe and Asia through structured surveys. The research employed structural equation modeling (SEM) to assess the relationships among KMP, IC, and firm performance. The findings revealed that effective knowledge management enhances innovation capabilities, leading to improved organizational efficiency, financial performance, and competitive positioning. The study concluded that MNCs with robust knowledge-sharing mechanisms and R&D investments are more likely to experience higher innovation-driven growth.

Zhu, Isaac and Edmund (2022) did a study on innovation and organizational performance: a perspective among Chinese enterprises. The aim of this research therefore was to examine the link between innovation and performance of Chinese enterprises, and explore the influence of sentiment expressed by investors in this relationship. The data for this study was drawn from 3,500 Chinese listed firms, operating within the periods, 2009–2017. Panel autoregressive models (fixed and random effects) are employed in these empirical analyses. The study further performed Hausman tests in order to ascertain which of the models is more suitable for our dataset. Results from the analysis show that innovation significantly influences the performance of Chinese enterprises and it is moderated by sentiment expressed by investors. Specifically, it was found that Chinese enterprises tend to be innovative as feedback to sentiment expressed by investors and this consequently results in higher performance.

Fernández (2023) studied innovation and international business: A systematic literature review. Despite the abundance of innovation and international business reviews, joint reviews of both of them cannot be found. This study is the first to combine the scholarly research on both topics with the systematic literature review of academic literature of 28 years, following the PRISMA guidelines and flowchart. A search was carried out in the Web of Science database; 847 initial documents were obtained and, after reviewing multiple documents according to the inclusion/exclusion criteria, the results for this research work were reduced to 236 articles. The results of this research provide an overview of the knowledge structure of innovation and international business. As the main contribution, the results highlight four themes of investigation within a comprehensive and multidimensional framework: Innovative activities of multinational corporations, Global value chains, Innovation in emerging economies, and Cross-border knowledge. With an international perspective, insights from how to face innovation development in the international business context are presented.

Soomro, Mangi, and Shah (2021) investigated the strategic factors influencing organizational innovation and learning, and their significance in improving firm performance. The study utilized a mixed-methods approach, combining quantitative surveys from 243 multinational companies and qualitative interviews with 12 senior executives from leading global firms. Data were analyzed using partial least squares structural equation modeling (PLS-SEM) to determine the influence of innovation strategies on organizational learning and financial performance. Findings suggested that firms that embrace a learning-oriented culture and invest in continuous innovation programs exhibit superior market positioning, higher profit margins, and increased adaptability to external challenges

RESEARCH METHODOLOGY

Research Design

A research design serves as a structured framework for data collection, measurement, and analysis. Bryman and Bell (2019) describe it as a systematic plan guiding research execution, while Creswell (2018) defines it as the methodology used to select, process, and analyze information relevant to a study. This study adopted a descriptive research design, which provides a detailed assessment of a phenomenon without manipulating variables or establishing causal relationships (Thomas, 2021). It allows for the observation, recording, and analysis of data to understand how brand strategy and innovation influence organizational performance in foreign multinational corporations in Nairobi County, Kenya.

Target Population

According to Mugenda and Mugenda (2018), the target population is the specific group of individuals, objects, persons, or items from which a sample is selected for analysis, allowing for generalizations to be made about the entire population. According to data collected from Kenya Revenue Authority, there are 108 foreign multinational companies located in Nairobi County, Kenya, forming the unit of analysis. The target population for this study comprises top management employees from the 108 registered foreign multinational corporations (MNCs) operating in Nairobi County, Kenya. Specifically, the unit of observation was finance manager, human resource manager, corporate strategy manager, operations manager, legal manager, sales and marketing manager, ICT manager, and research and development manager from each MNC, totaling 864 individuals. These managers are selected because they possess relevant information on the strategic positioning and its impact on the performance of their multinational firms.

Sample Size and Sampling Technique

A sample, as defined by Kasomo (2017), is a subset of a population that represents a known percentage or frequency distribution of characteristics similar to those within the entire population.

According to Mugenda (2019), a sample of 10-50% of the target population is appropriate for social Science studies. This study adopted Yamane (1967) simplified formula to calculate the sample size which provided the number of responses that was to be obtained using the equation;

$$n = \frac{N}{1 + N(e)^2}$$

Where:
n = sample size
N = population size
e = the level of precision

This formula assumed a degree of variability of 0.5, the level of precision of 5% and a confidence level of 95%.

