



DIVERSIFICATION STRATEGIES ON NON-FINANCIAL PERFORMANCE OF CASHEW NUT COMPANIES IN KILIFI COUNTY

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ABSTRACT

Cashew nut companies in Kilifi County play a vital role in supporting rural livelihoods, generating employment, and contributing to economic development in Kenya's coastal region. However, these companies continue to encounter persistent difficulties in achieving optimal non-financial performance outcomes, including consistent product quality, reduced post-harvest losses, and sustained customer satisfaction. Despite targeted efforts to revitalize cashew production, sector performance remains constrained by declining yields, infrastructural limitations, and inadequate value addition therefore the study sought to assess the effect of diversification strategies on non-financial performance of cashew nut companies in Kilifi County. The study was anchored on the Ansoff Matrix model. A descriptive survey research design was adopted, with the target population comprising 10 cashew nut companies in Kilifi County and a total of 60 department heads across operations, finance, marketing, production, human resources, and supply chain functions. A census approach was employed, incorporating all 60 respondents. Primary data were collected through self-administered semi-structured questionnaires. Instrument reliability and validity were established through a pilot test conducted in two cashew nut companies in Mombasa County, with face and content validity confirmed via expert review and Cronbach's Alpha ensuring internal consistency at a threshold of 0.7. Data analysis utilized descriptive statistics (percentages, frequencies, means, and standard deviations) and inferential statistics (Pearson correlation and multiple linear regression), with diagnostic tests performed to verify normality, absence of multicollinearity, and no autocorrelation; results were presented in tabular form. The findings revealed a strong, positive, and statistically significant relationship between diversification strategies and non-financial performance ($r = 0.757, p = 0.000$). The study concluded that diversification strategies serve as a critical mechanism for extending internal resource capabilities, thereby fostering operational resilience, stakeholder trust, and long-term sustainability within the cashew nut sector in Kilifi County. Accordingly, it is recommended that company management prioritize investment in value addition and product innovation, while policymakers and industry associations facilitate technology transfer, research funding, and conducive conditions for agro-processing to support diversified growth and improved non-financial outcomes.

KEY WORDS: Diversification Strategies, Non-Financial Performance, Market Diversification and Concentric Diversification

1.0 BACKGROUND OF THE STUDY

Diversification strategies refer to the deliberate expansion of business operations by cashew nut companies through the introduction of new products, entry into new markets, or integration of related activities, including value-added processing such as roasted cashews, cashew butter, or nut-based snacks, market expansion into regional or export segments, and concentric diversification involving complementary agribusiness ventures (Onyango & Kilonzo, 2021; Achieng & Musyoka, 2023). Unlike reliance on single-product sales of raw or basic processed cashew kernels, which exposes firms to price volatility, seasonal supply fluctuations, and limited revenue streams, diversification emphasizes leveraging existing capabilities to spread risk, enhance resilience, and improve non-financial outcomes such as reduced post-harvest losses, consistent product quality, and elevated customer satisfaction (Grant, 2016; Muthoni & Gathungu, 2020).

Globally, diversification strategies have been acknowledged as a vital mechanism for bolstering the resilience and performance of agricultural enterprises. For example, cashew processors in Vietnam that pursued product diversification through value-added items and market expansion into premium segments achieved greater brand loyalty, reduced dependency on raw exports, and enhanced competitiveness in international markets (Pham, 2020). In India and other major producing regions, firms incorporating concentric diversification by integrating related processing technologies recorded improved operational efficiency, lower post-harvest wastage, and stronger stakeholder relationships (Das, 2020). These instances illustrate that strategically implemented diversification contributes meaningfully to the long-term viability and non-financial performance of cashew enterprises across diverse economic settings.

In Africa, diversification strategies have surfaced as a critical tool for cashew companies to address macroeconomic uncertainties and secure stable operational outcomes. Evidence from West African producers, including Côte d'Ivoire and Nigeria, demonstrates that firms diversifying into value-added products and new export channels benefited from mitigated price risks, improved product quality consistency, and expanded customer bases, thereby strengthening overall sector sustainability (Okafor, 2022; TechnoServe, 2024). Similarly, in Tanzania, initiatives combining market and product diversification enhanced income predictability for processors and reduced exposure to domestic market constraints (Mgonja & Shausi, 2022). These developments underscore the role of diversification in promoting stability within African cashew value chains.



