

**FACTORS INFLUENCING CHOICE OF FOREIGN MARKET ENTRY METHODS
BY MULTINATIONAL COMPANIES IN
NAIROBI CITY COUNTY, KENYA**



**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR AWARD OF THE DEGREE OF MASTER OF BUSINESS
ADMINISTRATION AT STRATHMORE UNIVERSITY**


MAY 2025

DECLARATION

Student's Declaration

I declare that this research project has not been previously submitted and approved for the award of a degree by this or any other University. To the best of my knowledge and belief, the research project contains no material previously published or written by another person except where due reference is made in the dissertation itself.

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Supervisor's Approval

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ABSTRACT

Multinational corporations (MNCs) have been identified as crucial in closing the unemployment gap in foreign countries, enhancing foreign direct investment, as well as increasing productivity by improving existing knowledge and skills among the workers in host nations. However, despite the significance of MNCs on the development of Kenya's economy, Kenya's flow of horizontal FDI decreased year on year continuing a general pattern of decline since 2010. If the challenges causing a decline in MNCs foreign market entry in Kenya are not identified and resolved, future non-domestic investments by MNCs will continue to dwindle further even below the average FDI inflows in the East Africa Community which seem to have increased between 2019 and 2021. This study sought to establish internal factors that influence the choice of foreign market entry methods by multinational companies in Nairobi City County, Kenya. To achieve this, the study specifically addressed the following specific objectives: to establish the influence of the availability of resources on the choice of foreign market entry method by multinational companies in Nairobi City County; to determine how the nature of products and services affects the choice of market entry method by multinational companies in Nairobi City County, Kenya; and to determine the influence of firm size on foreign direct investments as a choice of foreign market entry method for multinational companies in Nairobi City County, Kenya. The study was anchored on Internalization theory and supported by Eclectic theory. The study adopted a descriptive research design. The study's target population was 37,300 staff members of all foreign owned as well as locally owned MNCs in Nairobi County whereby 158 participants made up the study sample size. The primary data collection tool for this study was a structured questionnaire while SPSS version 28, a computer software was used in the analysis of descriptive and inferential statistics. The findings revealed a statistically significant relationship between the dependent variable (Choice of foreign market entry methods by multinational companies) and the predictor factors (Firm size, Availability of resources, Nature of products and services). The study found that a unit change in either availability of resources or products/services or firm size led to a unit change in choice of foreign market entry methods by multinational companies in Nairobi County. The study concludes that the factors influencing choice of foreign market entry methods by MNCs varies from organisation to organisation based on firm size, availability of resources and products/services. The study recommends the sampled MNCs to sustain the availability of resources to enhance on the choice of foreign market entry method by multinational companies in Nairobi City County. There is need to work on the nature of products and services for effective choice of foreign market entry method. It is recommended that the sampled MNCs in the study area re-evaluate nature of products and services which has the smallest unit change in choice of foreign market entry methods by multinational companies in Nairobi County. More emphasis is needed to enhance the firm size to build up foreign direct investments since it had relatively higher influence on choice of foreign market entry method for multinational companies in Nairobi City.

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LIST OF ABBREVIATIONS

COMESA	Common Market for Eastern and Southern Africa
EAC	East Africa Community
EMNEs	Emerging Market Multinational Enterprises (EMMEs)
EU	European Union
FDI	Foreign direct investment (FDI)
IMF	International Monetary Fund
MNCs	Multinational Corporations
NEPAD	New Partnership for Africa's Development (NEPAD)
OLI	Ownership, Location, and Internalization (OLI)



DEFINITIONS OF KEY TERMS

Acquisition – alludes to a corporate activity where one organization buys most or one more organization's all's portions to deal with that organization (Narula & Verbeke, 2015).

Availability of resources - alludes to the data about what assets a firm can use to support tasks, when, and under what conditions (Schellenberg, Harkey & Jafari, 2018).

Firm size - alludes to the scale on which an organization works. It is in still up in the air by a few factors, for example, complete deals, resources esteem, work numbers, or business volume (Dinu, 2018).

Foreign market – alludes to any business sectors beyond an organization's own country. Selling in unfamiliar business sectors includes managing various dialects, societies, regulations, rules, guidelines and necessities (Hoskisson & Busenitz, 2017).

Franchise - is a business by which the proprietor licenses its tasks — alongside its items, marking, and information — in return for an establishment expense (Li, Vertinski & Li, 2014).

Joint venture - is a mix of at least two gatherings that look for the improvement of a solitary venture or task for benefit, sharing the dangers related with its turn of events (Kim, Ashuri & Han, 2015).

Merger – alludes to an understanding that joins two existing organizations into one new organization (Kinuthia, 2012).

Multinational – alludes to a corporate association that claims and controls the development of labor and products in something like one nation other than its nation of origin (Kim, Ashuri & Han, 2015).

Nature of product/service - An item is an unmistakable thing that is placed available for obtaining, consideration, or utilization, while some help is an immaterial thing, which emerges from the result of at least one people (Hoskisson & Busenitz, 2017).

Strategic alliance – alludes to a plan between two organizations that have chosen to share assets to embrace a particular, commonly useful undertaking (Zhou et al., 2021).



ACKNOWLEDGEMENTS

First and foremost, I express my deepest gratitude to Almighty God for granting me the strength, good health, and unwavering guidance throughout the course of this research journey. His grace has sustained me from the beginning to the successful completion of this work.

I am sincerely thankful to Strathmore Business School (SBS) for providing an enabling academic environment and continuous support during my studies. I also extend my heartfelt appreciation to my supervisor, Dr. Stella Nyongesa, whose dedication, insightful feedback, and consistent encouragement were invaluable to the development and completion of this thesis. Her mentorship has been instrumental in shaping both my academic growth and research capacity.



DEDICATION

I devote my exposition work to Almighty God. An exceptional appreciation to my mother, Phoebe Atieno for unwavering support in my pursuit of knowledge when I needed it the most. I likewise devote this exposition to my mentor Luca Costa for his support and uplifting statement throughout my project.



CHAPTER ONE: INTRODUCTION

1.1 Background of The Study

In international business, having the right mode of entry is an essential part of maximizing the success of any company in international expansion. An organization's choice of entry into a foreign market highly depends on its strategy and capability as well as the target market (Laufs & Schwens, 2014). It also depends on aspects such as the presence of international and local competition, regulation, and industry specifics, among others. As such, having a deep comprehension of the target market in the intended country is an important element when choosing an entry method. Lauf and Schwens (2014) suggest evaluating the potential of the international market to help in grasping the specificities of the foreign market. This can also help in guiding the choice when selecting the market.

An entry strategy is characterized as an organization's methodology while entering another unfamiliar market that it has not designated previously (Schellenberg, Harkey & Jafari, 2018). The entry cycle frequently means to carry a help or item to the worldwide market (Kotabe & Helsen, 2022). It might likewise start the entry of different exercises connected with the business, for example, HR management practices, innovation, and other relevant assets to the objective market (Ripolles, Blesa & Monferrer, 2012). It is essential to consider that there is an assortment of global market entry strategies. Contrasted with entering another market in the nation of origin, it is critical to consider the specificities of the climate in the objective market while picking a suitable unfamiliar market entry technique (Ripolles, Blesa & Monferrer, 2012).

A company can choose an entry method depending on its constraints, requirements, ideas of the entry method, capabilities, profit potential, risk, and favoured scope of engagement (Schellenberg, Harkey & Jafari, 2018). All these elements combine different pros and cons of all the considerations when a company is making its choice. Perhaps the most common method of entry used by international organizations is exporting (Cassia & Magno, 2022). Lauf and Schwens (2014) express that exporting is much of the time the favored strategy for some associations since it requires less responsibility as it is generally safe. The product strategy might be immediate or circuitous. In the immediate commodity mode, the delivering organization administers the trading exercises and keeps in touch with the clients in the objective nation (Bai, Krishna & Mama, 2017). The organization is straightforwardly associated with arranging, marking contracts, taking care of documentation, and conveyances,

and laying out the valuing approaches for the items. In backhanded send out, the firm frequently sells its administrations and items in the unfamiliar market through a mediator, like a merchant, exchanging organization, or specialist who purchases the items and exchanges them inside the unfamiliar objective market (Bai, Krishna & Mama, 2017). This may be useful for companies that are short on experience with foreign trade with limited expansion objectives (Bai, Krishna & Ma, 2017). This is usually the preferred method of entry for small and medium-sized firms intending to enter new markets, especially where there are different time differences, languages, and cultures.

Licensing and franchising are entry modes that require international companies to relinquish some control and work with local partners (Dinu, 2018). International licensing, for instance, is a cross-border agreement that allows companies in the target countries the rights to use the property of the licenses (Johnson, 2013). The property is much of the time elusive and may incorporate licenses, creation strategies, and brand names. The licensee is obliged to pay a few expenses in return for the privileges determined in the arrangements between the organizations (Dinu, 2018). Permitting is normally liked since it is generally safe, records significant yields on ventures, has low openness to political and monetary circumstances, and is liked by numerous nearby states (Buchan, 2014).

Franchising involves semi-independent business owners (franchisees) paying royalties and fees to the franchisers to use the firm's trademarks and sell its services and products. This method of entry is largely successful in cross-border entry (Michalski, 2015). The most widely recognized stars of diversifying are related with its exploitation of an all-around intense system. The franchisee for the most part has neighborhood information, padding the franchiser from chances related with an unfamiliar market (Asarpota, 2014). Nonetheless, the franchiser has little command over the worldwide activities of the organization.

In a joint venture, a local company and a foreign one agree to share the equities in running the partnership together. The equity participation of the companies often varies according to their agreement (Hollender, Zapkau & Schwens, 2017). Significant types of values incorporate equivalent stakes, minority and greater part stakes, and controlling stakes. A joint endeavor enjoys a few benefits for the unfamiliar contestant, including that it tries not to need to begin without any preparation in an unfamiliar region, which might be unsafe in a capital-concentrated try (Almenar-Longo. Prat, & Orero-Blat, 2021). The unfamiliar participant uses the neighborhood organization's retailing, assembling, and appropriation offices. The unfamiliar contestant likewise gains from the organization and administrative acts of the

neighborhood organization inside the nearby market, permitting it to zero in on the development of merchandise reasonable for the objective market (Hollender, Zapkau & Schwens, 2017).

Joint ventures are pretty complex and may take long processes making them less preferred by many companies (Hollender, Zapkau & Schwens, 2017). The intricacies are principally because of the need to adjust to the guidelines of the unfamiliar business sectors and the most common way of arriving at pleasing terms with the nearby firm about sharing stakes (Hollender, Zapkau & Schwens, 2017). Numerous nations have arrangements dealing with the development of joint endeavors, particularly when they focus on specific key areas (Isobe, Makino, & Montgomery, 2000; Duarte & Garcia-Channel, 2004). These strategies and guidelines frequently guarantee that the nation's kin and economy benefit from the endeavor since it will use the hot nation's assets.

In some target markets, acquiring an existing company may be the best entry strategy, especially if the local company has a substantial market share, is a direct competitor to the company, or the government regulations favour acquisition. Acquisition is a costly market entry method (Hoskisson & Busenitz, 2017). Moreover, deciding the genuine worth of the nearby organization in an unfamiliar market might require significant reasonable level of effort (Eicher & Kang, 2005). Eminently, worldwide acquisitions may likewise be very convoluted as to mix. Accordingly, this entry strategy is frequently held for enormous organizations with satisfactory assets to deal with the procurement. On the in addition to side, the securing provides the unfamiliar contestant with the situation with a neighborhood organization (Eicher & Kang, 2005; Mudambi & Mudambi, 2002). Thusly, the organization gets the advantages of nearby market information and is treated as a neighborhood organization, even by the public authority.

Greenfield investment involves setting up a local subsidiary fully owned by a parent company. Greenfield investment requires a substantial amount of investment both financially and in time, making it a riskier proposition (Zhou et al., 2021). In this technique, the organization enters a global market by making another legitimate element and activity. This approach likewise presents high dangers because of the long course of laying out an original business in another country (Zhou et al., 2021). It might require the parent organization to obtain more skill and information on the current market through colleagues and specialists. It additionally requires greater investment to lay out new dispersion organizations and activities, and the need to learn and execute suitable showcasing methodologies for the neighborhood market to contend with

the opponents (Raff and Ryan, 2012; Zhou et al., 2021). Greenfield speculation is a big picture approach with a few difficulties, including grasping the subtleties of the neighborhood market, acquiring nearby information, enlistment, and meeting unofficial laws (Zhou et al., 2021). In any case, it gives the parent organization full control of the brand and likely returns.

Foreign direct investment (FDI) was initially an entry method that involved a foreign company investing in upgrading or building a company in another company. The definition extended to remember securing and controlling the premium for organizations in another market (Kerner, 2014). With this definition, unfamiliar direct speculations remember different approaches to effective financial planning for unfamiliar business sectors, for example, developing speculations or offices in unfamiliar business sectors (Greenfield ventures), consolidations and acquisitions, and joint endeavors in unfamiliar business sectors. Be that as it may, most unfamiliar direct ventures include huge organizations putting resources into setting up new offices abroad.

1.1.1 Factors Influencing Choice of the Entry Methods

Firms keen on overhauling foreign markets face a tough choice with respect to the decision of a passage mode. The choices accessible to a firm incorporate exporting, licensing, joint venture and sole venture (Hohenthal, Johanson & Johanson, 2014). A few factors that determine the decision of a particular unfamiliar market passage mode have been recognized in past literature. These variables can be grouped into three classes: proprietorship benefits of a firm, area benefits of a market, and assimilation benefits of coordinating exchanges. This study examines the independent and joint influences of these factors on the choice of an entry mode.

The firm size is one of the elements and can be estimated with regards to the quantity of workers or income. It is a significant mark of the accessibility of assets (Ang et al., 2012). Assets decide the method of entry in different ways since they influence the capacity of the organization to commit to extraordinary responsibilities in unfamiliar business sectors (Hollender, Zapkau & Schwens, 2017). Another significant component is worldwide experience. Worldwide experience alludes to the organization's past encounters managing global clients and working in unfamiliar business sectors (Lai, Lin, & Chen, 2017). A firm with more experience is likelier to deal with the determination of the entry mode uniquely in contrast to one focusing on global business sectors interestingly (Li, Vertinski & Li, 2014). They can oversee gambles better and increment the responsibility of assets to the new business sectors.

The idea of items and administrations decides the best entry mode in different ways. For example, for low edges and low expenses, an organization might pick a permitting understanding or a joint endeavor (Ripolles & Blesa, 2017). In like manner, when unfamiliar participant needs to adjust their items to the nearby market, they might be obliged to work with neighborhood organizations (Kim, Ashuri & Han, 2015).

The market size and its true capacity can prompt different contemplations in the decision of entry. The bigger the nation and its market size, and the higher the development, the likelier it is for organization the executives to commit its assets to the turn of events (Lauf & Schwens, 2014). This infers that organizations are probably going to lay out entirely possessed auxiliaries or obtain a current firm with critical open doors for development (Zou & Yu, 2020).

The simplicity of market access can't be disregarded while picking an entry strategy in an unfamiliar market. This assumes a significant part in deciding the best method of entry for explicit business sectors. Custom obligations and exchange hindrances on the importation of unfamiliar merchandise frequently will generally lean toward nearby creations (Ang, Benischke & Doh, 2015). Plus, an inclination for nearby providers and neighborhood items might drive an unfamiliar contestant to think about a legally binding association or a joint endeavor with a nearby firm (Kim, Ashuri, & Han, 2013). The neighborhood firm can help in deals discussion and creating dispersion channels and nearby agreements.

Sociocultural contrasts can make vulnerability for an organization (Chua, Roth & Lemoine, 2015). Chua, Roth, and Lemoine (2015) suggest that in examples where there are huge social contrasts or contrasts in utilization propensities and item inclinations, an organization might be compelled to reevaluate its obligation to assets for transformation purposes (Samiee, 2013). The responsibility of assets might make an interpretation of into getting into a joint dare to get additional understanding into the nearby market from the neighborhood organization.

A few elements impact the decision of unfamiliar entry techniques for global organizations in Kenya, yet this study focused on three inner variables: accessibility of assets, firm size, and the kind of administrations and items. These elements assisted the exploration with social occasion data on how worldwide organizations settle on a decision of entry technique while entering Kenya as an unfamiliar market.

1.1.2 Foreign Market Entry Methods

Companies interested in investing in Kenya ought to develop a proper understanding of the market to achieve success (Kinuthia, 2012). This includes determining the best market entry

methods. A portion of the channels might include cooperating with Kenyan firms to act as neighborhood wholesalers or specialists (Mutambah, 2012) or getting nearby licensees and franchisers. Kazimierczuk et al. (2018) express that considering the most fitting strategy for the association's sector is additionally significant. For example, Mutambah (2012) states that there have been blended outcomes viewing modern interests in Kenya as clever worldwide assembling firms enter the Kenyan market and others move to other provincial business sectors. This is for the most part because of the extreme serious climate made by the homegrown organizations and supplemented by the joining drives in the area (Dimba & Rugimbana, 2013). Dimba & Obonyo (2015) state that the entry strategy into a foreign market by multinational companies is significantly related to the organization's performance. Kenya is one of the main logistical conduits into the EAC Regional Market. Mutambah (2012) suggests various entry methods into the Kenyan market by multinational companies, including joint ventures, exporting, franchising, mergers and acquisitions, and strategic alliances among others. Mutambah (2012) states that sending out is maybe the least demanding and most straightforward method for addressing the necessities of the East African and Kenyan business sectors. The creator contends that this approach insignificantly affects the common tasks of the organization with less dangers contrasted with different other options. An illustration of this is Berium Gathering Ltd, which is a worldwide item exchanging organization that spotlights on backhanded trading.