$n = 864 / (1+ 864*(0.05)^2)$
$= 273.4177215 \approx 272$

Thus, a sample of 272 respondents was calculated, equating to the selection of 34 companies. This sample represents 31.6% of the target population. Consequently, managers from each of these 34 companies were chosen, leading to a final sample size of 272 respondents.

Table 1: Sample Size

Category	**Population**	**Sample**
Finance Manager	108	34
HR Manager	108	34
Corporate Strategy Manager	108	34
Operations Manager	108	34
Legal Manager	108	34
Sales & Marketing Manager	108	34
ICT Manager	108	34
R&D Manager	108	34
Total	**864**	**272**

Data Collection Tools

Data in this study was gathered using semi-structured questionnaires. The utilization of questionnaires is a common practice in research due to their efficiency in collecting data as specified by the researcher. Additionally, questionnaires are cost-effective and facilitate straightforward analysis and replication of the study. Thornhill et al. (2017) highlight the suitability of questionnaires for descriptive studies, as they allow the researcher to identify and describe variations in different phenomena effectively.

Pilot Study

McNeill (2019) characterizes pilot testing as a preliminary exercise conducted in anticipation of a larger-scale study. The purpose of a pilot study is to identify potential flaws, limitations, or weaknesses in the data collection instrument, allowing for necessary adjustments before the full implementation of the research. This step is crucial for ensuring the validity and reliability of the research findings. A pilot study was conducted to test the instrument's reliability, validity, and completeness of responses, and analyze the various measures within the instrument. According to Lancaster, Dodd, and Williamson (2019), the sample size for high precision pilot studies should be between 1% and 10%. In the pilot study 27 questionnaires were invited to participate in filling the questionnaires. This was 10% of the study sample size. The selected respondents were excluded from the final study.

Data Analysis and Presentation

This study gathered both quantitative and qualitative data. Qualitative data analyzed by use of content analysis. Quantitative data was coded then analyzed using Statistical Package for Social Sciences (SPSS) computer software version 28. The choice of the software is influenced by its ability to appropriately create graphical presentation of questions, data reporting, presentation and publishing. SPSS is also able to handle large amounts of data and it is purposefully designed for social sciences.

Descriptive statistics were used to analyze the data in frequency distributions and percentages which were presented in tables. Discussions and presentations of the analyzed data was done in tables of frequency distribution, percentages, bar graphs and pie charts. Measures of dispersion was used to provide information about the spread of the scores in the distribution. The study also adopted multiple regression analysis to test the relationships between the variables.

The multiple regression model was as follows: The questionnaires generated both quantitative and qualitative data. The data was coded into SPSS, data entry followed and data cleaning. Data was analyzed through SPSS version 27 and it was presented in the form of tables. The research model that underpinned this study is as follows

The regression model was;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$$

Whereby;

Y = Organizational Performance
B_0 = Constant
X_1 = Brand strategy
X_2 = Innovation
ε = Error term

DATA ANALYSIS AND PRESENTATION

Descriptive Statistics

Brand Strategy

The first objective of the study was to establish the influence of brand strategy on organizational performance in foreign multinational corporations in Nairobi County, Kenya. Therefore, the influence of brand strategy on organizational performance was measured. Table 2 summarizes the findings.

Table 2: Descriptive Statistics for Brand Strategy

Statement	Mean	Std. Dev.
Our organization has a well-defined and articulated brand strategy for international markets.	3.875	0.842
The brand strategy is consistently communicated across all regions and subsidiaries.	3.914	0.764
The organization maintains a consistent brand image and messaging across diverse international markets.	3.869	0.813
Differences in branding across regions are carefully managed to ensure a unified global presence.	3.855	0.798
Aggregate Score	**3.878**	**0.804**

From the findings in Table 2, respondents generally agreed that the brand strategy is consistently communicated across all regions and subsidiaries (M= 3.914 SD= 0.764); that their organization has a well-defined and articulated brand strategy for international markets (M= 3.875, SD= 0.842); that the organization maintains a consistent brand image and messaging across diverse international markets (M= 3.869, SD= 0.813); and that differences in branding across regions are carefully managed to ensure a unified global presence (M= 3.855, SD= 0.798).

The aggregate mean score of 3.878 (SD = 0.804) suggests that respondents generally agreed with statements regarding the role of brand strategy in their organizations. These findings align with Damar *et al* (2018), who identified brand identity and brand personality as significant contributors to the performance of multinational corporations. Similarly, Mukabwa (2017) found that brand identity plays a crucial role in organizational performance, particularly in competitive international markets. These studies emphasize the importance of a clear and cohesive brand strategy in enhancing multinational corporations' overall performance.