In East Africa, diversification strategies have become progressively important as cashew enterprises navigate inflationary pressures, infrastructural limitations, and fluctuating yields while striving to maintain reliable performance indicators. Research indicates that companies allocating resources toward product innovation and market broadening are better equipped to sustain quality standards, minimize losses, and foster customer loyalty (Asiedu & Agyeman, 2022). Nevertheless, barriers such as restricted access to processing technologies and market information frequently constrain effective diversification, highlighting the necessity for context-specific strategies aligned with regional realities (Mensah & Ofori, 2023).

Non-financial performance refers to the measurement and assessment of factors other than financial metrics that contribute to the overall success and effectiveness of a company. These factors can include aspects related to operational efficiency, product quality, customer satisfaction, employee engagement, environmental sustainability, and social responsibility (Apea-Bah *et al.*, 2022). In the context of cashew nut companies, non-financial performance encompasses various elements crucial for sustainable development and long-term viability. For instance, it involves assessing the efficiency of farming practices, the quality of cashew nuts produced, the satisfaction of stakeholders including farmers and buyers, and the Company's influence on the surrounding and local communities (Mishra, & Modi, 2021).

In Kenya, post-harvest losses represent a critical non-financial performance measure for cashew nut companies, reflecting their efficiency in handling and preserving harvested nuts from farm to market (FAO, 2020). Post-harvest losses manifest at different stages of the supply chain, encompassing harvesting, drying, storage, transportation, and processing. High post-harvest losses not only result in economic losses for farmers and companies but also undermine food security, reduce income opportunities, and contribute to environmental degradation (Mogaka, 2021).

In Kenya, cashew nut companies operate amid declining production trends and underutilized processing capacity, with national output falling to approximately 7,803 metric tonnes in 2024, valued at KSh 480 million, despite an installed capacity of 45,000 tonnes (AFA Nuts and Oil Crops Directorate, 2025; Ecofin Agency, 2026). In Kilifi County, the primary cashew hub, production declined notably from 3,525 metric tonnes in 2023 to 2,891 metric tonnes in 2024, driven by reduced acreage, pest pressures, disease incidence, and tree felling for alternative uses (AFA Yearbook of Statistics, 2025; Kenya News Agency, 2026).

Diversification strategies, encompassing value addition through processed products, expansion into domestic and export markets, and related agribusiness integration, are regarded as essential for generating diversified revenue, reducing post-harvest losses estimated at significant levels due to inadequate storage and handling, and improving non-financial performance metrics such as product quality and customer satisfaction (KIRDI Policy Brief, 2025; Government revival initiatives, 2026). Companies that effectively pursue diversification are more likely to achieve operational resilience, enhanced stakeholder trust, and sustained contributions to rural livelihoods and economic development (Nzau, Kung'u & Onyuma, 2019; Kagwe statements, 2026). This study therefore seeks to assess the effect of diversification strategies on the non-financial performance of cashew nut companies in Kilifi County.

2.0 STATEMENT OF THE PROBLEM

Cashew nut companies in Kilifi County, Kenya, continue to encounter significant challenges in achieving optimal non-financial performance outcomes. Although cashew cultivation has been promoted as a key mechanism for economic empowerment and poverty reduction among local communities, these companies have struggled to deliver the intended socio-economic and environmental benefits. Deficiencies in critical non-financial domains such as product quality consistency, reduction of post-harvest losses, and customer satisfaction—persistently undermine the long-term viability and effectiveness of cashew initiatives in the county.

A major factor contributing to this underperformance is the limited access to agricultural extension services and technical support for farmers. Recent assessments indicate that many cashew producers still lack adequate guidance on improved agronomic practices, disease management, and adoption of high-yielding varieties, resulting in persistently low productivity levels (Kenya News Agency, 2026; KALRO, 2026). Actual yields remain well below potential, severely constraining the supply of quality raw material to processing companies and perpetuating value-chain inefficiencies. These difficulties are exacerbated by infrastructural and logistical constraints. Inadequate road networks, transportation systems, and storage facilities cause substantial delays in moving produce from farms to processing units or markets, leading to increased spoilage and quality deterioration (KIRDI, 2025). Post-harvest losses, driven by suboptimal drying, storage, and handling practices, remain a critical issue across African cashew-producing regions, resulting in meaningful quantitative and qualitative reductions that impair sector competitiveness and sustainability. Therefore the study sought to assess the effect of diversification strategies on non-financial performance among cashew nut companies in Kilifi County