Joint ventures are also common in Kenya (Ogotu & Samuel, 2012). In 2021, one of the biggest food processing companies in Kenya, Unga Ltd, formed a joint venture with the Dutch multinational Nutreco International. Unga Limited contributed assets to the venture to be managed by Nutreco International. The principal point of the endeavor was to work on the nature of creature sustenance items in the area. Ogotu & Samuel (2012) express that joint endeavors are frequently commonly gainful to the two organizations as they assist them with accomplishing normal targets, including sharing prizes and dangers, joint item advancement, (for example, the Tunga Nourishment in the Unga-Nutreco adventure, adjusting to unofficial laws, and political associations.

In franchising, local business owners pay royalties and fees to the franchiser (foreign company) in return for being identified by the trademark, selling the products and services and using the business system and format. The two primary kinds of diversifying in Kenya are where the franchiser gives the nearby business the whole arrangement of business activity and the item dispersion relationship where the attention is on the item and supply for the neighborhood

business (Cheptegei & Yabs, 2016). For example, Coca-Cola is one of the franchisers in Kenya, offering the franchisees the business framework and the item circulation framework.

Njambi and Kariuki (2018) note that consolidations and acquisitions are picking up speed in the country. This entry technique prompts the making of another element after an unfamiliar firm converges with a neighborhood substance. The ideal effect is the collection of liabilities and resources as well as tax cuts, quick development, economies of scale, and broadening and collaboration.

There are a few unfamiliar market entry techniques accessible to MNCs to acquire entry into the global business sectors nonetheless, for this study, strategic alliances, acquisitions, mergers, joint ventures and franchises were the methods selected. This is on the grounds that the previously mentioned techniques have become famous for organizations searching for information move; venture into new business sectors, gain an upper hand, or get new innovations/ranges of abilities (Njambi & Kariuki, 2018).

1.1.3 Multinational Companies in Nairobi County

More than 70% of multinational corporations (MNCs) are situated in Nairobi, particularly in the Industrial Area, with others located in Upper Hill, Westlands, Parklands, and along Mombasa Road. Nairobi, and Kenya more broadly, appeals to MNCs due to its strategic position in East Africa, along with a rapidly expanding workforce skilled in various sectors, among other factors (Kinuthia, 2012). Kenya is home to around 226 multinational corporations (MNCs). These companies have been present in the country since as early as 1650, with 61% of them being foreign-owned and 39% locally owned (Njambi & Kariuki, 2018). MNCs are represented across nearly all sectors of the economy, with the majority originating from Europe (Kinuthia, 2012).

The main critical areas where both unfamiliar and nearby speculation is compelled are those state companies where the public authority actually partakes in a legal true imposing business model. These are confined predominantly to framework, energy, avionics, fixed-line broadcast communications and ports (Ogotu & Samuel, 2012). Indeed, even in these areas, progressing commercialization and financial change are extending the space for personal business (Kinuthia, 2012). The most famous unfamiliar MNCs in Kenya incorporate refreshment and soda producer CocaCola; Engine Vehicle seller Toyota and versatile administrator Safaricom; Airtel Kenya Ltd, normally known as Airtel, an auxiliary of Airtel Africa (claimed by Bharti Airtel), is the second biggest broadcast communications specialist co-op; and Carrefour, a

French global retail and wholesaling enterprise settled in Massy, France among others (Ogotu & Samuel, 2012).

Laying of the fiber optic links has likewise helped a ton, as it implies quicker and less expensive web that is valuable in correspondence with parent organizations. For similar reasons, a major part of the unfamiliar MNCs are in the administrations area, basically banking, IT, and cordiality among others (Njambi & Kariuki, 2018). Potential open doors flourish for MNC interest in Kenya's agrarian, modern and business areas like cultivation, agro-handling, materials and attire, plastics and drugs, the travel industry, ICT activities and monetary administrations. Mining has additionally shown in the new past to be an appealing venture an amazing open door just like with the mining of titanium in Coast Region and investigation for oil and gold by worldwide organizations (Ogotu & Samuel, 2012).

Over the past decade, numerous multinational companies have sought to enter the African market, with Kenya emerging as a key destination for those aiming to establish a presence in East Africa. The reasons frequently referred to for this are the general strength of its economy (Njambi & Kariuki, 2018), high level framework and a vital geographic area. In any case, MNCs face a mind flight of challenges due to their diverse overall business environment. A look at the presentation of these substances all through ongoing years shows an occasion of explicit difficulties, for instance, cost cutting due to growing practical use, revamping to answer market components and over-evaluation of the size of the nearby common laborers. Beginning around 2014 to date, a piece of the long-serving MNCs in Kenya, for instance, Settle, Cadbury, Eveready, Farewell Manufactured Mixtures, and Coca-Cola have saved in excess of 800 workers in East Africa to achieve their advantage targets (Kinuthia, 2012). Further, the Kenyan market has experienced horrendous exhibitions and exit of the very best performing MNCs like Sameer Social occasion, Shoprite and Unilever among others (Njambi & Kariuki, 2018). It is hence that the study sought to investigate the Kenyan market.

1.2 Statement of The Problem

Multinational corporations (MNCs) play a vital role in host economies by addressing unemployment, enhancing foreign direct investment (FDI), and increasing productivity through the transfer of knowledge and skills to local workers (Sabir & Khan, 2018). In Kenya, MNCs account for a significant portion of economic activity, with approximately 226 MNCs operating in the country—61% of which are foreign-owned and 39% locally owned (Nam,

2022). In 2022, MNCs contributed 13.17% to Kenya's gross domestic product, underscoring the importance of foreign market entry strategies (Central Bank of Kenya [CBK], 2022).

However, despite this apparent significance, Kenya has experienced a consistent decline in horizontal FDI inflows. Between 2019 and 2021, annual FDI dropped from \$1.1 billion to \$448 million, representing a nearly 60% contraction in non-domestic investment over the three-year period (CBK, 2022). Concurrently, the number of foreign investment deals declined from 95 in 2023 to 39 in 2024. This is particularly concerning when contrasted with other East African Community (EAC) member states, which recorded a 35% increase in FDI during the same period (Kenya National Bureau of Statistics [KNBS], 2022). If the drivers of this declining trend in Kenya remain unidentified and unaddressed, the country risks falling further behind in attracting foreign investment, which could have long-term consequences on economic development and competitiveness.

The persistent drop in FDI highlights the existence of critical knowledge and contextual gaps in the understanding of internal factors that influence MNCs' choice of foreign market entry strategies. Previous studies have primarily focused on external and institutional challenges. For instance, Cheptegei and Yabs (2019) conducted a case study on Coca-Cola Ltd. in Kenya, identifying legal constraints, macroeconomic instability, and political insecurity as major barriers to market entry. While useful, the study was limited in scope—concentrating on a single firm and emphasizing external risks, while giving insufficient attention to internal strategic factors such as resource availability, firm size, and product/service characteristics. This presents both methodological and conceptual gaps that require further exploration.

Similarly, Imiru (2022) examined the determinants of market entry strategies by global firms operating in Ethiopia and found firm size to be a significant factor. However, the contextual differences in regulatory frameworks, market dynamics, and economic structures between Ethiopia and Kenya limit the generalizability of those findings. This represents a contextual gap, reinforcing the need for localized research that reflects the unique operating environment of MNCs in Kenya.

Further, Smith et al. (2021) explored how market entry strategies influence the performance of listed multinational firms in Kenya. While their findings confirmed a link between entry strategy and financial performance, the study failed to account for specific internal determinants—such as the nature of products and services, resource availability, and firm size—that could significantly influence entry decisions. This omission creates both a

theoretical and empirical gap in understanding the interplay of internal organizational factors in market entry choice.

This study therefore seeks to bridge these knowledge gaps by examining how internal factors—specifically, the availability of resources, the nature of products and services, and firm size— influence the choice of foreign market entry strategies among MNCs operating in Nairobi City County. By focusing on these often-overlooked internal determinants, this research aims to provide a more holistic and contextually relevant understanding that can inform both corporate strategy and public policy.

1.3 Research Objectives

1.3.1 General objective

To determine the factors influencing the choice of foreign market entry methods for multinational companies in Nairobi City County, Kenya.

1.3.2 Specific objectives

- i. To establish the influence of the availability of resources on the choice of foreign market entry method by multinational companies in Nairobi City County, Kenya.
- ii. To determine how the nature of products and services affects the choice of market entry method by multinational companies in Nairobi City County, Kenya.
- iii. To determine the influence of firm size on the choice of foreign market entry method by multinational companies in Nairobi City County, Kenya.

1.4 Research Questions

- i. What is the influence of the availability of resources on the choice of foreign market entry method by multinational companies in Nairobi City County, Kenya?
- ii. What is the influence of the nature of products and services on the choice of market entry method by multinational companies in Nairobi City County, Kenya?
- iii. What is the influence of firm size on the choice of market entry method by multinational companies in Nairobi City County, Kenya?

1.5 Scope of the Study

This study mainly focused on the choice of entry method into foreign markets with a particular focus on multinational companies in Nairobi City County, Kenya. The study particularly focused on factors influencing investors' choice of Kenya as an investment destination.

This study was a quantitative research whereby semi-structured questionnaires was issued to the chosen research sample population. The study focused on all the 205 foreign-owned MNCs in Nairobi Region, particularly those situated in the focal business area (FBD) for ease of access. The study embraced census approach by which all the 205 MNCs (foreign - as well as locally owned) in Nairobi County were included. The unit of observation was business development officers, regional managers, general managers as well as directors. The information was collected and analyzed over a period of two months, constrained by the limited time available for its presentation.

The Internalization Theory was the fundamental hypothesis of the study. Created in 1976 by Casson and Buckley, the theory makes sense of the development of transnational organizations and the elements that spur them to settle on the decision of entry strategy. The determinants of global speculations recognized in the theory are the evacuation of contest and the upsides of the organizations in a specific movement (Hymer, 1976). The theory makes sense of how global organizations can be coordinated into different economies in an upward direction and on a level plane. It additionally shows the way that organizations can control their interior exercises to take advantage of benefits and amplify activities abroad.

1.6 Significance of the study

This study provides empirical findings on the variables influencing the successful entry of multinational corporations into global markets, with a particular focus on Nairobi City County in Kenya. These findings are expected to benefit various stakeholders within the industry. Primarily, they offer valuable insights to multinational companies on how to effectively leverage local market resources for success, and enhance their understanding of the key factors that influence the choice of foreign market entry strategies in the Kenyan context.

Furthermore, this study offers valuable insights for policymakers in the formulation of new policies and the revision of existing ones aimed at enhancing and promoting foreign investment in Kenya. The findings will inform the development of market entry strategies that promote and encourage foreign direct investment, thereby fostering economic growth and sustainability.

Thirdly, the discoveries are gainful to organization proprietors and administrators by giving significant data on the variables impacting the decision of entry technique by global organizations in Kenya thus adjusting their everyday exercises in accordance with the organization's objectives and targets towards accomplishing manageability.

In conclusion, the findings in this study are valuable to researchers, as they serve as a source of reference for future research aimed at enhancing knowledge on the variables influencing the decision-making process regarding entry strategies by multinational organizations into new or less familiar international markets.

1.7 Chapter Summary

This chapter has outlined the background of the proposal, problem statement and the reason of the study. The main aim of this research was to determine the factors influencing the choice of foreign market entry methods for multinational companies in Nairobi City County, Kenya. The chapter has discussed the three (availability of resources; nature of products and services; and firm size) through which the main objectives were achieved. The chapter has also presented the significance and scope of the study, the assumptions, and limitations. The following chapter presents the literature review.



CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

A review of the literature on factors influencing the choice of foreign market entry methods by multinational companies in Kenya is presented in this chapter. The literature covers theoretical review, empirical review, research gap, and the conceptual framework of the various vital variables.

2.2. Theoretical Framework

This part discusses the theories of which the study was anchored on the Internalization Theory and supported by the Eclectic Theory.

2.2.1. Internalization Theory

The Internalization Theory, developed by Rugman in 1981, is based on economic principles and is therefore efficiency-driven (Casson, 2000). Internalization Theory suggests that firms choose specific foreign market entry methods, like foreign direct investment (FDI), to internalize the transactions and reduce transaction costs associated with market imperfections or external dependencies (Buckley & Casson, 2017). One assumption of the theory is that internalization leads to larger, more global enterprises, as knowledge is considered a public good. The development of new technologies is concentrated within the firm, and the knowledge is then transferred to other departments (Narula et al., 2019). Additionally, the theory assumes that products are launched, and production facilities are established sequentially in industrialized, newly industrialized, and finally, in non-industrialized countries (Buckley & Casson, 2017).

Verbeke and Kano (2015) argue that the Internalization Theory often assumes that firms make decisions about foreign market entry rationally, based solely on minimizing transaction costs. In reality, decision-making processes may be influenced by factors beyond economic efficiency, such as political considerations, social factors, and managerial preferences. Aharoni (2015) suggests that the Internalization Theory primarily focuses on the choice between different modes of foreign market entry but neglects other important aspects of international business, such as strategic alliances, networking, and global supply chains. This limited scope may overlook significant elements in the international business environment.

According to Buckley and Casson (2017), the Internalization Theory largely disregards the impact of external environmental factors, such as legal and regulatory frameworks, cultural differences, and economic conditions, on firms' decisions regarding foreign market entry.

Critics argue that these factors play a crucial role in shaping firms' internationalization strategies and should be given greater consideration. Verbeke and Kano (2015) contend that the Internalization Theory adopts a static view of the firm, assuming that once an entry mode is chosen, it remains unchanged over time. In practice, however, firms may need to adjust their entry strategies in response to changes in the external environment, technological advancements, or shifts in competitive dynamics.

The Internalization Theory places significant emphasis on issues of ownership and control, often assuming that firms prefer to internalize activities to maintain control over their operations (Aharoni, 2015). Aharoni (2015) argues that this focus may overlook the benefits of collaboration and shared control with partners through joint ventures or strategic alliances.

Despite these criticisms, the Internalization Theory remains an important framework for understanding firms' decisions regarding foreign market entry and continues to inform research and practice in global business strategy. However, addressing these criticisms could help refine the theory and make it more relevant to the complexities of the contemporary global business environment. In this study, the Internalization Theory was employed to explain the predictor variables of resource availability, the nature of products, and firm size.

2.2.2. Eclectic Theory

The Eclectic Theory, also known as the OLI framework (Ownership, Location, Internalization), was developed by John Dunning to explain the international production behavior of firms (Munjal & Pereira, 2015). The Eclectic Paradigm, or OLI framework, is a prominent theory in international business that explains why firms choose to enter foreign markets in specific ways. It suggests that the decision of how to enter a foreign market (entry mode) depends on three factors: ownership, location, and internalization (Aharoni, 2015).

A fundamental assumption of the Eclectic Theory is that firms possess unique ownership advantages—such as proprietary technology, brand reputation, or managerial expertise—that enable them to compete effectively in foreign markets (Gaur, Mama, & Ge, 2019). Additionally, the theory posits that countries offer distinct locational advantages—such as access to natural resources, skilled labor, infrastructure, or market size—that influence firms' decisions regarding the geographical location of their international operations (Teece, 2014).

According to Teece (2014), companies choose to internalize their international operations when the advantages, such as safeguarding proprietary information or minimizing transaction costs, exceed the costs involved in doing so. However, critics have raised concerns regarding

the clarity and applicability of the OLI framework. For instance, Mudambi and Navarra (2004) argue that the definitions of ownership, location, and internalization advantages within the Eclectic Paradigm can be vague and open to interpretation, thus making the framework difficult to apply consistently across various contexts.

Agarwal and Ramaswami (1992) further contend that the Eclectic Theory lacks predictive power, as it does not provide explicit guidance on which specific factors most significantly influence firms' internationalization decisions in practice. The framework's broad and flexible nature may hinder its ability to generate precise predictions regarding firm behavior. Cantwell (2015) notes that operationalizing the OLI framework and empirically testing its propositions remains a challenge due to the complexity involved in measuring and comparing ownership, location, and internalization advantages across diverse firms and industries.

Similar to the internalization theory, the Eclectic Paradigm often assumes that firms make rational decisions regarding international expansion based on a careful evaluation of costs and benefits (Cantwell, 2015). However, Munjal et al. (2022) caution that this assumption may oversimplify the decision-making process by overlooking factors such as bounded rationality and managerial biases.