Innovation

The second objective of the study was to determine the influence of innovation on organizational performance in foreign multinational corporations in Nairobi County, Kenya. The study examined innovation's role in influencing organizational performance. Table 3 provides a summary of the findings.

Table 3: Descriptive Statistics for Innovation

Statement	Mean	Std. Dev.
Our organization consistently invests in technological advancements to stay ahead of industry trends.	3.917	0.786
The organization has a comprehensive understanding of its current technological capabilities compared to competitors.	3.904	0.791
The organization actively pursues strategies to innovate its product offerings to meet evolving customer demands.	3.876	0.827
Product innovation is a central focus for the organization's growth strategy.	3.882	0.803
The organization utilizes advanced methodologies and technologies to enhance its operational processes.	3.870	0.805
Regular reports on technological advancements and product innovations are generated to guide strategic decision-making processes.	3.862	0.821
Aggregate Score	**3.885**	**0.805**

The findings in Table 3 show that the respondents generally agreed that their organization consistently invests in technological advancements to stay ahead of industry trends (M= 3.917, SD= 0.786); the organization has a comprehensive understanding of its current technological capabilities compared to competitors (M= 3.904, SD= 0.791); and that product innovation is a central focus for the organization's growth strategy (M= 3.882, SD= 0.803). The respondents also agreed that the organization actively pursues strategies to innovate its product offerings to meet evolving customer demands (M= 3.876, SD= 0.827); the organization utilizes advanced methodologies and technologies to enhance its operational processes (M= 3.870, SD= 0.805); and that regular reports on technological advancements and product innovations are generated to guide strategic decision-making processes (M= 3.862, SD= 0.821).

The aggregate mean score of 3.885 (SD = 0.805) indicates that respondents agreed with the importance of innovation in their organizations. This finding supports Zhu et al. (2022), who identified innovation as a significant factor in enhancing organizational performance, particularly when influenced by investor sentiment. Additionally, De Oliveira et al. (2018) highlighted that innovation efforts, while risky, contribute to long-term organizational impact, reinforcing the significance of a strong innovation strategy in multinational settings.

Organizational Performance

This section presents the descriptive statistics for the dependent variable, organizational performance, as perceived by respondents in relation to foreign multinational corporations operating in Nairobi County, Kenya. Respondents rated their agreement with various statements regarding organizational performance presented in Table 4.

Table 4: Descriptive Statistics for Organizational Performance

Statement	Mean	Std. Dev.
Our organization continuously monitors competitors and industry trends to stay competitive.	3.920	0.815
We adapt quickly to changes in the market environment to maintain a competitive edge.	3.885	0.822
The organization regularly assesses and improves its market positioning.	3.895	0.810
Our organization has well-defined and streamlined business processes.	3.905	0.812
Employees understand their roles and responsibilities within the organization's business processes.	3.883	0.827
The organization effectively manages resources to maximize operational efficiency.	3.887	0.816
Employees are provided with the necessary tools and resources to perform efficiently.	3.890	0.809
The organization values and rewards innovative ideas and solutions.	3.911	0.789
Creative thinking is considered an essential skill in our organization.	3.879	0.812
Our organization invests in research and development to drive innovation.	3.872	0.823
Employees are encouraged to explore and propose innovative solutions.	3.896	0.807
The organization provides training and support for employees to enhance their innovation skills.	3.884	0.818
Aggregate Score	**3.890**	**0.813**

Respondents generally agreed that their organization continuously monitors competitors and industry trends to stay competitive (M=3.920, SD = 0.815). In addition, the respondents agreed that the organization values and rewards innovative ideas and solutions (M=3.911, SD=0.789). Further, the respondents agreed that their organization has well-defined and streamlined business processes (M=3.905, SD=0.812). The respondents also agreed that employees are encouraged to explore and propose innovative solutions (M=3.896, SD=0.807).

From the results, the respondents agreed that the organization regularly assesses and improves its market positioning (M=3.895, SD=0.810). In addition, the respondents agreed that employees are provided with the necessary tools and resources to perform efficiently (M=3.890, SD=0.809). Further, the respondents agreed that the organization effectively manages resources to maximize operational efficiency (M=3.887, SD=0.816). The respondents also agreed that they adapt quickly to changes in the market environment to maintain a competitive edge (M=3.885, SD=0.822).