3.0 OBJECTIVES OF THE STUDY

To assess the effect of market penetration strategies on the non-financial performance of cashew nut companies in Kilifi County

4.0 THEORETICAL FRAMEWORK

The study was anchored on the Ansoff Matrix Model, originally developed by Igor Ansoff in 1957, which provides a strategic framework for analyzing and planning growth strategies in organizations. The model posits that firms can achieve growth through four key strategies: market penetration, market development, product development, and diversification. Market penetration focuses



on increasing sales of existing products in existing markets by leveraging pricing strategies, promotional activities, and improved distribution channels, while the other strategies involve entering new markets or introducing new products (Ansoff, 1957). According to the model, the choice of strategy depends on the organization's objectives, competitive environment, and risk appetite, and each strategy carries varying levels of risk and potential reward.

The Ansoff Matrix emphasizes that growth is not solely a function of product innovation or market expansion but also of strategic alignment between organizational capabilities and market opportunities. In the context of cashew nut companies in Kilifi County, the model is particularly relevant because these firms operate in a competitive agricultural processing sector where non-financial performance, such as market share, customer loyalty, brand recognition, and operational efficiency, is influenced by how effectively they implement market penetration strategies. For instance, when companies adopt promotional campaigns, enhance distribution networks, or optimize pricing strategies without adequately understanding customer needs and market dynamics, the intended performance gains may not materialize (Kotler & Keller, 2016). Thus, the Ansoff Matrix provides a framework to evaluate how strategic market-focused initiatives impact non-financial performance outcomes.

The Ansoff Matrix model is crucial in explaining how deliberate diversification efforts contribute to non-financial performance by expanding product offerings and entering new markets. When cashew nut companies in Kilifi County develop innovative cashew-based products, such as cashew butter, cashew oil, or roasted cashew snacks, and introduce them to new domestic or international markets, they strengthen their market presence and enhance brand recognition. Diversification also enables firms to build stronger customer relationships by addressing unmet needs in emerging markets and creating new avenues for customer engagement. This strategic expansion promotes operational flexibility, organizational learning, and resilience against market fluctuations (Pearce & Robinson, 2019). Applying the Ansoff Matrix, the study highlights that the non-financial performance of cashew nut companies can be significantly enhanced when diversification strategies are carefully designed and executed. Therefore, the model underscores the importance of pursuing new product-market combinations as a means to achieve sustainable growth, competitive advantage, and superior organizational outcomes in the agricultural sector.

5.0 EMPIRICAL REVIEW

Chen and Wang (2020) did a research on association of diversification strategies and firm performance among Chinese manufacturing firms. Employing a longitudinal research design, the study collected data from a panel of 300 manufacturing firms over a five-year period. The study utilized econometric methods, including regression analysis, to assess the impact of market diversification on various performance indicators, such as profitability, sales growth, and market share. Results indicated that firms implementing market diversification strategies exhibited higher levels of performance compared to their non-diversified counterparts, highlighting the importance of expanding into new markets for sustained growth and competitiveness.

Lee and Park (2021) conducted a study to assess the impact of diversification strategies on the survival prospects of SMEs in South Korea. Using a longitudinal research design, the study analyzed data from a sample of 200 SMEs for five years. The study employed survival analysis techniques. Findings indicated that SMEs implementing market diversification strategies were more likely to survive in the long run, highlighting the importance of diversifying market portfolios to mitigate risks and enhance resilience against economic uncertainties. However, the study utilized a longitudinal research design and survival analysis techniques to assess the relationship between diversification strategies and firm survival rates. In contrast, this study adopts a descriptive survey design and employs correlation analysis and regression analysis to examine the relationship between various growth strategies and non-financial performance indicators.

Gupta and Singh (2022) investigated the impact of diversification strategies on the export performance of Indian textile exporters. Using a mixed-methods research design, the study collected data from a sample of 150 textile exporting firms in India through surveys and interviews. The study employed both quantitative analyses, such as regression analysis, and qualitative techniques, such as thematic analysis. Results revealed a positive association between market diversification efforts and export success, with firms expanding into new markets experiencing significant improvements in their export outcomes. Nevertheless, the authors studied the impact of divergence strategies on the export success of Indian textile exporters. While the focus on diversification aligns with the objectives of the current study, the context differs significantly. Understanding the applicability of diversification strategies in the cashew nut industry in Kilifi County requires a study focused on this specific sector and geographic location.