Moreover, the Eclectic Theory may inadequately account for dynamic variables such as technological change, shifts in consumer preferences, or evolving government policies, all of which can significantly influence a firm's internationalization strategy over time. Benito, Petersen, and Welch (2019) argue that the Eclectic Theory may not fully capture the complexity of international production in emerging markets, where institutional voids, political risks, and regulatory uncertainties create unique challenges for multinational firms.

Despite these criticisms, the Eclectic Theory remains highly influential in shaping both academic research and managerial practice in the field of international business strategy. It provides a valuable framework for understanding the motivations behind firms' decisions to engage in foreign production. Addressing its limitations may further refine the theory and enhance its applicability to a broader range of contexts. In this study, the Eclectic Theory was employed to support the analysis of foreign market entry strategies adopted by multinational corporations.

2.3. Empirical Literature

Empirical researchers aiming to gain a deeper understanding of entry decisions among multinational corporations (MNCs) typically begin by analyzing available data on investment

flows or affiliate activities. From there, they examine which expansion and entry motives align most closely with the identified data (Imiru, 2022). Once the enterprise has identified the target market and assessed the opportunity, it is often determined that establishing local operations is preferable to relying on trade connections. Following this, the firm selects the most appropriate entry mode and makes the necessary capital investment to establish the subsidiary (Chan & Du, 2022). It is important to note that as long as the parent company owns at least a portion of the foreign entity, it is considered foreign direct investment in national statistics. However, before fully committing to the capital investment, several internal factors are carefully considered in the selection of the optimal entry mode.

2.3.1. Availability of Resources and Choice of Foreign Market Entry Method

Concept of resource availability: the concept of resource availability refers to the time, capacity, and accessibility of the resources (people, equipment, materials, etc.) needed to complete a project or task. It's about understanding what resources are available, when they are available, and how much work they can handle (Tulung, 2017). A company's choice of foreign market entry method is heavily influenced by its available resources and the specific needs of the target market. Firms with abundant resources, like capital or unique technologies, may opt for more risky but potentially higher-reward entry strategies like foreign direct investment or strategic alliances. Conversely, companies with limited resources might prefer less risky, cost-effective options like exporting or licensing (Xie & Li, 2017).

A case study by Polesello, Amal and Hoeltgebaum (2019) focused on Brazilian multinationals and examined the determinants of international entry mode choice. The study applied a qualitative approach and found that resources are crucial in MNC's investment mode choice. As indicated by the discoveries, in the event that the local organization has significant resources, it might draw in obtaining speculation. The review contended that a local organization could give portion of the overall industry, brand name, promoting and circulation organizations, as well as mechanical resources. The review inferred that organizations venture into unfamiliar business sectors by joining three sorts of assets: assets of the nearby firm, assets of the financial backer and assets accessible available. They consolidate these assets to acquire an upper hand (Polesello, Amal & Hoeltgebaum, 2019). In any case, Polesello et al., (2019) noticed that uniting assets held by various organizations brings about high exchange costs, due to looking for targets, arranging and checking. The review prescribed organizations to examine asset assignment and the exchange costs emerging from entry mode decision.

In their empirical research, Xie and Li (2017) explored how resource availability and industry characteristics influence the spillover benefits from foreign direct investment in China. The findings revealed that firms with greater resources are more inclined to choose high-control entry strategies. Additionally, the study concluded that smaller firms, due to their limited resources, tend to be less willing to engage in high-risk commitments in foreign markets. Wandering into worldwide business areas needs critical obligation regarding financial and human resources and thusly choice of entry mode depends on the money related strength of a firm. It very well may be seen that Chinese firms with incredible money related strength have entered worldwide business areas by means of altogether guaranteed assistants or worth help (Xie & Li, 2017). An association particularly introduced to the components of the overall advancing environment would be quiet while making a decision concerning going into worldwide business areas with an incredibly raised strategy for entry like Joint undertakings and totally guaranteed helpers (Xie & Li, 2017).

Agarwal and Ramaswami (2012) did a meta-analysis to determine the effect of the availability of resources on the choice of foreign market entry method. The study focused on 25 MNCs in Johannesburg, South Africa and found that most entry modes assumed by firms seeking to venture into foreign markets involve resource commitments at varying levels. Agarwal and Ramaswami (2012) noticed that most firms apply Dunning's methodology while looking for unfamiliar business sectors. This suggests that they frequently think about the proprietorship, area, and assimilation benefits. To rival the nearby firms in their own business sectors, organizations frequently need to have unrivaled abilities and resources that can give them financial rents that are sufficiently high to counter the significant expense of adjusting the new business sectors. The review presumed that the asset force of the organization is many times reflected in the size and global experience. It is additionally found in the abilities and the organization's capacity to separate and foster items (Tulung, 2017). Tulung (2017) recommends that the capacity to separate items can prompt misfortunes of long-haul incomes assuming it imparts this creative information to the organizations in the host country. Surdu, Melahi, and Glaister (2018) affirm that this hazard is especially high in global exchanges since between hierarchical foundations might be inadequately evolved or change every now and again. The framework may likewise be feeble across public limits (Tulung, 2017).

A cross-sectional study by Tulung (2017) sought to examine international market entry and expansion via independent or integrated channels of distribution. Using explanatory research design, the study targeted 36 MNCs in Singapore and found that although some multinational

companies may choose sole ventures, joint ventures are often preferred as a large company may be less concerned with the potential of exploitation by the host nation than small companies. In a joint endeavor entry mode, the participant benefits from the neighborhood organization's assets like administrative abilities and organization inside the nearby market. This permits them to zero in on delivering items that would be reasonable for the market. Nonetheless, this game plan accompanies a few intricacies that are for the most part achieved by the clear need to adjust to the guideline of the unfamiliar market as well as the extended course of arriving at pleasing agreements with the neighborhood organization about sharing stakes (Xie & Li, 2017). Neighborhood guidelines are frequently made to guarantee that the nearby organizations and neighborhood economy benefit from the consolidation as the unfamiliar organization would utilize the host nation's assets.

Cooke (2018) studied the modes of foreign entry: A transaction cost analysis and propositions. The study sought to ascertain the impact of financial resources on foreign entry methods by MNCs in Tanzania. The discoveries showed that the contestant's assets may likewise decide the decision of entry. For example, the procurement procedure is basically reliant upon the capacity of the organization to gain a nearby organization. The procedure is frequently saved for huge organizations with sufficient and suitable assets to deal with the securing. Assets additionally incorporate the organization's global experience (Ko, 2019; & Imiru, 2022). This alludes to the encounters from past endeavors in unfamiliar business sectors and managing global clients. Global experience alludes to the experience of the actual chiefs, the group, or the administrators. An accomplished group is likelier to deal with the choice of entry mode more uniquely in contrast to one focusing on global business sectors interestingly (Ko, 2019). This experience gives the organization more influence while overseeing gambles and expanding its obligation to assets in the new business sectors.

Parakkal (2022) using exploratory research design, examined the choice of foreign market entry mode by MNCs. The study sought to assess the impact of the availability of resources on the choice of foreign market entry method by MNCs in India. The investigation discovered that assets are vital in MNC's speculation mode decision. As demonstrated by the audit, in case the close by association has significant assets it could attract getting adventure. A close by association could give a slice of the pie, brand name, displaying and transport associations, as well as mechanical assets. As such, firms will regularly buy a new organization's worth through acquisition or Brownfield rather than Greenfield to acquire the comparing assets expected in new business areas and hinder extra trade costs. A brownfield hypothesis happens when an

association purchases or leases existing creation workplaces to ship off one more creation development while a Greenfield adventure is a kind of new direct endeavor where a parent association starts one more undertaking in a distant nation by growing new utilitarian workplaces all along (Parakkal, 2022). The survey assumed that associations needing to place assets into change/emerging economies, which see reciprocal assets of neighboring firms as crucial for their new action should contemplate a brownfield hypothesis. According to the audit, Resources Available on the Local business sectors give assets expected to Greenfield adventures, for instance, land, grants to work, close by gifted workers, and supply of midway product. In arising and change economies, in any case, where the accessibility of those assets can't be guaranteed, MNCs would be bound to grow through acquisitions and brownfields as opposed to greenfield ventures.

2.3.2. Nature of Products/Services and Choice of Foreign Market Entry Method

Concept of Nature of Products/Services: the concept of the "Nature of Products/Services" essentially defines whether a product is tangible or intangible. Products are typically tangible goods that can be physically owned and stored, while services are intangible, delivered experiences that are not owned but rather accessed (Bonciu & Balgar, 2016). The company's products and services are important considerations when making the choice of entry mode. For example, Schuster and Holtbrugge (2012) state that when it comes to low-margin and low-cost products, a company is likely to move its production to the target market through licensing agreements or through foreign direct investments in the form of acquisitions, joint ventures, or establishment of a local production subsidiary. This is additionally material when there is an evident need to adjust the items to the nearby business sectors, which might push the unfamiliar contestant to work with neighborhood organizations (Schuster & Holtbrugge, 2012). On account of a creative item, the unfamiliar firm might place a ton of significant worth in holding full control of its entrance into the unfamiliar business sectors. This suggests that they are less inclined to go for joint endeavors and permitting as their decision of entry mode.

A comparative study by Awuah, Andersson, Amal and Raboch (2020) sought to do an intra-sector comparison among firms from developing and developed countries: a comparative of Rwanda and Singapore. The analysis of quantitative data revealed that a firm's capacity to compete in both domestic and international markets is influenced, but not solely determined, by the nature of its products or services. The findings emphasize the critical importance of actual product and market differentiation, as well as the effectiveness of the company's customer engagement relative to competing offerings. The review reasoned that when a few

contenders practice undifferentiated promoting, the outcome is extraordinary rivalry in the biggest market or market entry and under-fulfillment of the more modest ones. Further, it was noticed that all providers have indistinguishable items with comparative quality and actual characteristics. The review contended that the act of accepting item homogeneity isn't probably going to be made among those acquainted with advertising. As a rule, items are supplied with mental traits and in that capacity, brand-name items are frequently advanced as having extra worth in light of mental subtlety.

A quantitative study by Marini Thome, Joslin Medeiros, and Hearn (2017) which sought to establish the effect of products/services on the choice of foreign market entry method in Uganda underscores the connection between the process of establishment and the nature of products and services. As per the review, the association is obvious because of the assets expected in the foundation as well as the improvement of the items and additionally benefits. The course of foundation starts with a careful and hearty survey of the calculated, monetary and the executives' capacities to figure out where the organization might fit abroad. These are the angles that highlight the development of the MNC. In this viewpoint, development alludes to the most common way of working on a portion of the proportions of the progress of the organization. It is likewise about the expanded accomplishment in the top line or the income concerning administration pay and item deals. Bonciu and Balgar (2016) characterize development as the capacity to expand the primary concern or productivity of the activities by limiting expenses.

Vendrell-Herrero et al. (2018) did qualitative research on factors affecting foreign entry methods: A case of foreign-owned MNCs in Kigali, Rwanda. Using thematic analysis, the findings emphasize the importance of studying the relevance of international contexts in discovering any disruptive innovations in multinational enterprises and any structural antecedents that seem to affect innovation in any sector. For some multinationals, this still up in the air by the capacity to situate itself seriously inside a specific economy or market (Gaur, Mamab & He, 2019). It is frequently prudent to run in-house surveys of the situations to consider in the event that the unfamiliar organizations appear to be legit inside the economy, particularly with respect to the idea of its items and administrations.

Kuo (2012) examined the impact of market-related factors on the choice of foreign market entry mode by service firms in India. The review applied a cross-sectional examination plan on 100 service firms in Mumbai. According to the dominating disclosures, MNCs face higher hardships when they need to adjust to extra impediments like interaction/administrations

rivalry, higher trade costs; serious strain during the time spent on internationalization and cycles, or approach, and less resources. The survey assumed that paying little heed to such difficulties, MNCs have a couple of characteristics that potentiate and deal with their internationalization processes, similar to high adaptability, creative mind, improvements, affirmation of possibilities, centralization in specialty markets, and an overall vision.

Imiru (2022) conducted an empirical study on determinants of multinational companies' choice of market-entry mode for operating in Ethiopia. In particular, the review did an appraisal of elements that impact the entry mode selection of organizations utilizing quantitative information. The investigation discovered that an organization's items/administrations are emphatically and genuinely critical on the decision of unfamiliar market entry technique for global organizations. Be that as it may, the review presents a logical gap in light of the fact that the business strategies/guidelines in Ethiopia are not quite the same as Kenya and hence the discoveries can't be completely used to help this review.

2.3.3. Firm Size and Choice of Foreign Market Entry Method

Concept of firm size: the concept of firm size, in a general sense, refers to the size of a business, typically measured by its market share, asset size, or the number of employees it has (Cuervo-Cazurra, 2018). It's a way to understand a firm's position in the market relative to its competitors. Specifically, firm size can be used to understand how a firm's market position, financial performance, and operational efficiency relate to its size (Hennart & Park, 2019).

Dinu (2018) did a meta-analysis to evaluate the impact of firm size on the choice of foreign market entry method with a specific focus on the Coca-Cola Bottlers Company in Nigeria. Using descriptive statistics, the study found a positive significant relationship between firm size and choice of foreign market entry method for MNCs. The discoveries showed that the size of the association is a significant component that decides the decision of entry mode. Similarly, its suggestion as a consider the decision of entry technique has started a few assessments before, prompting clashing outcomes. Different examinations, for example, Ang et al. (2015), Pattnaik and Lee (2014), and Kuo et al. (2012) support the presumption that the bigger the association, the more productive and likelier it is to embrace high value entry techniques. Then again, Teixeira and Grande (2012) suggest that the size of the partnership isn't huge as an indicator whenever considered as a free factor. Xie and Li (2017) additionally affirm that it ought not be analyzed singularly in that frame of mind on entry mode. Lin and Ho (2019) propose that the size of the firm ought to be viewed as in the job it plays in the

presentation of the organization. As per Lin and Ho (2019) size assumes a basic part in the entry mode as it declares the capacities and assets to assimilate an unfamiliar market all the more successfully and proficiently. Hirdinis (2019) states that the firm size is straightforwardly connected with worldwide business experience.

Further, a random sampling study by Cuervo-Cazurra (2018) examined the internationalization of developing countries' MNEs: the case of Multilatinas. Multilatinas refer to companies that conduct business across several Latin American countries but have limited or no substantial operations beyond the region (Cuervo-Cazurra, 2018). The discoveries featured the significance of home nation firm size as a significant wellspring of upper hand. As per the review, associations with a headquarters in huge, requesting, and complex business sectors are frequently imaginative and serious. Likewise, an enormous homegrown market helps its organizations in worldwide business to be generally bigger than their rivals from different nations concerning monetary assets, innovation, the executives' abilities, creation limit, and promoting mastery. Cuervo-Cazurra (2018) presumed that organizations beginning from industrialized nations with enormous business sectors are bound to lean toward unfamiliar direct speculation than firms from little market nations.

Nevertheless, experimental exploration by Hennart and Park (2019) concentrated on the decision of foreign foundation mode by Japanese firms and found that organization size doesn't influence the decision of foreign entry mode. Through content analysis, the study observed that this finding contrasts with internationalization theories, which suggest that the size of a company reflects its access to resources (Awuah, Andersson, Amal & Raboch, 2020). The bigger the organization is, the better assets it has for unfamiliar contribution.

Descriptive research by Riender, Quer, and Claver (2012) sought to assess the effect of firm size on the choice of foreign market entry mode. The study population was the retail market stores a case study of Walmart Retail Corporation in South Africa. The discoveries showed that MNCs need resource ability to take part in development across borders and contend effectively with the host country organizations. Assets are expected to ingest the high promoting costs, uphold licenses and agreements, and accomplish economies of scale (Kuo et al. 2012). The firm size mirrors its capacity to retain this multitude of expenses (Kuo et al., 2012). Experimental proof shows that there is a positive effect of the size of the firm on unfamiliar direct speculation (Luo & Bu, 2018). This implies that the size of the firm is decidedly connected with the association's penchant to enter the unfamiliar market as a rule and especially picking the entry technique for joint endeavors. Firm size, whether estimated as

the quantity of workers or income is a significant mark of the accessibility of assets in an organization (Maekelburger, Schwens & Kabst, 2012). Lin and Ho (2019) express that on many occasions, little MNCs are likelier to pick trade methods of entry to try not to make weighty asset responsibilities in spite of their craving to have undeniable level command over the worldwide activities of the organization.

Dinu (2018) directed random sampling research to survey the variables influencing the choice of worldwide market entry mode. The review looked to decide the impact of firm size on the determination of global market entry mode by MNCs in Nigeria. An engaging exploration design was applied by which quantitative data was accumulated using a semi-coordinated survey. The examination found that maybe the primary part that influences the choice of entry mode is the firm size of the MNC. The survey maintains the trade cost speculation which predicts high control modes in extra engaging business areas since greater firms can get the upsides of economies of scale and potential expected results are of a higher worth.