From the results, the respondents agreed that the organization provides training and support for employees to enhance their innovation skills (M=3.884, SD=0.818). In addition, the respondents agreed that employees understand their roles and responsibilities within the organization's business processes (M=3.883, SD=0.827). Further, the respondents agreed that creative thinking is considered an essential skill in their organization (M=3.879, SD=0.812). The respondents also agreed that their organization invests in research and development to drive innovation (M=3.872, SD=0.823).

The aggregate score of 3.890 indicates a positive perception of organizational performance among respondents in foreign multinational corporations (MNCs) in Nairobi County, aligning with literature that views performance as a multi-dimensional construct. According to Richard et al. (2019), organizational performance includes operational efficiency, innovation, and market competitiveness, essential for achieving goals and satisfying stakeholders. The study's findings support Chepchirchir, Omillo, and Munyua's (2018) emphasis on efficient business processes as foundational for high performance, as well as Damar, Rintari, and Muema's (2018) concept of competitive creativity, where innovation and unique value propositions drive market advantage. Furthermore, the focus on market competitiveness aligns with Kotler and Keller's (2018) argument that market share is a key measure of an organization's competitive position and long-term sustainability. This high aggregate score suggests that MNCs in Nairobi successfully balance internal efficiencies, innovation, and market strategies, consistent with Atikiya, Mukulu, and Waiganjo's (2019) perspective on the importance of a holistic approach to organizational performance for sustainable growth.

Correlation Analysis

Correlation analysis assesses the strength and direction of the relationship between each independent variable and organizational performance. This section examines the strength and direction of the relationship between each independent variable—brand strategy and innovation, and the dependent variable, organizational performance, in foreign multinational corporations in Nairobi County, Kenya. Pearson correlation analysis was summarized in Table 5.

Table 5: Correlation Analysis Matrix

		Organizational Performance	**Brand Strategy**	**Innovation**
Organizational Performance	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	241		
Brand Strategy	Pearson Correlation	.783**	1	
	Sig. (2-tailed)	.001		
	N	241	241	
Innovation	Pearson Correlation	.789**	.064	1
	Sig. (2-tailed)	.000	.078	
	N	241	241	241

The correlation coefficient between brand strategy and organizational performance is 0.783 ($p = 0.001$), indicating a strong positive relationship. This significant positive correlation suggests that improvements in brand strategy, such as clear brand identity and consistent brand messaging, are associated with enhanced organizational performance. This finding aligns with Bansah et al. (2018), who demonstrated that effective brand awareness and loyalty practices are critical for influencing consumer behavior, which subsequently contributes to improved organizational performance. The significant p-value ($p < 0.001$) further confirms that brand strategy plays a substantial role in shaping organizational success in multinational corporations.

The correlation between innovation and organizational performance is 0.789 ($p = 0.000$), representing a very strong positive relationship. This correlation suggests that as multinational corporations prioritize innovation, including product advancements and technological improvements, their performance significantly improves. This finding is consistent with Manshadi (2017), who found that cultural factors promoting innovation within multinational organizations positively influence organizational outcomes, particularly in dynamic industries like oil and gas. The strong correlation and highly significant p-value reinforce the importance of innovation as a strategic component for sustaining organizational growth and performance in a competitive global environment.

Regression Analysis

Regression analysis evaluates the combined effect of independent variables on organizational performance, determining their individual contributions and significance in predicting outcomes. The regression analysis examines the combined effect of brand strategy, innovation, cost leadership strategy, and differentiation strategy on organizational performance. This analysis assesses the proportion of variation in organizational performance explained by changes in the independent variables.

Model Summary

The model summary presents the overall fit of the regression model, indicated by the R and R-squared values, which measure the strength of the relationship between the independent variables and organizational performance. Table 6 presents model summary findings.

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.882[a]	0.778	0.774	0.164

a. Predictors: (Constant), brand strategy, innovation

The R value of 0.882 indicates a strong positive correlation between the combined independent variables and organizational performance. The R-squared value of 0.778 implies that 77.8% of the variation in organizational performance can be explained by brand strategy and innovation strategy. The adjusted R-squared value of 0.774 provides a more accurate measure by adjusting for the number of predictors in the model, indicating that the independent variables still explain a substantial portion (77.4%) of the variation in organizational performance. This high explanatory power underscores the importance of strategic positioning in enhancing organizational performance.

This high explanatory power aligns with the findings of Fernández (2023), who noted that strategic positioning elements, including innovation contribute significantly to performance in international business contexts. Similarly, the strong R-squared value corroborates Duran and Akci's (2015) observation that competitive strategies account for a substantial part of performance variations in multinational corporations, especially under environmental uncertainties.