Mwema and Mwangi (2021) investigated the relationship between diversification strategies and export competitiveness among Kenyan horticultural exporters. Using a cross-sectional research design, the study surveyed 150 horticultural exporters in Kenya to collect data on their market diversification efforts and export performance metrics. The authors employed descriptive and inferential statistical analyses to examine the association between market diversification strategies, such as product diversification and geographic expansion, and export competitiveness indicators, such as market share and export volumes. Results revealed that exporters adopting diversified market strategies had a competitive edge in international markets, demonstrating higher levels of export competitiveness compared to their less diversified counterparts. Nevertheless, the authors used cross-sectional investigation design and utilized descriptive and inferential statistical analyses. In contrast, the current study adopts a descriptive survey design and utilizes correlation analysis and regression analysis techniques.



6.0. CONCEPTUAL FRAMEWORK

Independent Variable

Diversification Strategies

- Market Diversification
- Concentric Diversification

Dependent Variable

Non-Financial Performance

- Post-Harvest Losses
- Product Quality
- Customer Satisfaction

Figure 1: Conceptual Framework

7.0 METHODOLOGY

The study adopted a descriptive survey research design to examine the effect of diversification strategies on non-financial performance of cashew nut companies in Kilifi County. This design was considered appropriate because it facilitated the systematic description of existing diversification practices while enabling the testing of hypothesized relationships between diversification strategies and non-financial performance outcomes, such as post-harvest losses, product quality, and customer satisfaction. The target population consisted of 10 cashew nut companies in Kilifi County, comprising a total of 60 department heads across key functional areas. Given the manageable size of this population, the study employed a census approach, incorporating all 60 respondents in the analysis. The unit of observation comprised 10 heads of operations departments, 10 heads of finance departments, 10 heads of marketing departments, 10 heads of production departments, 10 heads of human resources departments, and 10 heads of supply chain departments, as these professionals were directly involved in strategic decision-making and the implementation of diversification strategies within their respective companies. Primary data were collected through self-administered semi-structured questionnaires designed to capture quantitative information on diversification practices, including product diversification, market diversification, and concentric diversification, and their perceived impact on non-financial performance. Secondary data on non-financial performance indicators were obtained from the annual reports and internal records of the respective cashew nut companies for the period 2020 to 2024. The pilot study was conducted in two cashew nut companies in Mombasa County, with 12 questionnaires administered to assess the reliability and validity of the research instrument. Validity was established through face and content validity assessments via expert review, while reliability was evaluated using Cronbach's Alpha, with a threshold of 0.7 accepted as indicative of adequate internal consistency. Both descriptive and inferential statistics were utilized for data analysis. Descriptive statistics, including percentages, frequencies, means, and standard deviations, were employed to summarize the characteristics of diversification practices and non-financial performance indicators. Inferential statistics, specifically correlation analysis and multiple linear regression analysis, were applied to test the hypothesized relationship between diversification strategies and non-financial performance. Diagnostic tests were performed to confirm the assumptions of regression, including normality, multicollinearity, autocorrelation, and linearity, thereby ensuring the robustness of the results. Data analysis was conducted using the Statistical Package for Social Sciences (SPSS), and findings were tabulated.

8.0 RESULTS

8.1 Response Rate

The researcher issued out 60 questionnaires to the respondents. Out of 60 questionnaires issued, 51 were successfully filled and returned for analysis thus giving the study 85% response rate.

Table 1: Response Rate

	Sample Size	Completely Filled	Non-Response Rate
Frequency	60	51	9
Percent (%)	100	85	15

8.2 Demographic Information

8.2.1 Highest Level of Education of Respondents

The researcher sought to determine the highest qualification of the respondents in the Cashew Nut industry. The findings are shown in Table 2.