2.4 Summary of Literature and Research Gaps

The chapter discussed literature relevant to the study, with a specific focus on internalization theory and eclectic theory. Although these theories will be used to explain and support all indicator factors of internal factors that influence the decision of foreign market entry, they are not without limitations. For example, internalization theory assumes that the primary barriers to market entry are reduced through consistent navigation. Furthermore, the theory does not account for how firms adapt to changing conditions. Regarding foreign market entry, there is broad consensus in the reviewed literature that the availability of resources, the nature of products, and firm size influence foreign direct investment as a choice for foreign market entry strategies among multinational corporations. Nonetheless, studies focused on the availability of resources, such as Xie and Li (2017), Ogare (2019), Agarwal and Ramaswami (2012), and Erel and Imiru (2022), placed more emphasis on skills, innovation, and experience, with particular attention to net working capital. Additionally, existing empirical studies on the nature of products and services are limited. Those available, such as Marini Thome, Joslin Medeiros, and Hearn (2017), and Vendrell-Herrero et al. (2018), took a narrow approach, focusing primarily on innovative products. There is also a general consensus in the literature that the impact of firm size on foreign market entry is more significant for smaller firms compared to multinational corporations (Ang et al., 2015; Pattnaik and Lee, 2014; Kuo et al., 2012). Finally, most of the studies reviewed were conducted outside of Kenya, revealing a clear research gap since the business environment and regulatory frameworks differ from those in Kenya,

meaning the findings may not be fully applicable in a Kenyan context. To address these gaps, the current study aims to identify internal factors influencing the choice of foreign market entry strategies by multinational companies in Kenya, focusing on three variables: availability of resources, nature of products, and firm size. The research gaps are summarized in Table 2.1.

Table 2.1: Summary of Research Gaps

Author	Title	Gap	The focus of the current study
Agarwal and Ramaswami (2012)	Decision of Unfamiliar Market Entry Mode: Effect of Proprietorship, Area and Assimilation Factors.	The survey presents a conceptual gap as it is essentially revolved around possession and location.	This study zeroed in on the accessibility of assets, the idea of items and firm size.
Xie and Li (2017)	Determinants of developing business sector global ventures (EMNEs) entry mode choice with natural unpredictability issues: a survey and examination agenda.	The audit presents a methodological gap as the center was 44 chosen diary articles from 1996 to June 2021 on the ecological instability determinants of EMNEs' entrance mode decision. This could have introduced testing predisposition.	Determinants of developing business sector global ventures (EMNEs) entry mode choice with natural unpredictability issues: a survey and examination agenda.
Schuster and Holtbrügge (2012)	Market entry of global organizations in business sectors at the lower part of the pyramid: A learning perspective.	The survey presents a conceptual gap as the concentrate essentially revolved around business sectors at the lower part of the pyramid.	Market entry of global organizations in business sectors at the lower part of the pyramid: A learning perspective.
Thome, Medeiros, and Hearn (2017)	Institutional distance and the presentation of unfamiliar auxiliaries in the Brazilian host market.	The survey presents a contextual gap as the focal point of the review was Brazil which has an alternate business climate from Kenya and hence the disclosures may not totally hold in a Kenyan setting.	The focal point of this study was the Kenyan setting, Nairobi County explicitly.

Vendrell-Herrero et al. (2018)	Worldwide servitization of SMEs in developing business sectors: predecessors and limit conditions.	The survey presented a conceptual gap as the center was SMEs area alone.	Worldwide servitization of SMEs in developing business sectors: predecessors and limit conditions.
Gaur, Ma, & He, (2019).	Unfamiliar market reemergence: A survey and future examination directions.	The survey presents a methodological gap as the center was 45 important articles in worldwide business and related disciplines somewhere in the range of 1996 and 2020. This could have introduced examining bias.	The study drew the example size from all the 205 MNCs in Kenya.
Ang et al. (2015)	The Who, Where, What, How and When of Market Entry.	The survey presents methodological as well as contextual gaps as the center was 211 SMEs working in the Unified Bedouin Emirates (UAE). This could have introduced examining bias.	The study drew the sample size from all the 205 MNCs in Kenya.
Riender, Quer, and Claver (2012)	The Internationalization Cycle in Family Firms: Decision of Market Entry Strategies	The survey presents a contextual gap as the focal point of the review was Spain which has different business rules from Kenya and in this manner the revelations may not totally hold in a Kenyan setting.	This study was directed in Kenya.

Source (Researcher, 2023)

2.5. Conceptual Framework

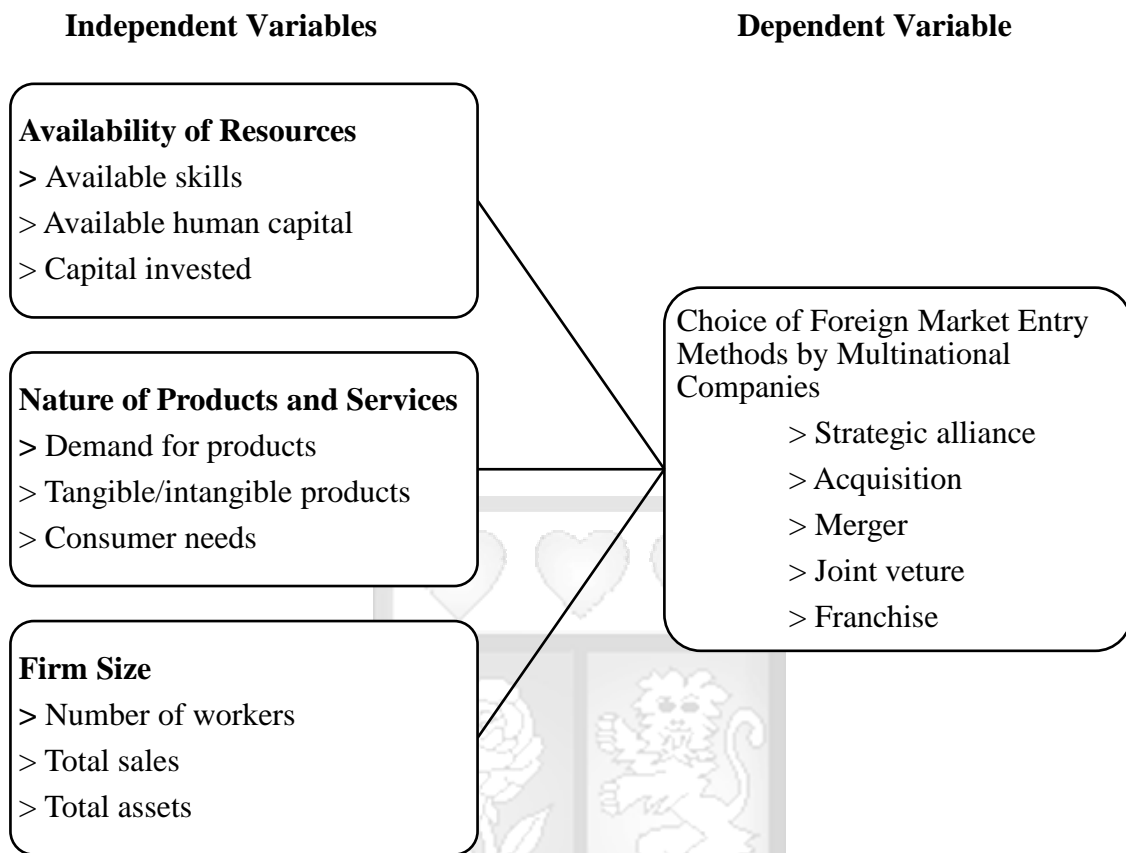


Figure 1.1: Conceptual Framework

Source: Author (2023)

Figure 1.1 depicts the conceptual framework used in this study, which is based on a relational model. Choice of Foreign Market Entry Methods by Multinational Companies (dependent variable) is influenced by the three factors: availability of resources, nature of products/services and firm size. The indicators of each aspect/factor was compared to the Choice of Foreign Market Entry Methods indicators depicted in the diagram. The key indicators for the choice of entry methods were: strategic alliance, acquisition, merger, joint venture as well as franchise.

Firms with greater resources are more inclined to choose high-control entry strategies. Smaller firms, due to their limited resources, tend to be less willing to engage in high-risk commitments in foreign markets (Xie & Li, 2017). The availability of resources was measured through the following indicators: available skills, available human capital as well as capital invested among other factors.

The company's products and services are important considerations when making the choice of entry mode. For example, Schuster and Holtbrugge (2012) state that when it comes to low-margin and low-cost products, a company is likely to move its production to the target market through licensing agreements or through foreign direct investments in the form of acquisitions, joint ventures, or establishment of a local production subsidiary. The main indicators for nature of products/services used for the study include but not limited to; demand for products, tangible/intangible products and consumer needs among others.

Size of the firm ought to be viewed as in the job it plays in the presentation of the organization. Firm size assumes a basic part in the entry mode as it declares the capacities and assets to assimilate an unfamiliar market all the more successfully and proficiently. Hirdinis (2019) states that the firm size is straightforwardly connected with worldwide business experience. For this study, firm size was determined through three indicators: number of workers, total sales and total assets.

2.6 Study Operationalization

This part defines the independent variables as well as the dependent variable into measurable indicators in a way that permits their accurate measurement.

Table 2.2 below presents the variables:

Table 2.2: Operationalization of Variables

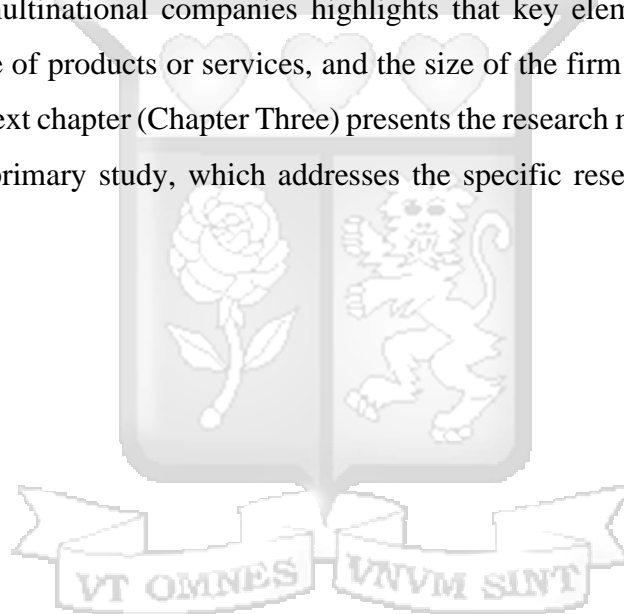
Variables	Indicators/Definition	Measurement	Supporting Literature
Dependent Variables			
Choice of Foreign Market Entry Methods by Multinational Companies	<ul style="list-style-type: none"> • Strategic Alliance • Acquisition • Merger • Joint Venture • Franchise 	Nominal Scale	(Polesello, Amal & Hoeltgebaum, 2019).
Independent Variables			
Availability of Resources	<ul style="list-style-type: none"> • Capital available to invest in the target market • Available skills and information • Available human capital and assets to be invested in the new market • Time 	Likert Scale	(Awuah, Andersson, Amal & Raboch, 2020).

Nature of Products and Services	<ul style="list-style-type: none"> • Tangible or intangible products • Consumer needs • Demand for products in the target market 	Likert Scale	(Hennart & Park, 2019).
Firm Size	<ul style="list-style-type: none"> • Number of employees • Total assets • Market value • Total sales 	Likert Scale	(Cuervo-Cazurra, 2018).

Source: Researcher (2023)

2.7 Chapter Summary

To summarize, the literature reviewed on the factors affecting the selection of foreign market entry strategies for multinational companies highlights that key elements such as resource availability, the nature of products or services, and the size of the firm significantly influence these decisions. The next chapter (Chapter Three) presents the research methods and techniques used to conduct the primary study, which addresses the specific research objectives of this investigation.



CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the data collection and analysis procedures the researcher used to determine factors influencing the choice of foreign market entry methods for multinational companies in Nairobi City County, Kenya. The following subtopics are covered in the chapter: research design, population, sample methodologies and components, data collection and analysis that were utilized to address the study's research objectives; and lastly the ethical considerations.

3.2 Research Philosophy

Research philosophy refers to the underlying perspective a researcher adopts when approaching a research problem (Tsoukas & Vladimirou, 2001). The two main perspectives commonly discussed are positivism and interpretivism. The positivist viewpoint holds that reality exists independently and can be objectively observed and measured through structured methods that limit bias (Tsoukas & Vladimirou, 2001). In contrast, the interpretivist perspective acknowledges the existence of reality but emphasizes that it is understood differently by individuals, shaped by their experiences, prior knowledge, and expectations (Afsar & Badir, 2017). This study adopted a positivist stance, which emphasizes the use of quantifiable evidence to draw conclusions. From this viewpoint, knowledge is considered valid only if it can be measured and tested empirically (Afsar & Badir, 2017). For this reason, the role of positivist philosophy was to enable the study gather quantitative data to examine the factors influencing the choice of foreign market entry methods by multinational companies in Nairobi City County, Kenya.

3.3 Research Design

The research design for the study was descriptive cross-sectional survey design. Cross-sectional studies are observational in nature and are known as descriptive research (Afsar & Badir, 2017). The main reason for this design is because descriptive cross-sectional survey design can provide a “snapshot” of the frequency and characteristics of population at a particular point in time (Tsoukas & Vladimirou, 2001). This design was important to the study as it help record the information that is present in the target population, without manipulating the variables (Cooper & Schindler, 2015). This plan was also proper since it aided in limiting examination inclination and expanding the unwavering quality of the information gathered. In light of this, the study utilized descriptive cross-sectional survey design to make sense of and

outline what the availability of resources, nature of products and firm size has meant for the choice of foreign market entry methods for multinational companies in Nairobi City County, Kenya.

3.4 Population of the study

3.4.1 Population

According to Kumekpor (2013), a study population consists of individuals with various characteristics and factors that the research aims to examine and analyze. More specifically, a population refers to the entire set of units that make up a phenomenon or issue to be studied, for which all relevant observations are considered equivalent. For this study, the target population consisted of the 205 foreign-owned multinational corporations (MNCs) in Nairobi City County, with a total staff population of 37,300 (Kenya National Bureau of Statistics, KNBS, 2022). The focus was the 21 MNCs located in the central business district (CBD) and immediate outskirts of the city for ease of access. The unit of analysis was determined based on the following sectors: financial, telecommunication, manufacturing, service, and retail industries. These sectors were chosen because they represent key areas where multinational companies are highly active in Kenya, and their foreign market entry strategies are critical to understanding the broader economic landscape. Additionally, these sectors have distinct characteristics and challenges that make them relevant for examining the factors influencing foreign market entry strategies.

Table 3.1: Target Population

Unit of Analysis	Staff Population
Financial industry	4,200
Manufacturing industry	3,100
Services industry	12,100
Telecommunications	12,000
Retail industry	5,900
Total	37,300

3.4.2 Sample Size and Sample Design

3.4.2.1 Sampling Frame

This section outlines the process used to select subjects for observation. The sampling frame refers to a list or source from which a sample is drawn. Cooper and Schindler (2015) describe a sampling frame as a structured list of all the elements or units that make up the population from which a sample is selected, emphasizing its direct connection to the target population. In

this study, the sampling frame included business development officers, regional managers, general managers, and directors.

3.4.2.2 Sampling Design

A sampling design refers to the approach or methodology a researcher uses to select the items for the sample (Battaglia et al., 2016). In this study, the research sample was selected using stratified random sampling. According to Battaglia et al. (2016), stratified random sampling is a statistical technique that involves dividing a population into distinct layers or strata based on specific shared characteristics.

This study focused on both foreign-owned and locally-owned multinational corporations (MNCs) operating in Nairobi City County. The population was therefore stratified into four categories: financial, manufacturing, service, and retail sectors. To ensure proportional representation from each strata, respondents were further categorized based on their job roles, which included business development officers, regional managers, general managers, and directors.

3.4.2.3 Sample Size

To enhance accessibility and ensure comprehensive coverage, the sample was drawn from multinational corporations (MNCs) operating within Nairobi City County. In order to minimize sampling bias and achieve a more accurate representation, the study employed a census approach, incorporating all 205 MNCs—both foreign-owned and locally owned—located within the County.

The unit of observation was the business development officers, regional managers, general managers as well as directors. According to Mugenda & Mugenda (2003), a sample size of at least 10% to 30% of the target population would provide a good representation. Based on this proposition, this study used the Yamane formula to determine a sample size of 158 respondents across the 205 MNCs operating in Nairobi City County.

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

Where.

n = sample size

N = Population

α = margin of error

$$n = \frac{37300}{1+37300(0.05)^2} = 395.75$$

$$n = 396 \times 40\%$$

$$n = 158.4$$

Judgmental sampling was applied to arrive at the following (see Table 3.2 below) sample from each respective industry:

Table 3.2: Sample Size

Unit of Observation	Population	Sample size
Financial industry	4,200	8
Manufacturing industry	3,100	22
Services industry	12,100	94
Telecommunications	12,000	13
Retail industry	5,900	19
Totals	37300	158

3.5 Data Collection Method

The primary data research tool for this study was a structured questionnaire. To gather quantitative data, closed-ended questions made up the questionnaire. The questionnaire was broken up into components that address fundamental data and demographics as well as an assessment of factors influencing the choice of foreign market entry methods by multinational companies in Nairobi City County, Kenya. To examine the variables aligned with the study's objectives, an interval scale based on a five-point Likert format was used, where participants indicated their level of agreement with various statements—ranging from 1 (strongly disagree) to 5 (strongly agree). Using the companies' yellow pages as well as contact persons, the researcher located the respondents and gathered their email addresses and contacts. The study used google forms to collect data from respondents because all participants were in a position to access internet. Google Forms is a survey administration software included as part of the free, web-based Google Docs Editors suite offered by Google (McDaniel et al., 2012).