Analysis of Variance

The ANOVA Table 7 evaluates the significance of the regression model in predicting the dependent variable, organizational performance, using the independent variables.

Table 7: Analysis of Variance

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	111.24	2	55.62	48.281	0.000[b]
Residual	274.116	238	1.152		

Total	385.356	240

a. Dependent Variable: Organizational Performance

b. Predictors: (Constant), brand strategy, innovation

With an F-statistic of 48.281 while the F critical was 2.410. The p-value was 0.000, the model is statistically significant at the 5% level indicating that the combined independent variables have a meaningful impact on organizational performance. This result implies that brand strategy and innovation jointly influence the performance of multinational corporations.

This significant model supports Zhu et al. (2022), who demonstrated the critical role of strategic innovation in enhancing organizational performance within Chinese corporations. Similarly, Kitheka and Shadrack (2019) found that differentiation strategies contribute significantly to customer loyalty and, subsequently, organizational performance. These findings validate the ANOVA results, reinforcing the importance of strategic positioning in driving organizational success.

Regression Coefficients

The regression coefficients provide insights into the specific contributions of each independent variable to organizational performance. The standardized coefficients (Beta) indicate the relative importance of each predictor, while the unstandardized coefficients (B) represent the change in the dependent variable for a one-unit increase in the predictor, holding all other variables constant. Table 8 presents coefficients findings.

Table 8: Beta Coefficients of Study Variables

Model	Unstandardized Coefficients	Standardized Coefficients		t	Sig.
	B	Std. Error	Beta		
(Constant)	0.360	0.091		0.396	0.000
Brand Strategy	0.388	0.099	0.387	3.919	0.001
Innovation	0.394	0.105	0.395	3.752	0.000

The coefficient for brand strategy is 0.388 ($p = 0.001$), indicating a positive and statistically significant relationship with organizational performance. This coefficient implies that a one-unit increase in brand strategy improves organizational performance by 0.388 units, holding other variables constant. This finding underscores the role of brand strategy as a crucial component of organizational success, particularly for multinational corporations seeking a consistent global image. This aligns with Gituku and Kagiri (2015), who found that a robust brand strategy enhances organizational performance by building customer trust and loyalty, especially in competitive international markets.

The coefficient for innovation is 0.394 ($p = 0.000$), indicating a strong positive and statistically significant effect on organizational performance. A one-unit increase in innovation is associated with a 0.394 unit increase in organizational performance, suggesting that innovation is the most influential predictor among the independent variables. This finding highlights the significance of continuous innovation efforts, such as product development and technological upgrades, in driving performance. This result aligns with Fernández (2023), who observed that multinational corporations investing in innovative activities achieve better performance and sustain competitiveness in the international market.

Based on the regression analysis findings, the following optimal model was fitted;

Organizational Performance = 0.360 + 0.394 Innovation + 0.388 Brand Strategy

This fitted regression equation demonstrates that innovation has the most substantial impact on organizational performance, followed by brand strategy. Each of these strategic positioning variables plays a significant role in enhancing the performance of foreign multinational corporations in Nairobi County, Kenya.

CONCLUSIONS, AND RECOMMENDATIONS

Conclusions

The study concludes that brand strategy has a positive and significant effect on organizational performance in foreign multinational corporations in Nairobi County, Kenya. Findings revealed that brand awareness, customer lifetime value and customer satisfaction influences organizational performance in foreign multinational corporations in Nairobi County, Kenya.

In addition, the study concludes that innovation has a positive and significant effect on organizational performance in foreign multinational corporations in Nairobi County, Kenya. Findings revealed that technology innovation, product innovation and process innovation influences organizational performance in foreign multinational corporations in Nairobi County, Kenya.

Recommendations

It is recommended that multinational corporations should continue to strengthen their brand strategy by ensuring that their brand message and identity are clearly articulated and consistently communicated across all markets. Establishing brand guidelines that apply internationally but allow for regional customization can enhance brand recognition and trust. Furthermore, investing in regular market research will help adapt branding efforts to local cultural nuances without compromising the brand's core identity.

To maintain a competitive edge, multinational corporations should increase their focus on innovation by allocating resources toward research and development. Organizations are encouraged to invest in modern technologies that align with industry trends and to foster a culture that encourages employee-driven innovation. This can be achieved by establishing internal innovation hubs and collaboration programs where employees can develop and present ideas, driving continuous improvement and adaptation.

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