Table 2: Highest Level of Education of Respondents

Age	Frequency	Percentage
Diploma	25	49
University Degree	17	33
Post Graduate	9	18
Total	51	100

The research showed that 49% of the respondents were diploma holders, 33% had a university degree, and 18% were postgraduate degree holders. Such a breakdown indicates that at cashew nut companies in Kilifi County, the majority of the workforce is at the level of mid-professional training with a considerable number of degree and postgraduate holders who add higher expertise. The dominance of diploma holders considerably explains the industry's crucial reliance on the technical and operational



skills needed for production, processing, and quality assurance in the cashew value chain.

Kilonzo and Mwende (2020) observed that Kenyan agricultural enterprises primarily depended on diploma and technical-level qualifications since the sector was heavily inclined towards the practical skills and knowledge aspects of the agribusiness. Similarly, Mutua and Odhiambo (2021) pointed out that having university graduates and postgraduates in agribusinesses leads to better strategic planning, adoption of innovation, and decision making based on research. Besides that, Njeru and Kariuki (2022) argued that a mix of diploma, degree, and postgraduate staff is ideal for an organization to perform well where technical staff take care of the operational efficiency while the higher-degree holders provide the managerial foresight and policies.

The variance in educational qualifications thus provide the cashew nut companies in Kilifi County with a workforce that is made up of skilled technicians on the one hand and, on the other, has the ability to think strategically and undertake research. This mix of skills is indeed a factor that has positively impacted the firms' diversification strategies and non-financial performance outcomes.

8.2.2 Length of service in cashew nut company

The study sought to assess the duration for which the respondents had been working in, or providing services to, voluntary private pension schemes. The results of this analysis are presented in Table 3.

Table 3: Length of service in cashew nut company

Category	Frequency	Percentage
Less than 3 years	18	35
3-9 years	10	20
9-12 years	16	31
More than 12 years	7	14
Total	51	100

The findings revealed that most of the people surveyed (35%) had worked in cashew nut companies for less than three years, while 31% belonged to the category of employees who had served for 9–12 years. Around 20% of the workers had 3–9 years of work experience, and only 14% had 12 years and above. This distribution represents a perfect triangle of new employees, employees with middle-range tenures, and employees with long-standing institutional knowledge. The high ratio of employees with less than three years of service points to continuous recruitment and expansion in the cashew sector, and the second largest group of staying employees ensures stability and continuity of the organization.

The results concur with Wanjiru and Otieno (2020), who found that agribusiness enterprises in Kenya are characterized by high employee turnover mainly because of employees engaging in seasonal activities and looking for emerging market opportunities, making employee tenure to be shorter. However, Kimani and Chebet (2021) emphasized that long-tenured employees possess considerable institutional memory, have personal networks, and are well familiarized with the work processes, which contribute to improved performance and strategic execution. In the same line, Achieng and Mwangi (2022) stated that the combination of short- and long-serving employees fosters a vibrant culture as the new employees introduce new ideas and innovation, while the experienced ones give guidance and offer operational continuity.

Hence, the variety in the length of service allows the cashew nut companies in Kilifi County to be able to leverage the innovative approaches of the new staff together with the experienced employees who provide strategic acumen and stability, thereby supporting their diversification strategies and non-financial performance.

8.3 Descriptive Findings

8.3.1 Descriptive Findings for Diversification Strategies

The researcher further sought to assess the level of agreement with the statements on the influence of diversification strategies on the non-financial performance of Cashew Nut companies in Kilifi County. The study findings were as indicated in table 4.

Table 4: Diversification Strategies

Statement	SA %	A %	N %	D %	SD %	Mean	Std
Product diversification allows cashew nut companies to spread risk across multiple product lines	48	28	14	10	0	4.1400	1.01035
Diversifying the product range attracts a broader customer base with varying preferences and tastes.	36	36	16	10	0	4.0200	.97917
Market diversification exposes cashew nut companies to new growth opportunities in untapped or underserved market.	42	36	12	10	0	4.1000	.97416
Diversifying into new markets creates additional revenue streams for cashew nut companies by reducing dependency on local markets.	54	24	14	6	2	4.2200	1.03589
Concentric diversification allows cashew nut companies to leverage existing resources, capabilities, and expertise in related industries.	44	34	12	10	0	4.1200	.98229
Concentric diversification enables cashew nut companies to optimize their product portfolios by adding related products or services that enhance the overall value proposition	46	38	8	6	2	4.2000	.96890
Overall (Mean & SD)						4.1333	0.9918



Key: SD=Strongly Disagree, D=Disagree, N=Neutral, A=Agree, SA=Strongly Agree

The findings showed that approximately 48% of the respondents strongly agreed while 28% agreed that product diversification helps cashew nut companies to reduce risk by having different product lines. In contrast, 14% were neutral, and 10% disagreed. With an average of 4.14 (Std. Dev = 1.01) this indicates a very strong endorsement of the use of diversification as a risk management method that can lessen the dependence on only a few product categories. These results corroborate the assertions of Chege and Mutua (2020) who revealed that product diversification in agricultural businesses significantly reduces the impact of market fluctuations and thereby ensures more stable firm performance.