3.6 Data Analysis

For ease of analysis, the raw data collected from the field was systematically coded in alignment with each of the study's research variables. The Statistical Package for the Social Sciences (SPSS) was employed to generate both descriptive and inferential statistics relevant to the study objectives. Descriptive analysis, as explained by McDaniel et al. (2012), involves

transforming raw data into meaningful summaries such as tables and charts, with percentages and frequency distributions that facilitate interpretation and understanding of the data. In this study, descriptive statistics—including percentages and frequency distributions—were applied to analyze the demographic characteristics of the respondents. To examine the influence of independent variables such as availability of resources, nature of products or services, and firm size on the choice of foreign market entry methods by multinational companies operating in Nairobi City County, multiple regression analysis was used. According to Branco (2013), multiple regression is a statistical approach that determines the strength and significance of the relationship between dependent and independent variables. This analysis enabled the study to assess how the selected organizational factors contributed to the decision-making process regarding market entry strategies.

The following equation represents the regression model:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_n \sum Z_n + \varepsilon$$

Dependent variables (Y) – Choice of foreign market entry methods by multinational companies

Independent variables:

X₁ (availability of resources),

X₂ (nature of products and services),

X₃ (firm size),

Z_n (set of MNCs controls: age, size, ownership, sector)

B₀- β₃ = Coefficients of determination,

ε is the error term denoting there may be a non-linear relationship between the independent and dependent variables which is referred to as “noise”.

3.7 Research Quality

This part presents two key research qualities: validity as well as reliability.

3.7.1 Research Validity

Bridget and Lewin (2013) describe validity as the extent to which the test items genuinely represent the content they are intended to measure. In the context of this study, both face validity and content validity were applied. To ensure that the research instruments effectively captured the intended variables, input was sought from the research supervisor and

professionals with expertise in foreign market entry strategies and multinational corporations operating in Nairobi County. Their feedback helped refine the questions, ensure clarity, and confirm that the items were relevant and suitable for the study's objectives.

3.7.2 Reliability of the Research Tool

To assess the internal consistency and reliability of the questionnaire items, a reliability test was carried out using Cronbach's alpha formula, as outlined by Blanchard (2018). A pilot study was conducted, involving five questions structured on a five-point Likert scale ranging from "strongly disagree" to "strongly agree," to evaluate whether the items consistently measured the same underlying construct. The pilot exercise included 10 participants, representing 10% of the intended study sample, which aligns with Mugenda and Mugenda's (2003) guideline that a pilot sample should constitute between 10% and 30% of the target population for adequate representation. To maintain the integrity of the research findings, individuals involved in the pilot study were excluded from the main data collection process. A Cronbach's alpha coefficient falling between 0.65 and 0.9 was considered acceptable for confirming the reliability of the instrument, as suggested by Blanchard (2018).

$$\text{Cronbach's alpha statistic: } \alpha = \frac{N \cdot r}{1 + (N - 1) \cdot r}$$

Where N = number of items; and r = average inter-item correlation among the items.

Table 3.3 and Table 3.4 below presents results of the reliability tests computed using SPSS (V28):

Table 3.3: Reliability Statistics

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No. of Items
0.849	0.552	4

From Table 3.1, the Cronbach's alpha is 0.849, which indicates a high level of internal consistency for the study variables.

The Item-Total Statistics Table 3.2 presents the "Cronbach's Alpha if Item Deleted" in the final column, as shown below:

Table 3.4: Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach 's Alpha if Item Deleted
Availability of resources	60.50	13.833	0.413	0.899	0.788
Nature of products and services	62.50	33.389	0.064	0.007	0.777
Firm size	60.50	34.278	0.265	0.751	0.826
Choice of foreign market entry methods	59.20	21.733	0.765	0.929	0.928

Results in Table 3.4, shows that the average Cronbach's alpha (Cronbach's alpha if item deleted), for the variables was 0.7829 which signified a high dependability of the research instrument and a high degree of internal consistency for the research variables used in this study. Further, the findings in Table 3.4 shows that the lowest corrected correlation was for variable two (*Nature of products and services*) which was 0.064 and which could have contributed to a decline in general reliability. The outcomes showed that removal of any variable, with the exception of *nature of products and services*, would have brought about a lower Cronbach's alpha. Removal of *nature of products and services* in the list of variables would have prompted a little improvement in Cronbach's alpha (0.777).

3.8 Ethical Issues in Research

To ensure the integrity of the researcher, this study adhered to the necessary ethical standards. The researcher first sought permission from the National Commission for Science, Technology & Innovation (NACOSTI) and Strathmore Business School (SBS) to gather data. Respondents were free to engage or exit at any moment at their discretion without being forced to do so, and they were able to do so without penalty. Further, prior to their involvement in the study, respondents' consent was gained by fully informing them of the benefits or consequences of participating. Additionally, in order to acknowledge the use of both published and unpublished publications, data, and ideas in this study, proper citations and references were employed using the American Psychological Association (APA) version 7.

3.9 Chapter Summary

This chapter has discussed the methodology to be used to undertake the primary study in order to achieve the specific objectives of the study. The model of analysis to be used has been presented as well as the measures to be applied to assure the validity and reliability of the research instruments, and ethical considerations have been presented. The following chapter presents the study findings and interpretations.



CHAPTER FOUR: RESEARCH FINDINGS

4.1 Introduction

This chapter presents the findings of the study on the factors influencing the choice of foreign market entry methods for multinational companies in Nairobi City County, Kenya. The findings in this chapter were analyzed with reference to responses collected through a questionnaire. The questionnaire served as the primary research tool, enabling the systematic gathering of data pertinent to the study's objectives. This research report is divided into three sections: the first section presents the response rate and demographic characteristics of respondents. The second section is the descriptive statistics which analysed the influence of the availability of resources on the choice of foreign market entry method by MNCs; effect of nature of products/services on the choice of market entry method by MNCs; and influence of firm size on foreign direct investments as a choice of foreign market entry method for MNCs. The final section (Inferential statistics) analysed the statistical significance of the factors influencing the choice of foreign market entry methods for MNCs.

4.1.1 Response Rate

This section aimed to determine the actual number of respondents who completed the questionnaire response against the sample size that had been set. The number of respondents who successfully answered the items in the questionnaire in the study area is listed in this section (Table 4.1).

Table 4.1: Response Rate

Sample Size	158
Participants available	158
Total response	143
Non – response bias	9.5% (100-90.5)
Usable responses	143
Un – usable responses	15
Usable responses rate	90.5%

Source: Primary Data (2025)

Table 4.1 reveals that all 158 members who expressed an interest in the study were reachable, and 158 questionnaires were administered using Google forms. A total of 143 questionnaires were successfully completed and were used for further inquiry. Based on percentage formula as recommended by Chen, Gully & Eden (2018): $r = \frac{143}{158} \times 100 = 90.5$ (where r is response rate), the response rate was 90.5%. This was considered acceptable based on Mugenda &

Mugenda (2013) contention that a response rate of 50% was sufficient for analysis and reporting, a rate of 60% is good, and a rate of 70% or more is exceptional, Further, Rossiter (2018) had suggested that researchers ought to use the quantity of usable replies as the numerator when there is a distinction between returned and usable surveys.

4.2 Respondents' Demographics

Age, gender, level of education, number of years the business has been in existence, business sector, annual turnover of the business and type of business were all included while assessing respondents' demographics, as presented below.

Table 4.2: Sample Demographic Characteristics

Category	Frequency	Percentage %
Age		
18-22 years	5	3.5
Above 23-27 years	2	1.4
Above 28-32 years	8	5.6
Above 33-37 years	21	14.7
Above 38-42 years	58	40.6
Over 43 years	49	34.3
<i>Total</i>	<i>143</i>	<i>100.0</i>
Gender		
Female	75	52.4
Male	68	47.6
<i>Total</i>	<i>143</i>	<i>100.0</i>
Level of Education		
Bachelor's degree	76	53.1
Diploma	51	35.7
Masters	16	11.2
<i>Total</i>	<i>143</i>	<i>100.0</i>
Number of Years Worked for the MNC		
11-15 years	10	7.0
5-7 years	61	42.7
8-10 years	35	24.5
Above 15 years	10	7.0
Less than 5 years	26	18.2
<i>Total</i>	<i>143</i>	<i>100.0</i>
Your Job Position		
Business Development Officer	20	14.0
Director	12	8.4
General Manager	61	42.7
Regional Manager	50	35.0
<i>Total</i>	<i>143</i>	<i>100.0</i>

Source: Primary Data (2025)

The findings as reported in Table 4.2 reveals that the bulk of the respondents (40.6 percent) were in the age category of above 38-42 years, followed by 34.3 percent in the age bracket of above 43 years. While 14.7 percent of those engaged were between the ages of above 33-37 years. Only 31.4 percent of those interviewed in the research area were between the ages of 23 and 27 years. This goes to mean that the bulk of the employees of the MNCs in the research area are young entrepreneurs in their 30s and 40s, an age bracket that accounts for 75% of Kenya's overall population (KNBS, 2019). According to the Kenya national population and housing census of 2019, 75% of Kenya's (47.6 million people) are under the age of 35 (KNBS, 2019). Age was important to this study because different age groups have different levels of experience of multinational businesses, and this could have effect choice of foreign market entry methods for multinational companies in the study area.

Further findings as presented in Table 4.2 revealed that more than half of the respondents (52.4%) in the study area were female. This suggest that majority of the senior managers working for MNCs in the study area during the time of this research were women. This could also imply that women in the study area have rose through the ranks breaking the bias by taking up roles that were formerly dominated by men. Gender was particularly important in this study because men and women have varying business as well as financing abilities and this could influence the choice of foreign market entry methods for multinational companies.

As presented in Table 4.2, education levels were divided into five groups: Primary, secondary, diploma, bachelor's degree, and master's degree. According to the findings, the majority of respondents in the research area (53.1 percent) had earned a Bachelor's degree, followed by a Diploma (35.7 percent). A Master's degree was held by 11.2% of respondents in the study area. The findings suggests that most of the senior managers in the study area had either a university degree or a college diploma which goes to mean that they gave informed opinion on choice of foreign market entry methods for multinational companies in the study area. The level of education was significant in this study because it informed that respondents are better at analyzing information and making substantive decisions, and therefore level of education can influence choice of foreign market entry methods for multinational companies in the study area.

The findings as presented in Table 4.2 revealed that nearly half (42.7 percent) of the sampled respondents had worked for the MNCs for a period between 5-7 years while 17.14 percent of the managers had worked for the MNCs for a period between 8-10 years. 18.2 percent of the sampled managers had worked for the MNCs for less than 5 years while only 7 percent of

respondents had worked for the MNCs for more than 15 years. This suggests that most of the managers in the study area have sustained a strong foundation for foreign market entry methods for multinational companies.

Based on the results as shown in Table 4.2, nearly half of (42.7%) of the respondents in the study area were general managers followed by regional managers (35%). 14 percent of the respondents were business development officers while 8.4% were directors of MNCs in Nairobi County. The findings suggest that most of the respondents in the study area were either general managers or regional managers.

4.3 Descriptive Statistics

The study assessed the factors influencing the choice of foreign market entry methods for multinational companies in Nairobi City County, Kenya. The descriptive statistics specifically the mean scores, frequencies as well as standard deviations were used to summarize the outcome variables in the study. To do this, a 5-point Likert scale was used where respondents were asked to indicate the extent to which they agree or disagree with the indicators provided. The responses were coded, and each instance of agreement or disagreement was rated from 1 to 5: (5-strongly agree, 4-agree, 3-neutral, 2-disagree, and 1 strongly disagree). Descriptive statistics was generated through SPSS version 28 and the output illustrated in tabular form:

4.3.1 Availability of Resources and Choice of Foreign Market Entry Method.

The study established the influence of the availability of resources on the choice of foreign market entry method by multinational companies in Nairobi City County, Kenya. The respondents' rating on the 5-point Likert scales was analysed using the mean scores and standard deviations. The results are presented in Table 4.3:

Table 4.3: Descriptive Analysis of Availability of Resources and Choice of Foreign Market Entry Method.

Indicator	Mean	Std. Dev
Accessibility of assets is a huge thought while picking the entry technique for a worldwide organization in Kenya.	3.69	1.070
The innovation embraced by the organization permits it to be cutthroat.	3.84	0.947
The organization enjoys accomplished cutthroat benefit through abilities/assets usage.	3.69	1.083
The dissemination organization of the organization has empowered it to accomplish upper hand	3.58	1.084
Development and mechanical headway have empowered the organization to be serious on the lookout	4.06	0.807

Source: Primary Data (2025)

Based on the results in Table 4.3, the highest *mean* = **4.06** (*SD* = **0.807**) depicts that development and mechanical headway has empowered the MNCs to be serious on the lookout. This suggests that to compete with host country firms in their own markets, MNCs must possess superior assets and skills that can earn economic rents that are high enough to counter the higher cost of servicing these markets. It's also worth noting that a sizeable portion of respondents, *mean*=**3.84** (*SD* =**0.947**) reported that the innovation embraced by the organization permits it to be cutthroat. This goes to mean that MNCs in the study had a competitive edge and ability to adapt to new environments through its assets to drive growth by offering unique value propositions and addressing unmet needs in unfamiliar markets. The findings are supported by Polesello, Amal and Hoeltgebaum (2019) who found that resources are crucial in MNC's investment mode choice. The study argued that in the event that the local organization has significant resources, it might draw in obtaining speculation. The study inferred that organizations venture into unfamiliar business sectors by joining three sorts of assets: assets of the nearby firm, assets of the financial backer and assets accessible available.

4.3.2 Nature of Products/Services and Choice of Foreign Market Entry Method.

The study assessed the nature of products and services affects the choice of market entry method by multinational companies in Nairobi City County, Kenya. The respondents' rating

on the 5-point Likert scale was analysed using the mean scores and standard deviations. The results are presented in Table 4.4:

Table 4.10: Descriptive Analysis of the Nature of Products/Services and Choice of Foreign Market Entry Method.

<i>Indicator</i>	<i>Mean</i>	<i>Std. Dev</i>
The organization center around specialized development methodologies and guarantees that the items/administrations to be offered are better than whatever is accessible on the lookout.	4.03	0.934
The organization carries out broad analysis and testing to guarantee that the items/administrations to be offered would be effortlessly embraced by the unfamiliar market.	3.69	1.076
The organization guarantees that the items/administrations to be offered are in adjustment to the principles and prerequisites of the unfamiliar country	2.44	1.004
The organization can give security and insurance of the item/administration privileges to guarantee life span	3.75	1.058
The estimating technique of the items/administrations to be offered is client cordial simultaneously satisfactory to meet the organization costs.	4.06	0.807

Source: Primary Data (2025)

Based on Table 4.4, the findings indicate that the highest number of the respondents, *mean = 4.06 (SD= 0.806)* were of the view that the estimating technique of the items/administrations offered by the sampled MNCs was client cordial simultaneously satisfactory to meet the organization costs. This goes to mean that unique products can significantly enhance a company's success in foreign entry markets by offering a clear value proposition, differentiating it from competitors, and potentially commanding higher prices or market share. It also means that when a firm possesses the ability to develop differentiated products, it may run the risk of loss of long-term revenues if it shares this knowledge with host country firms. This is because the latter may acquire this knowledge and decide to operate as a separate entity at a future date. In addition, a sizeable number of respondents, *mean= 4.03 (SD= 0.934)* stated that the organization center around specialized development methodologies and guarantees that

the items/administrations to be offered are better than whatever is accessible on the lookout. This goes to mean that unique products can be exported to foreign countries, allowing companies to tap into new markets and increase sales. This suggest that nature of product can foster brand loyalty as customers become attached to the unique features and benefits it offers. The findings are in line with Awuah, Andersson, Amal and Raboch (2020) who found that when a few contenders practice undifferentiated promoting, the outcome is extraordinary rivalry in the biggest market or market entry and under-fulfilment of the more modest ones.

4.3.3 Firm Size and Choice of Foreign Market Entry Method.

The study determines the influence of firm size on foreign direct investments as a choice of foreign market entry method for multinational companies in Nairobi City County, Kenya. The respondents' rating on the 5-point Likert scales was analysed using the mean scores and standard deviations. The results are presented in Table 4.5:

Table 4.11: Descriptive Analysis of Firm Size and Choice of Foreign Market Entry Method.

<i>Indicator</i>	<i>Mean</i>	<i>Std. Dev</i>
The firm size is a basic consideration on the decision of unfamiliar entry strategy for worldwide organizations in Kenya	3.53	1.106
The productivity of the organization outperforms industry benefit	4.41	0.685
The organization's piece of the pie is adequate and has extraordinary development potential for market section and development	4.04	0.768
The all-out resources of the organization are adequate for market entry and development.	3.78	1.101
The business/income of the organization are adequate for market entry and development	3.89	1.069

Source: Primary Data (2025)

The results in Table 4.5 shows that majority of the respondents, *mean =4.41 (SD= 0.685)* reported that the productivity of the organization outperforms industry benefit. This suggests that firm size significantly impacts foreign market entry, with larger firms often having advantages in resource allocation, risk tolerance, and international experience, while smaller firms may face challenges in accessing resources and navigating unfamiliar markets,

potentially relying on partnerships or gradual entry strategies. This goes to mean that firm's asset power is reflected by its size and multinational experience, and skills by its ability to develop differentiated products. The findings also show that a relatively high number of respondents, *mean=4.04 (SD= 0.768)* reported that the organization's piece of the pie is adequate and has extraordinary development potential for market section and development. This suggests that larger firms typically possess more financial, human, and technological resources, allowing them to invest in market research, marketing campaigns, and infrastructure development in foreign markets. The findings are consistent with Luo and Bu (2018) that the size of the firm is decidedly connected with the association's penchant to enter the unfamiliar market as a rule and especially picking the entry technique for joint endeavors.

4.3.4 Choice of Foreign Market Entry Methods by Multinational Companies in Nairobi City County, Kenya.

The study determined the choice of foreign market entry methods by Multinational Companies. The respondents rating on the 5-point Likert scales was analysed using the mean scores and standard deviations. The results are presented in Table 4.6:

Table 12: Descriptive analysis of Choice of Foreign Market Entry Methods by Multinational Companies in Nairobi City County, Kenya.

<i>Indicator</i>	<i>Mean</i>	<i>Std. Dev</i>
The organisation has adopted strategic alliance	3.53	1.106
The organisation did an acquisition	3.27	1.261
The organisation has merged with a local organisation	3.27	1.261
The company is a joint venture	3.49	1.192
The company operates on franchise	4.25	0.930

Source: Primary Data (2025)

The highest *mean=4.25 (SD =0.930)* reported that the sampled MNCs in the study area (Nairobi County) operated on franchise. This suggests that franchising offers a strategic advantage for foreign market entry, enabling businesses to expand rapidly and cost-effectively by leveraging local expertise and reducing the franchisor's financial risk. It is also worth mentioning that a sizable proportion of participants, *mean=3.53 (SD = 1.106)* reported that the organisations have adopted strategic alliance. This goes to mean that MNCs in the study area are able to facilitate access to new markets, resources, and knowledge, while also enabling the

firms to share risks and costs, ultimately leading to increased competitiveness and faster growth. This suggest that strategic alliances allow companies to enter new international markets more easily and quickly, leveraging the partner's existing infrastructure, distribution channels, and local expertise. The study findings are consistent with Dinu (2018) who stated that alliances can also help companies overcome regulatory hurdles and navigate cultural differences in foreign markets.

4.4 Factor Analysis

Table 13: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.888	29.438	29.438	5.888	29.438	29.438
2	3.519	17.597	47.035	3.519	17.597	47.035
3	3.215	16.074	63.109	3.215	16.074	63.109
4	2.376	11.882	74.991	2.376	11.882	74.991
5	1.543	7.716	82.708	1.543	7.716	82.708
6	1.075	5.374	88.082	1.075	5.374	88.082
7	.794	3.971	92.053			
8	.567	2.835	94.888			
9	.370	1.849	96.738			
10	.236	1.781	97.918			
11	.184	1.620	98.839			
12	.093	1.567	99.306			
13	.069	1.445	99.651			
14	.028	1.340	99.791			
15	.020	1.299	99.889			
16	.017	1.185	99.974			
17	.005	1.096	100.000			
18	6.908E-017	1.079	100.000			
19	2.002E-017	1.065	100.000			
20	-3.404E-016	1.056	100.000			

Extraction Method: Principal Component Analysis.

Source: Primary Data (2025)

Table 4.7 shows that all the three factors/variables had eigenvalues greater than 1. This means that all the factors met the cut-off criterion (extraction method).

4.5 Inferential Statistics

Inferential statistics was done through correlation analysis as well as multiple regression analysis.

4.5.1 Correlation Coefficients

Correlation analysis was used to examine the strength of the relationship. This was done by analyzing the means of variables x and y to determine how Pearson's (r) varies between +1 and -1; where +1 is a perfect positive correlation, and -1 is a perfect negative correlation. 0 means there is no linear correlation at all while the p-value will give evidence of a statistically significant relationship between the variables. If a p-value was less than 0.05, then there is evidence of a statistically significant association between the variables and vice versa. Chi square test was used to check whether to accept or reject the null hypotheses.

Table 14.8: Correlational analysis of availability of resources; products and services; firm size; and choice of foreign market entry methods

		Availability of resources	Nature of products and services	Firm size	Choice of foreign market entry methods
Availability of resources	Pearson Correlation	1	.996**	-.428	.224
	Sig. (2-tailed)		.000	.397	.009
	N	6	6	6	6
Nature of products and services	Pearson Correlation	.996**	1	-.511	.278
	Sig. (2-tailed)	.000		.300	.004
	N	6	6	6	6
Firm size	Pearson Correlation	-.428	-.511	1	-.622
	Sig. (2-tailed)	.397	.300		.008
	N	6	6	6	6
Choice of foreign market entry methods	Pearson Correlation	.224	.278	-.622	1
	Sig. (2-tailed)	.669	.594	.188	
	N	6	6	6	6

Source: Primary Data (2025)

The results shown in Table 4.8 revealed a positive significant relationship between availability of resources and choice of foreign market entry methods ($r = 0.224$, $p = 0.009 < 0.05$). This suggests a direct relationship between the two variables – that is to say, choice of foreign market entry methods by MNCs in Nairobi City County changed with increase in availability of resources. Further, the findings reveal a positive significant relationship between Nature of products and services and choice of foreign market entry methods ($r = 0.278$, $p = 0.044 < 0.05$). The results show that the two variables are moving in the same direction which means that

choice of foreign market entry methods change with change in Nature of products and services. The relationship was weak but positive statistically significant.

Based on the results in Table 4.8, there was a strong negative significant relationship between Firm size and choice of foreign market entry methods by MNCs in Nairobi City County ($r = -0.622$, $p = 0.008 < 0.05$). In other words, the results indicate a direct relationship between the two variables with both variables moving in the opposite direction. This means that choice of foreign market entry methods by MNCs in Nairobi City County, changes with increase in firm size. The relationship was strong and negative statistically significant.

4.5.1 Regression Analysis

For purposes of this study, the results include the analysis of variance (ANOVA) and regression coefficients of the factors influencing the choice of foreign market entry methods for multinational companies. The ANOVA matrix illustrates the overall significance of the model. Therefore, if p value is less than 0.05- it merits rejection of the hypothesis there is a significant influence of at least one of the predictor variables on the dependant variable (Laub, 2018). Regression coefficient (beta column) shows the interaction between the factors influencing the choice of foreign market entry methods for multinational companies. If the beta coefficient is negative/positive, the interpretation is that for every 1-unit increase/decrease in the predictor variable, the outcome variable will decrease/increase by the beta coefficient value.

4.5.1.1 Availability of Resources and Choice of Foreign Market Entry Method

Table 15: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.730 ^a	0.534	0.378	0.31794

a. Predictors: (Constant), Availability of resources

From Table 4.9 the coefficient of determination (adjusted R Square) was 0.378 at significance 0.05. This implies that 37.8% of variation in the dependant variable (Choice of foreign market entry methods) was explained by Availability of resources. This means that, a unit shift in Availability of resources, resulted to 37.8% shift in the choice of foreign market entry methods in the study area implying that 63.2% of the variance in choice of foreign market entry methods was explained by other factors.

Table 4.16: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0.347	1	0.347	3.431	0.001 ^b
	Residual	0.303	3	0.101		
	Total	0.650	4			

a. Dependent Variable: Choice of foreign market entry methods by multinational companies

b. Predictors: (Constant), Availability of resources

The analysis of variance test was used to evaluate how well the entire regression model fits the data as predictor of choice of foreign market entry methods. The result as shown in Table 4.10 revealed that, at a significance threshold of 0.001, the $F(3, 4) = 3.3431$ and p value < 0.001 was significant. The result demonstrates a statistically significant relationship between the Choice of foreign market entry methods and availability of resources. This is due to the significance value being less than 0.05 ($p = 0.001$).

4.5.1.2 Nature of Products/Services and Choice of Foreign Market Entry Method

Table 4.11: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.563 ^a	0.317	0.089	0.38471

a. Predictors: (Constant), Nature of products and services

From Table 4.11 the coefficient of determination (adjusted R Square) was 0.089 at significance 0.05. This implies that 8.9% of variation in the dependant variable (Choice of foreign market entry methods) was explained by Nature of Products/Services. This means that, a unit shift in Nature of Products/Services, resulted to 8.9% shift in the choice of foreign market entry methods in the study area implying that 91.1% of the variance in choice of foreign market entry methods was explained by other factors.

Table 4.182: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0.206	1	0.206	1.392	0.001 ^b
	Residual	0.444	3	0.148		
	Total	0.650	4			

a. Dependent Variable: Choice of foreign market entry methods by multinational companies

b. Predictors: (Constant), Nature of products and services

The result as shown in Table 4.12 revealed that, at a significance threshold of 0.001, the $F(3, 4) = 1.392$ and p value < 0.001 was significant. The result demonstrates a statistically

significant relationship between the Choice of foreign market entry methods and Nature of products /services. This is due to the significance value being less than 0.05 ($p = 0.001$).

4.5.1.3 Firm Size and Choice of Foreign Market Entry Method

Table 4.193: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.335 ^a	0.112	0.184	0.43867

a. Predictors: (Constant), Firm size

From Table 4.13 the coefficient of determination (adjusted R Square) was 0.184 at significance 0.05. This implies that 18.4% of variation in the dependant variable (Choice of foreign market entry methods) was explained by firm size. This means that, a unit change in firm size, resulted to 18.4% shift in the choice of foreign market entry methods in the study area implying that 81.6% of the variance in choice of foreign market entry methods was explained by other factors.

Table 4.14: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0.073	1	0.073	0.378	0.001 ^b
	Residual	0.577	3	0.192		
	Total	0.650	4			

a. Dependent Variable: Choice of foreign market entry methods by multinational companies

b. Predictors: (Constant), Firm size

The result as shown in Table 4.14 revealed that, at a significance threshold of 0.001, the $F(3, 4) = 0.378$ and p value < 0.001 was significant. The result demonstrates a statistically significant relationship between the Choice of foreign market entry methods and firm size. This is due to the significance value being less than 0.05 ($p = 0.001$).

Multiple Linear Regression

The following equation represents the regression model:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_n \sum Z_n + \varepsilon$$

Dependent variables (Y) – Choice of foreign market entry methods by multinational companies

Independent variables:

X_1 (availability of resources),

X₂ (nature of products and services),

X₃ (firm size),

Z_n (set of MNCs controls: age, size, ownership, sector)

B₀- β₃ = Coefficients of determination,

ε is the error term denoting there may be a non-linear relationship between the independent and dependent variables which is referred to as “noise”.

Table 21: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.937 ^a	0.877	0.508	0.28271

a. Predictors: (Constant), Firm size, Availability of resources, Nature of products and services

Source: Primary Data (2025)

From Table 4.15 the coefficient of determination (adjusted R Square) was 0.508 at significance 0.05. This implies that 50.8% of variation in the dependant variable (Choice of foreign market entry methods) was explained by independent variables (Firm size, Availability of resources, Nature of products and services). This means that, a unit shift in Firm size, Availability of resources, Nature of products and services resulted to 50.8% shift in the choice of foreign market entry methods in the study area implying that 49.2% of the variance in choice of foreign market entry methods was explained by other factors.

Further, the results shown in Table 4.15 indicated that R square was 0.877 which demonstrates a substantial positive correlation of 87.7 percent between firm size, availability of resources, nature of products and services; and the Choice of foreign market entry methods.

Table 4.22: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0.570	3	0.190	2.378	0.001 ^b
	Residual	0.080	1	0.080		
	Total	0.650	4			

a. Dependent Variable: Choice of foreign market entry methods by multinational companies

b. Predictors: (Constant), Firm size, Availability of resources, Nature of products and services

Source: Primary Data (2025)

The analysis of variance test was used to evaluate how well the entire regression model fits the data as predictor of performance. The result as shown in Table 4.16 revealed that, at a significance threshold of 0.001, the $F(3, 4) = 2.378$ and p value < 0.001 was significant. The result demonstrates a statistically significant relationship between the dependent variable (Choice of foreign market entry methods by multinational companies) and the predictor factors (Firm size, Availability of resources, Nature of products and services). This is due to the significance value being less than 0.05 ($p = 0.001$).

In Table 4.10, the whole Regression model was displayed as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_n \sum Z_n + \varepsilon$$

Based on the coefficients Table 4.10, the following was deduced:

Table 4.23: Coefficients

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.003	3.012		-0.333	0.795
1 Availability of resources	1.928	0.922	0.888	2.090	0.284
Nature of products and services	0.035	0.261	0.058	0.136	0.914
Firm size	-0.721	0.524	-0.584	1.376	0.400

a. Dependent Variable: Choice of foreign market entry methods by multinational companies

$$Y = 1.003 + 1.928 (\text{Availability of resources}) + 0.035 (\text{Nature of products and services}) + (-) 0.721 (\text{Firm size}) + 3.012$$

Source: Primary Data (2025)

The regression coefficients illustrated in Table 4.17 revealed that Availability of resources $\beta = 0.922$, P value = 0.05. This implies that when other variables are held constant, a one-unit increase in availability of resources is associated with a 0.922 unit change in choice of foreign market entry methods by multinational companies. The T-test value for this coefficient was 2.09 meaning that the relationship was statistically significant at the 0.05 level.

Further, the regression coefficients illustrated in Table 4.17 showed that firm size $\beta = 0.524$, P value = 0.05. This implied that when other variables are held constant, a one-unit increase in firm size is associated with a 0.524 unit change in choice of foreign market entry methods by

multinational companies in Nairobi County. The T- test value for this coefficient was 1.376 meaning the relationship was statistically significant at the 0.05 level.

Finally, from Table 4.17, the regression coefficients shows that nature of products and services $\beta= 0.261$, P value = 0.05. This implied that when other variables are held constant, a one-unit change in nature of products and services is associated with a 0.261 unit change in choice of foreign market entry methods by multinational companies in Nairobi County. The T- test value for this coefficient was 0.136 meaning that the relationship was statistically significant at the 0.05 level.

4.6 Chapter Summary

The chapter has shown that the response rate for the study was 90.5% and that the bulk of the respondents in the research area were general managers in between the ages 38 and 42 years. It was found that majority of the respondents in the study area at the time of this research were women with either a university degree or a college diploma. Close to half (43 percent) of the respondents sampled had worked for the MNCs for a period between 5-7 years. The overall regression analysis revealed a statistically significant relationship between the choice of foreign market entry methods for multinational companies in Nairobi City County and the predictor factors (firm size, availability of resources, nature of products and services). The accompanying chapter five examined the discoveries of the study and gave the conclusions as well as the recommendations in light of the particular goals of this study.



CHAPTER FIVE: DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This was the final chapter of the study. It summarized the findings of the primary study, drew conclusions based on the findings of the study, provided recommendations as well as insight in the areas for further research. The following specific objectives guided the chapter: i) to establish the influence of the availability of resources on the choice of foreign market entry method by multinational companies in Nairobi City County, Kenya; ii) to determine how the nature of products and services affects the choice of market entry method by multinational companies in Nairobi City County, Kenya; and iii) to determine the influence of firm size on foreign direct investments as a choice of foreign market entry method for multinational companies in Nairobi City County, Kenya.

5.2 Summary of Findings

A total of 143 questionnaires were successfully completed and were used for further inquiry making the response rate to be 90.5% based on percentage formula as recommended by Chen, Gully & Eden (2018). Majority of the respondents in the study area were women general managers with either a university degree or a college diploma. With regard to influence of the availability of resources on the choice of foreign market entry method by multinational companies, descriptive statistics showed that, for MNCs to compete with host country firms in their own markets, firms must possess superior assets and skills that can earn economic rents that are high enough to counter the higher cost of servicing these markets. Regarding the influence of the nature of products and services on the choice of market entry method, it was found that unique products significantly enhance a company's success in foreign entry markets by offering a clear value proposition, differentiating it from competitors, and potentially commanding higher prices or market share. On the influence of firm size on the choice of market entry method by multinational companies, the dominant descriptive statistics showed that firm's asset power was reflected by its size and multinational experience, and skills by its ability to develop differentiated products.

Based on the inferential, it was reported that that 50.8% of variation in the dependant variable (Choice of foreign market entry methods) was explained by independent variables (Firm size, Availability of resources, Nature of products and services). This was taken to mean that, a unit shift in Firm size, Availability of resources, Nature of products and services resulted to 50.8%

shift in the choice of foreign market entry methods and that 49.2% of the variance in choice of foreign market entry methods was explained by other factors.