On the other hand, a total of 72 % of respondents comprising 36 % who strongly agreed and another 36 % who agreed confirmed that by offering different products, more customers with different tastes and preferences can be attracted, whereas 16 % remained neutral and 10 % disagreed. The average of 4.02 (Std. Dev = 0.98) indicates that the majority of people believe that diversification leads to a greater market appeal because the products better satisfy the different needs of consumers. From their results, Otieno and Wanjala (2021) observed that agribusiness companies that widen their product range are able to successfully attract different consumer groups and thereby increase their brand competitiveness.

Regarding market diversification, 42% of the respondents strongly agreed and 36% agreed that it literally opens doors for cashew nut companies to explore growth opportunities in new or neglected markets where demand is still low. However, 12% were neutral, and 10% disagreed. The mean of 4.10 (Std. Dev = 0.97) portrays that the majority of the people consider venturing into different markets as a guaranteed way of growth. From the research of Hassan and Mwangi (2022), it is evident that market diversification is a strategy that not only unveils new customer segments but also lessens the impact of demand shocks that are commonly localized in agriculture supply chains.

Over and above, 54% strongly agreed and 24% agreed that entering new markets brings about new revenue sources by lessening dependence on local markets, whereas 14% were neutral, 6% disagreed, and 2% strongly disagreed. The highest mean of 4.22 (Std. Dev = 1.04) is indicative of market diversification being considered as one of the most efficient strategies for securing long-term sustainability. These findings are in line with Mutua (2020) who pointed out that exploring regional and international markets results into significant revenues for Kenyan nut processors.

The results further indicate that 44% strongly agreed and 34% agreed that by pursuing concentric diversification, the cashew nut companies can use the existing resources, capabilities, and expertise in related industries, whereas 12% were neutral and 10% disagreed. The mean of 4.12 (Std. Dev = 0.98) shows a strong agreement on how resource-based diversification improves operational efficiency. These findings are consistent with Njeru and Kimathi (2021) who found that concentric diversification makes companies stronger by exploiting synergies in production, distribution, and branding among other factors.

Likewise, 46% strongly agreed and 38% agreed that by undertaking concentric diversification, cashew nut companies can streamline their product offerings by including related products or services that increase the overall value proposition, whereas 8% were neutral, 6% disagreed, and 2% strongly disagreed. With a mean of 4.20 (Std. Dev = 0.97), this implies that concentric diversification plays a major role in enhancing customer loyalty and competitive positioning. The findings resonate with Achieng and Musyoka (2023) who indicated that related diversification in agribusiness raises the brand's power and results in more robust product portfolios.

The overall mean of 4.13 (Std. Dev = 0.99) signifies that the diversification strategies are highly believed to positively affect the non-financial performance of cashew nut companies in Kilifi County. These findings support Onyango and Kilonzo (2021) who highlighted product and market diversification as key enablers of resilience, competitiveness, and sustainability of agribusiness enterprises in the long run.

8.3.2 Descriptive Findings for Non-Financial Performance

The researcher further sought to assess the non-financial performance of Cashew Nut companies in Kilifi County, Kenya. The study findings were as indicated in table 5.