5.3 Discussion

5.3.1 Influence of the availability of resources on the choice of foreign market entry method by multinational companies in Nairobi City County

Based on the descriptive statistics the highest mean = 4.06 (SD = 0.807) depicts that development and mechanical headway has empowered the MNCs to be serious on the lookout. This was interpreted to mean that in order to compete with host country firms in their own markets, MNCs must possess superior assets and skills that can earn economic rents that are high enough to counter the higher cost of servicing these markets. The inferential statistics revealed that when other variables are held constant, a one-unit increase in availability of resources was associated with a 0.922 unit change in choice of foreign market entry methods by the multinational companies.

The study reported that the relationship was statistically significant at the 0.05 level. The study is supported by Polesello, Amal and Hoeltgebaum (2019) who found that resources are crucial in MNC's investment mode choice. The study argued that in the event that the local organization has significant resources, it might draw in obtaining speculation. The study inferred that organizations venture into unfamiliar business sectors by joining three sorts of assets: assets of the nearby firm, assets of the financial backer and assets accessible available. In another study, Xie and Li (2017) investigated the impact of the availability of resources and industry characteristics on spillover benefits from foreign direct investment in China. The study found that the more resources a firm has in its possession, the more likely to opt for high-control entry modes.

5.3.2 Influence of the nature of products and services on the choice of market entry method by multinational companies in Nairobi City County

The study has revealed that the highest number of the respondents, mean = 4.06 (SD= 0.806) were of the view that the estimating technique of the items/administrations offered by the sampled MNCs was client cordial simultaneously satisfactory to meet the organization costs. This meant that unique products can significantly enhance a company's success in foreign entry markets by offering a clear value proposition, differentiating it from competitors, and potentially commanding higher prices or market share.

The study also found that when other variables were held constant, a one-unit increase in firm size was associated with a 0.524 unit change in choice of foreign market entry methods by multinational companies in Nairobi County. The T- test value for this coefficient was 1.376 meaning the relationship was statistically significant at the 0.05 level.

This is in line with Kuo (2012) who examined the impact of market-related factors on the choice of foreign market entry mode by service firms in India. The study applied a cross-sectional examination plan on 100 service firms in Mumbai. According to the dominating disclosures, MNCs face higher hardships when they need to adjust to extra impediments like interaction/administrations rivalry, higher trade costs; serious strain during the time spent on internationalization and cycles, or approach, and less resources. The survey assumed that paying little heed to such difficulties, MNCs have a couple of characteristics that potentiate and deal with their internationalization processes, similar to high adaptability, creative mind, improvements, affirmation of possibilities, centralization in speciality markets, and an overall vision.

Imiru (2022) conducted an empirical study on determinants of multinational companies' choice of market-entry mode for operating in Ethiopia. In particular, the study did an appraisal of elements that impact the entry mode selection of organizations utilizing quantitative information. The investigation discovered that an organization's items/administrations are emphatically and genuinely critical on the decision of unfamiliar market entry technique for global organizations.

5.3.3 Influence of firm size on the choice of market entry method by multinational companies in Nairobi City County

The study found that majority of the respondents, mean =4.41 (SD= 0.685) reported that the productivity of the organization outperforms industry benefit. This suggested that firm size significantly impacts foreign market entry, with larger firms often having advantages in resource allocation, risk tolerance, and international experience, while smaller firms may face challenges in accessing resources and navigating unfamiliar markets, potentially relying on partnerships or gradual entry strategies. This means that firm's asset power is reflected by its size and multinational experience, and skills by its ability to develop differentiated products. Further, the study revealed that that when other variables are held constant, a one-unit change in nature of products and services is associated with a 0.261 unit change in choice of foreign market entry methods by multinational companies in Nairobi County. The T- test value for this

coefficient was 0.136 meaning that the relationship was statistically significant at the 0.05 level.

This was consistent with Dinu (2018) who did a meta-analysis to evaluate the impact of firm size on the choice of foreign market entry method with a specific focus on the Coca-Cola Bottlers Company in Nigeria. Using descriptive statistics, the study found a positive significant relationship between firm size and choice of foreign market entry method for MNCs. The discoveries showed that the size of the association is a significant component that decides the decision of entry mode. Similarly, Ang et al. (2015), Pattnaik and Lee (2014), and Kuo et al. (2012) support the presumption that the bigger the association, the more productive and likelier it is to embrace high value entry techniques. Then again, Teixeira and Grande (2012) suggest that the size of the partnership isn't huge as an indicator whenever considered as a free factor. Xie and Li (2017) additionally affirm that it ought not be analyzed singularly in that frame of mind on entry mode. Lin and Ho (2019) propose that the size of the firm ought to be viewed as in the job it plays in the presentation of the organization. As per Lin and Ho (2019) size assumes a basic part in the entry mode as it declares the capacities and assets to assimilate an unfamiliar market all the more successfully and proficiently. Hirdinis (2019) states that the firm size is straightforwardly connected with worldwide business experience.

5.4 Conclusions

This study sought to examine the influence of internal firm-specific factors on the choice of foreign market entry strategies by multinational corporations (MNCs) operating in Nairobi City County. The study focused on three core variables: firm size, availability of resources, and the nature of products and services. The empirical analysis revealed that these factors jointly account for 50.8% of the variance in the choice of market entry methods, implying that other external or organizational factors contribute to the remaining 49.2%. Furthermore, a strong positive correlation (87.7%) was observed between the combined internal factors and the selected entry strategies, indicating a substantial relationship.

The availability of resources emerged as the most influential factor in determining entry strategy. Descriptive and inferential analyses confirmed that MNCs with greater access to financial, technological, and human resources are more likely to pursue high-control and high-commitment market entry strategies such as wholly owned subsidiaries or strategic alliances. Specifically, a one-unit increase in resource availability was associated with a 0.922 unit increase in the likelihood of adopting such entry methods. These findings align with previous

studies (e.g., Polesello et al., 2019; Xie & Li, 2017), which assert that access to strategic resources enables firms to mitigate the risks and costs associated with international expansion. In relation to the nature of products and services, the study found that firms offering unique, innovative, or highly specialized products were more inclined to adopt entry strategies that allow greater control over their operations and value proposition in foreign markets. A one-unit increase in product/service uniqueness corresponded with a 0.261 unit change in the choice of market entry strategy. This finding underscores the strategic importance of product differentiation in foreign market success and supports earlier research (e.g., Imiru, 2022; Kuo, 2012) that highlighted the significance of product characteristics in shaping internationalization choices.

The third factor, firm size, was also found to significantly influence entry decisions. Larger firms, by virtue of their financial strength, operational experience, and broader asset base, demonstrated a greater likelihood of adopting high-commitment strategies. The analysis indicated that a one-unit increase in firm size was associated with a 0.524 unit increase in the likelihood of selecting more resource-intensive entry modes. This observation is consistent with the findings of Dinu (2018), Ang et al. (2015), and Pattnaik and Lee (2014), who found that firm size positively correlates with the ability and willingness to undertake complex and capital-intensive foreign ventures.

In summary, the study concludes that internal organizational attributes—namely firm size, resource availability, and the nature of products and services—play a significant role in influencing how multinational companies enter foreign markets. While these variables are crucial, the presence of unexplained variance suggests the need for further research into external and institutional factors, such as host country regulations, political stability, and cultural distance. Nevertheless, the findings provide valuable insights for MNC managers and policymakers alike. For practitioners, the results highlight the importance of aligning internal capabilities with strategic entry decisions. For policymakers, understanding these dynamics can inform the creation of more targeted investment promotion strategies that attract and sustain foreign direct investment in Kenya.

5.5 Recommendations

5.5.1 Recommendations for management

The study recommends the sampled MNCs to sustain the availability of resources to enhance on the choice of foreign market entry method by multinational companies in Nairobi City

County. To rival the nearby firms in their own business sectors, organizations frequently need to have unrivaled abilities and resources that can give them financial rents that are sufficiently high to counter the significant expense of adjusting the new business sectors. Assets may likewise decide the decision of entry. For example, the procurement procedure is basically reliant upon the capacity of the organization to gain a nearby organization. Global experience alludes to the experience of the actual chiefs, the group, or the administrators. An accomplished firm is likelier to deal with the choice of entry mode more uniquely in contrast to one focusing on global business sectors interestingly. This experience gives the organization more influence while overseeing gambles and expanding its obligation to assets in the new business sectors.

There is need to work on the nature of products and services for effective choice of foreign market entry method. It is recommended that the sampled MNCs in the study area re-evaluate nature of products and services which has the smallest unit change in choice of foreign market entry methods by multinational companies in Nairobi County. The company's products and services are important considerations when making the choice of entry mode. For example, when it comes to low-margin and low-cost products, a company is likely to move its production to the target market through licensing agreements or through foreign direct investments in the form of acquisitions, joint ventures, or establishment of a local production subsidiary. On account of a creative item, the unfamiliar firm might place a ton of significant worth in holding full control of its entrance into the unfamiliar business sectors. When a few contenders practice undifferentiated promoting, the outcome is extraordinary rivalry in the biggest market or market entry and under-fulfillment of the more modest ones.

More emphasis is needed to enhance the firm size to build up foreign direct investments since it had relatively higher influence on choice of foreign market entry method for multinational companies in Nairobi City. The bigger the association, the more productive and likelier it is to embrace high value entry techniques. MNCs need resource ability to take part in development across borders and contend effectively with the host country organizations. Assets are expected to ingest the high promoting costs, uphold licenses and agreements, and accomplish economies of scale. Precisely, the size of the firm is decidedly connected with the association's penchant to enter the unfamiliar market as a rule and especially picking the entry technique for joint endeavors

5.5.2 Recommendations for policy makers/regulators

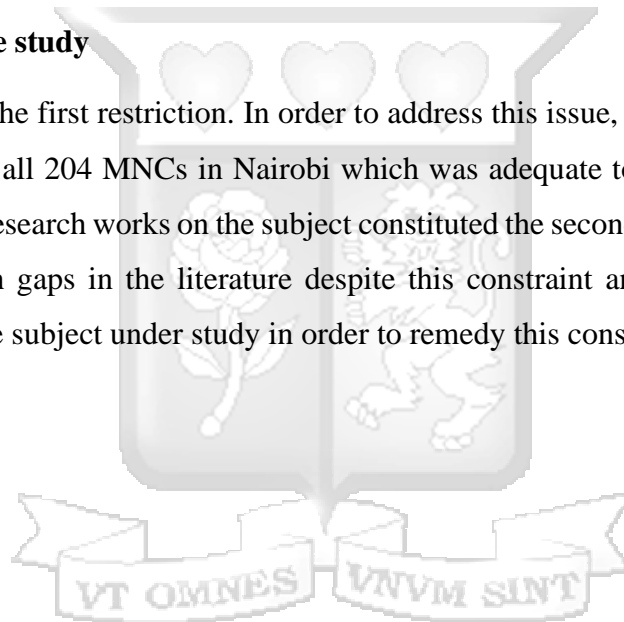
It is recommended that regulators of international trade/businesses should put their weight on promoting as well as regulating foreign market entry methods to safeguard MNCs.

5.6 Areas of further research

It is recommended that future research endeavours should aim for a broader scope to yield more meaningful insights, given that this study concentrated solely on MNCs in Nairobi County. This can be achieved by examining additional factors beyond those addressed in this study and by utilizing a larger sample size across different geographical locations. Furthermore, future research should expand its focus beyond foreign market entry methods to encompass a wider spectrum of choice of foreign market entry method by multinational companies.

5.7 Limitations of the study

The sample bias was the first restriction. In order to address this issue, a census approach was undertaken to sample all 204 MNCs in Nairobi which was adequate to draw reliable results. The absence of prior research works on the subject constituted the second constraint. This study used the few research gaps in the literature despite this constraint and suggested areas for further research on the subject under study in order to remedy this constraint.



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APPENDICES

Appendix I: Letter of introduction

To whom it may concern

My name is Washington Koech, a postgraduate student at Strathmore University, Nairobi Kenya. I am carrying out a study on the “**FACTORS INFLUENCING CHOICE OF FOREIGN MARKET ENTRY METHODS BY MULTINATIONAL COMPANIES IN NAIROBI CITY COUNTY, KENYA**”. I wish to kindly request you to participate in providing information requested below. I appreciate your voluntary participation, and your responses will be treated with utmost confidentiality and will be used for academic purposes only.

Yours Sincerely,

Washington Koech



Appendix II: Questionnaire

This is academic research towards an awarding of a master's degree in business administration. The research tries to find out the factors influencing the choice of foreign entry methods of multinational companies in Nairobi City County, Kenya. Kindly provide answers to these questions as accurately and honestly as possible for the objectivity of this research. Please do not write your name on this questionnaire.

Please tick (✓) where appropriate and fill in the required information in the spaces provided.

PART A: Demographic Characteristics of the Respondent

1. Please indicate your age

- 18-22 years
- Above 23-27 years
- Above 28-32 years
- Above 33-37 years
- Above 38-42 years
- Over 43 years

2. State your gender

- Male
- Female

3. Indicate your Education level

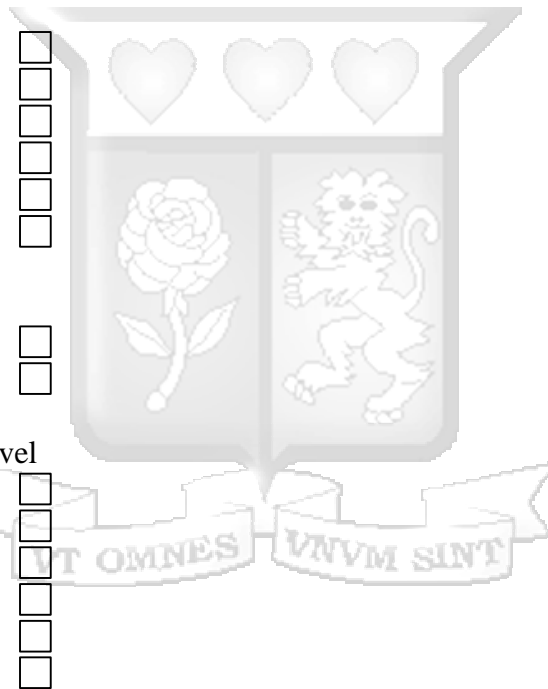
- Primary school certificate
- Secondary school certificate
- Diploma
- Bachelor's Degree
- Masters
- PhD

4. Indicate years you have worked in the institution?

- Less than 5 years
- 5-7 years
- 8-10 years
- 11-15 years
- Above 15 years

5. Indicate your position in the institution?

- Business Development Officer
- Regional Manager
- General Manager
- Director



6. What was the choice of entry method by your company?

- Joint ventures
- Exporting
- Franchising
- Mergers and acquisitions
- Strategic alliance
- Other, _____

PART B: Factors Influencing the Choice of Entry Method.

Kindly indicate your level of agreement or disagreement on the following statements concerning the availability of resources and the choice of entry method by your company on a scale of 1-5: (where: 5- Strongly Agree; 4-Agree; 3-Neutral; 2- Disagree; 1- Strongly Disagree).

No.	Indicator	1	2	3	4	5
	AVAILABILITY OF RESOURCES					
7.	Accessibility of assets is a huge thought while picking the entry technique for a worldwide organization in Kenya.					
8.	The innovation embraced by the organization permits it to be cutthroat.					
9.	The organization enjoys accomplished cutthroat benefit through abilities/assets usage.					
10.	The dissemination organization of the organization has empowered it to accomplish upper hand					
11.	Development and mechanical headway have empowered the organization to be serious on the lookout					

Kindly indicate your level of agreement or disagreement on the following statements concerning the nature of products and services and the choice of entry method by your company on a scale of 1-5: (where: 5- Strongly Agree; 4-Agree; 3-Neutral; 2- Disagree; 1- Strongly Disagree).

No.	Indicator	1	2	3	4	5
	NATURE OF PRODUCTS AND SERVICES					
12.	The organization center around specialized development methodologies and					

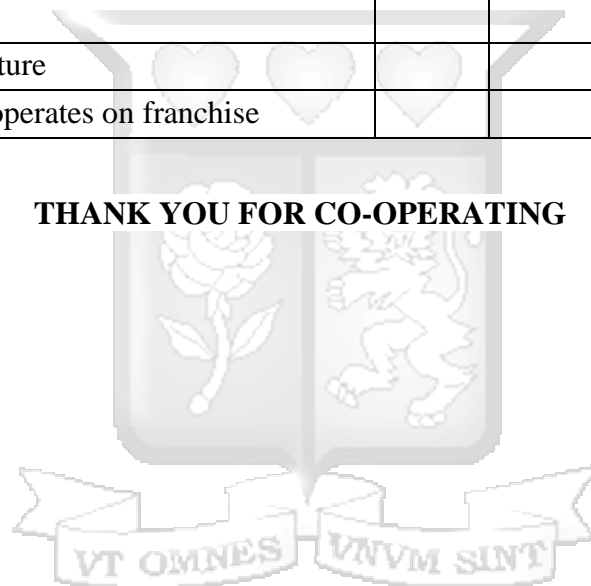
	guarantees that the items/administrations to be offered are better than whatever is accessible on the lookout.					
13.	The organization carries out broad analysis and testing to guarantee that the items/administrations to be offered would be effortlessly embraced by the unfamiliar market.					
14.	The organization guarantees that the items/administrations to be offered are in adjustment to the principles and prerequisites of the unfamiliar country					
15.	The organization can give security and insurance of the item/administration privileges to guarantee life span					
16.	The estimating technique of the items/administrations to be offered is client cordial simultaneously satisfactory to meet the organization costs.					
	SIZE OF THE FIRM					
17.	The firm size is a basic consideration on the decision of unfamiliar entry strategy for worldwide organizations in Kenya					
18.	The productivity of the organization outperforms industry benefit					
19.	The organization's piece of the pie is adequate and has extraordinary development potential for market section and development					
20.	The all-out resources of the organization are adequate for market entry and development.					
21.	The business/income of the organization are adequate for market entry and development					

PART C: Choice of Market Entry Method.

Kindly indicate your level of agreement or disagreement on the following statements concerning choice of market entry method by your company on a scale of 1-5: (where: 5- Strongly Agree; 4- Agree; 3-Neutral; 2- Disagree; 1- Strongly Disagree).

<i>No.</i>	<i>Indicator</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
	CHOICE OF MARKET ENTRY METHOD					
22.	The organization has adopted strategic alliance					
23.	The organization did an acquisition					
24.	The organization has merged with a local organization					
25.	It is a joint venture					
26.	The company operates on franchise					

THANK YOU FOR CO-OPERATING



Appendix III: List of the MNC Firms in Kenya

No	Company	Home Country	Sector
1.	Egypt Air	Egypt	Aviation
2.	Mantrac Group	Egypt	Authorized Distribution and Support of Caterpillar Construction Machines
3.	Air Mauritius	Mauritius	Aviation
4.	British American Investment	Mauritius	Finance
5.	Ecobank	Togo	Financial Services
6.	Air Zimbabwe	Zimbabwe	Aviation
7.	Oilibya	Libya	Refined Products
8.	Ethiopian Air	Ethiopia	Aviation
9.	Regal Press Kenya Limited	Canada	Printing
10.	Research In Motion	Canada	Telecommunications Equipment
11.	Tiomin Resources Inc.	Canada	Mining
12.	Unigraphics Kenya limited	Canada	Printers
13.	CMA CGM Kenya Ltd	France	Container Transportation and Shipping
14.	Peugeot Kenya	France	Motor Vehicles
15.	SDV Transami	France	Cargo agents/Freight Forwarders
16.	Total Kenya Ltd	France	Petroleum Products
17.	UAP Provincial Insurance Company Ltd	UK	Insurance
18.	Abercrombie & Kent Tours Ltd	UK	Tourism-Hotels and Tours
19.	African Highland Produce Company Limited	UK	Agriculture and Fishing
20.	Afsat Communications Ltd	UK	Data Network Solutions
21.	Amiran Kenya Limited	UK	Wholesale Trade
22.	Aon Minet Insurance Brokers Limited	UK	Professional Services
23.	Avery Kenya Limited	UK	Weighing Equipment
24.	Avon Rubber company	UK	Rubber and Polymer-based Products
25.	Barclays Bank of Kenya Limited	UK	Finance/Banking
26.	Berger Paints	UK	Paints
27.	Beta Healthcare	UK	Healthcare
28.	BOC Kenya Ltd	UK	Industrial Gases
29.	Bonar EA Ltd	UK	Plastic Bags
30.	Booker Tate	UK	Development, Management and Technical Services in Agribusiness
31.	Brackla Nodor Ltd	UK	Dartboards
32.	British American Tobacco	UK	Tobacco/Cigarettes
33.	British Broadcasting	UK	Media

	Corporation		
34.	Cadbury Kenya	UK	Confectionery
35.	Camaud Metal box (K) Ltd	UK	Metal Packaging
36.	Cussons & Company	UK	Personal Care Products
37.	Ernst & Young	UK	Professional Services
38.	Fairview Hotel	UK	Hotels
39.	Glaxo Smithkline (Kenya) Limited	UK	Pharmaceuticals and Health Care Products
40.	Holam Brothers EA (Broom and Wade)	UK	Engineering and Manufacturing
41.	Hotel Inter-Continental Nairobi	UK	Hotels and Restaurants
42.	L.G. Harris & Co EA Ltd	UK	Painting Accessories
43.	Minet ICDC Insurance Brokerr.	UK	Insurance
44.	Nairobi Hilton Hotel	UK	Hotels
45.	Old Mutual Group	UK	Financial Services
46.	Posterscope Kenya (Aegis grp)	UK	Outdoor Advertisement Services
47.	Price Waterhouse Coopers	UK	Auditing and Professional Services
48.	Reckitt Benckiser	UK	Toiletries and Domestic Chemicals
49.	Rentokil Ltd	UK	Business Services
50.	Reuters	UK	Media
51.	Ryden International	UK	Property Consultants
52.	SAB Miller	UK	Brewing, Beverages
53.	Sage group	UK	Computer Software
54.	Securicor	UK	Guarding, Courier and Alarm services
55.	Shell-British Petroleum	UK	Petroleum Products
56.	Silentnight	UK	Furniture
57.	Standard Chartered Bank Kenya	UK	Finance
58.	Treadsetters Tyres	UK	Tyres
59.	Tullow Oil	UK	Oil and Gas Exploration
60.	UDV Kenya (Guinness)	UK	Brewery
61.	Unilever Kenya Limited (Unilever PLC)	UK	Consumer Goods
62.	Vitacress Kenya Ltd.	UK	Agriculture
63.	Vitafoam	UK	Foam Mattresses
64.	Vodafone (Safaricom)	UK	Tele-com
65.	Wheetabix Limited	UK	Wheat Breakfast Cereal
66.	Citi Bank Na Limited	JSA	Finance
67.	Colgate-Palmolive (EA) Ltd	USA	Toiletries/Personal Care Products
68.	Crown Cork Company (EA) Ltd	USA	Packaging Branding
69.	Deloitte Touche Tohmatsu	USA	Professional Services

70.	Delta Air Lines	USA	Aviation
71.	Ecolab East Africa (K) Ltd	USA	Chemicals and Chemical Products
72.	Eveready East Africa Ltd	USA	Batteries
73.	FedEx	USA	Courier
74.	Fidelity Bank	USA	Banking
75.	General Motors	USA	Vehicle Assembly
76.	General Electric	USA	Appliances, Aviation, Consumer Electronics, Energy, Weapons, etc.
77.	Google	USA	Internet, Computer Software
78.	Greif Kenya Limited	USA	Machinery and Equipment
79.	IBM	USA	Computers Software and Hardware, Consulting and Services
80.	MasterCard	USA	Financial Services
81.	Wigglesworth & company limited	UK	Production and Merchandising Raw Fiber-Sisal, Hemp, etc..
82.	Williamson Tea Holdings	UK	Cultivation and Sale of Tea
83.	Acme Press (Kenya) Ltd	USA	Printers
84.	Caltex Oil (Kenya) Limited	USA	Oil Refinery Products
85.	Chase Bank Kenya	USA	Banking and Finance
86.	Cisco Systems	USA	Networking Equipment
87.	Coca Cola	USA	Soft Drink and Beverage Manufacture
88.	McCann-Erickson (Kenya) Limited, USA	USA	IT
89.	Microsoft	USA	Computer Software, Online Services and Video Games
90.	Mobil Oil Kenya Ltd	USA	Petroleum Refinery products
91.	Otis Elevators	USA	Elevators and Lifts
92.	Pepsi-Cola	USA	Food and Beverage
93.	Pfizer Laboratories Ltd	USA	Pharmaceuticals
94.	Procter & Gamble	USA	Consumer Goods
95.	SC Johnson & Son	USA	Consumer Goods
96.	The Wrigley Company (EA)	USA	Confectionary/Food processing
97.	Tibbett & Britten Kenya (Exel)	USA	Warehousing & Distribution
98.	Qualcomm	USA	Telecommunications Equipment/Semiconductors
99.	Visa Inc	USA	Financial Services
100.	Anova East Africa (ANEA)	USA	Fresh & frozen seafood products
101.	CEVA Logistics/TNT Logistics	Netherlands	Logistics
102.	Heineken	Netherlands	Brewery
103.	Royal Dutch Shell	Netherlands	Petroleum Products
104.	KLM Royal Dutch Airlines	Netherlands	Aviation
105.	K.PMG	Netherlands	Professional Services e.g. Advisory, Tax, Assurance & Consulting
106.	Phillip Medical Systems	Netherlands	Electronic Medical Equipment

107.	Seminis Vegetable Seeds (SVS)	Netherlands	Agriculture-Vegetable seeds
108.	SERA Software East Africa	Netherlands	IT
109.	Wee lines Ltd	Netherlands	Shipping
110.	Alfa Laval Regional Office	Sweden	Heat Transfer, Separation and fluid handling
111.	ABB Asea Brown Boveri Ltd	Sweden	Electrical equipment
112.	Assa Abloy EA Ltd	Sweden	Manufacturing and Services: Locks, Automatic and Security Doors
113.	Atlas Copco Eastern Africa Ltd	Sweden	Manufacture of Compressors, Generators, Industrial tools, etc.
114.	Auto Sueco EA Ltd (Volvo)	Sweden	Heavy Equipment
115.	Ericsson Kenya Ltd	Sweden	Telecommunications Equipment
116.	IGE Resources AB Africa	Sweden	Exploration and Mining
117.	Ceva Animal Health Eastern Africa Ltd	Sweden	Veterinary Health
118.	Saab Automobile AB	Sweden	Automobiles, Defence and Security
119.	Sandvik (Kenya)	Sweden	Engineering: Tooling, Materials Technology, Mining and Construction
120.	Scala (EA) Ltd	Sweden	Computers-Software Services
121.	Scania (Kenya Grange)	Sweden	Motor Vehicles
122.	Skanska	Sweden	Construction Services
123.	SKJF (Kenya) Ltd	Sweden	Bearing Manufacture
124.	Swedfund International AB	Sweden	Financial Services and Support for Investments
125.	Tetra Pak Ltd	Sweden	Integrated Processing, Packaging & Distribution Line
126.	Ulf Ashchan Safaris	Sweden	Tourism
127.	East African Development Bank	Uganda	Finance
128.	Air Tanzania	Tanzania	Aviation
129.	Achelis Group	Germany	Conglomerate
130.	Aust-Ang Caterings limited	Germany	Hospitality
131.	BASF	Germany	Manufacturing & Marketing of a wide range of Chemical Products
132.	Bayer East Africa Ltd	Germany	Agricultural Chemicals
133.	Beiersdorf East Africa	Germany	Personal Care
134.	DHL	Germany	Courier
135.	Henkel Kenya Limited	Germany	Personal Care
136.	Heidelberg East Africa	Germany	Cement
137.	Kuehne+Nagel	Germany	Logistics
138.	Siemens	Germany	Tele-com and Electrical Equipment
139.	Schenker Ltd	Germany	Logistics Services
140.	Solar World E.A.	Germany	Photovoltaic Products/Renewable Energy
141.	Weurth (Kenya) Limited	Germany	Machinery

142.	IABB Ltd	Switzerland	Power & Automation Technologies
143.	Airside Ltd	Switzerland	Airport Services
144.	Bata Shoes Company (K) Ltd	Switzerland	Footwear, Sportswear, Sports Equipment and Toiletries
145.	Habib Bank A G Zurich	Switzerland	Banking
146.	Novartis	Switzerland	Pharmaceuticals
147.	Nestle Foods Kenya Limited	Switzerland	Food Products, Beverages, and Tobacco
148.	Private Safaris	Switzerland	Tour Companies
149.	Roche Products	Switzerland	Pharmaceuticals
150.	Schindler Ltd	Switzerland	Manufacture, Maintenance and Modernization of Elevators & Escalators
151.	S G S Kenya Ltd	Switzerland	Custom Inspection & Valuation
152.	Syngenta East Africa	Switzerland	Chemicals
153.	Vvestergaard Frandsen	Switzerland	Public Health
154.	Yellow Wings Air Services Ltd	Switzerland	Air Charter Services
155.	Texchem Ltd	Malaysia	Textile Chemical Products
156.	Maersk Logistics Kenya Ltd	Denmark	Supporting Transport Activities
157.	Sadolin paints (Akzo Nobel).	Denmark	Paints
158.	Interfreight (Kenya) Limited	New Zealand	Supporting Transport Activities
159.	Xinhua News Agency	China	Media
160.	China Road & Bridge Corporation	China	Engineering
161.	Ashok Leyland	India	Automobiles and Engines
162.	Bank of Baroda	India	Banking & Finance
163.	Cadila Pharmaceuticals Ltd	India	Pharmaceutical
164.	Chloride Exide-Emmerson, US	India	Car Batteries
165.	Kenindia Assurance Company Ltd	India	Insurance
166.	Manugraph Kenya Ltd	India	Printing
167.	Marshalls EA (Tata)	India	Motor Vehicles
168.	Praj. Industries Ltd	India	Engineering & Fabrication, Alcohol & Brewery plants
169.	Raymond Woolen Mills (Kenya Ltd)	India	Textiles and clothing
170.	Sher Flowers	India	Floriculture
171.	Tata Chemicals (Magadi Soda)	India	Soda Ash Mining
172.	Tata Motors	India	Automobiles
173.	UB Pharma Ltd	India	Pharmaceutical
174.	Van Leer-Balmer Lwarie & Co.	India	Manufacture of Industrial Packaging, Greases and Lubricants
175.	Air Italy	Italy	Aviation
176.	Pirelli Tyre	Italy	Tyres

177.	Technogym	Italy	Fitness & Rehabilitation Equipment
178.	Asahi Shimbun	Japan	Media
179.	Asami Motor Services	Japan	Motor Vehicles
180.	Itochu Corporation	Japan	Trading Company
181.	Kajima Corporation	Japan	General Contracting Services
182.	Kenya Tenri Society	Japan	Foreign Development Agency
183.	Matsushita Electrical Industrial	Japan	Electrical & Electronic Components
184.	Mitsubishi Corporation (Rep Office)	Japan	Motor Vehicles
185.	Mitsui & Co Ltd	Japan	Widespread-Exploration Power
186.	Nec Corporation	Japan	IT Services and Products
187.	Nippon Koei Ltd	Japan	General Engineering & Consulting
188.	Nissan (KVA)	Japan	Motor Vehicle -Urvan (Caravan)
189.	Nissho Iwai Corporation	Japan	Heavy Construction Machinery & Equipment
190.	Overseas Courier Company	Japan	Courier Services
191.	Sanyo Armc	Japan	Electronics & Home Appliances
192.	Sumitomo Corporation	Japan	Widespread Products
193.	Toyota Kenya	Japan	Motor Vehicles
194.	Daewoo Corporation	Korea	Motor Vehicles
195.	Fila East Africa	Korea	Sports Wear
196.	Hwan Sung Industries (Kenya) Ltd	Korea	Furniture
197.	Hyundai Corporation	Korea	Motor Vehicles
198.	LG	Korea	Electronics
199.	Samsung	Korea	Electronics
200.	Castle Brewing Kenya Ltd/SAB Miller	South Africa	Food Products, Beverages, and Tobacco
201.	First Rand Bank	South Africa	Banking
202.	Stanbic Bank Kenya Limited	South Africa	Finance
203.	Steers	South Africa	Food and Beverage
204.	Wool Worths	South Africa	Retails
205.	China Central Television (CCTV)	China	Television Broadcasting

Source: Kenya National Bureau of Statistics Economic Survey 2022.

Appendix IV: Ethical Approval Letter



20th January 2025

Mr Koech Washington,
washington.koech@strathmore.edu

Dear Mr Koech,

RE: Factors Influencing Choice of Foreign Market Entry Methods by Multinational Companies in Nairobi City County, Kenya

This is to inform you that SU-ISERC has reviewed and **approved** your above **SU-masters** proposal. Your application reference number is **SU-ISERC2495/24**. The approval period is from **20th January 2025 to 19th January 2026**.

This approval is subject to compliance with the following requirements:






- i. Only approved documents including (informed consents, study instruments, MTA) will be used.
- ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SU-ISERC.
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to SU-ISERC within 72 hours of notification.
- iv. Any changes anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to SU-ISERC within 72 hours.
- v. Clearance for the export of biological specimens must be obtained from relevant institutions.
- vi. Submission of a request for renewal of approval at least 60 days prior to the expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days of completion of the study to SU-ISERC.

Before commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology, and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke/> and obtain other clearances needed.

Yours sincerely,

**Mr Ambrose Rachier,
Chairperson; SU-ISERC**

Appendix V: NACOSTI Permit

 REPUBLIC OF KENYA	 NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
Ref No: 426858	Date of Issue: 29/January/2025
RESEARCH LICENSE	
	
This is to Certify that Mr.. Washington Koech Kibet of Strathmore University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: Factors Influencing Choice of Foreign Market Entry Methods by Multinational Companies in Nairobi City County, Kenya for the period ending : 29/January/2026.	
License No: NACOSTI/P/25/415569	
426858 Applicant Identification Number	 Director General NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
	Verification QR Code 
NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.	
See overleaf for conditions	

Appendix VI: Sampling Frame

1. Business Development Officers
2. Regional Managers,
3. General Managers
4. Directors