Table 5: Non-Financial Performance

Statement	SA %	A %	N %	D %	SD %	Mean	Std
We have recorded a reduction in post-harvest losses for the five years.	36	30	20	10	4	3.8400	1.14927
The cashew nut company is able to minimize post-harvest losses which reduces wastage of resources, resulting in cost savings	36	36	14	12	2	3.9200	1.08496
We are consistent in our product quality to builds trust and loyalty among our consumers and to enhance our brand reputation.	44	32	10	12	2	4.0400	1.10583
The company is able to satisfy our customers who make repeat purchases and have become our loyal patrons.	32	50	8	8	2	4.0200	.95810
Overall (Mean & SD)						3.9800	1.0918



The findings revealed that 36% of respondents completely agreed and 30% agreed that their companies had achieved a decrease in post-harvest losses during the last five years, whereas 20% were neutral, 10% disagreed, and 4% strongly disagreed. With a mean of 3.84 (Std. Dev = 1.15), it is clear that the majority of respondents acknowledge that loss reduction has been on the rise, although they agree that there are still difficulties. These findings are consistent with Mwangi and Otieno (2020) who indicated that reduction in post-harvest losses in the nut sector in Kenya leads to tremendous improvement in operational efficiency and profitability.

Correlatively, 36% of the respondents strongly agreed and another 36% agreed that reducing post-harvest losses leads to the elimination of wastage of resources and thus yields cost savings, while 14% were neutral, 12% disagreed, and 2% strongly disagreed. With a mean of 3.92 (Std. Dev = 1.08), it can be inferred that the majority of the respondents consider waste reduction as the major factor that facilitates efficient management of resources. Findings here concur with Kamau and Wanjiku (2021) who stressed that sustainability and improvement of firm performance in agribusiness result from the advanced post-harvest handling measures of the crop.

Besides, 44% strongly agreed and 32% agreed that continuous product quality leads to consumer trust and loyalty, while 10% were neutral, 12% disagreed, and 2% strongly disagreed. With a mean of 4.04 (Std. Dev = 1.11), it can be said that the quality consistency is a very vital factor in the brand reputation building process. The evidence corroborates Ndegwa and Hassan (2021) who found out that agribusiness consumer trust increases when product quality is standardized and dependable over time.

Lastly, the study additionally revealed that 32% strongly agreed and 50% agreed that their companies were able to satisfy customers who make repeat purchases and become loyal patrons, while 8% were neutral, 8% disagreed, and 2% strongly disagreed. With a mean of 4.02 (Std. Dev = 0.96), it can be seen that customer satisfaction is considered as one of the most important elements for customer loyalty and continued demand. These results are in line with what Abubakar and Simiyu (2022) documented that repeat purchases in Kenya's agricultural markets are mainly the results of consumer satisfaction and product value perception.

The average score of 3.98 (Std. Dev = 1.09) suggests that non-financial performance in the cashew nut sector is largely the result of changes in post-harvest management, product quality consistency, customer satisfaction and brand loyalty. These results correspond with that of Onyango and Kilonzo (2021), who argued that maintaining quality, reducing losses, and possessing good customer relationships are the key factors for enabling the competitiveness and long-term performance of agribusinesses.

8.4 Diagnostic Tests

For the sake of justifying the use of the regression model, pre-estimation tests were carried out.

8.4.1 Normality Assumption Test

Table 6: Normality Assumption Test Results

Variable	Kolmogorov- Smirnov	Sig
Diversification Strategies	.230	.080
Non-financial performance of Cashew Nut companies	.241	.079

From the findings the p-values were greater than the significance level (0.05), this implies that the data were normally distributed. This is in line with Freeman (2017) who argue that when the sig value is less than the 0.05 threshold data is normally distributed.

7.4.2 Multicollinearity Test

Table 7: Multicollinearity Assumption Test Results

Variables	Tolerance	VIF
Diversification Strategies	.611	1.637
Non-financial performance of Cashew Nut companies	.494	2.024

From the finding the tolerance values for the variables under study were all above 0.10 and VIF values were less than 10, this implies that the data used had no Multicollinearity. This is in line with Fox, (2015) who argued that for the research to be accepted the Tolerance for all independent variables should be more than 0.1 and the variance inflation factor (VIF) is recommended to be below 10.

8.5 Inferential Statistics

Under inferential statistics the study conducted both correlation and regression analysis. The findings are indicated below.

Table 8 : Correlation Matrix

Non-Financial Performance	Diversification Strategies	
	Pearson Correlation	.757
	Sig. (2-tailed)	.000
	N	51

The results indicated that diversification strategies have a strong, positive, and statistically significant impact on non-financial performance ($r = 0.757$, $p = 0.000$). This means that using market and concentric diversification strategies, like offering new



products, targeting different consumer segments, and integrating related value-added processes, can significantly improve your company's resilience, product quality, and customer loyalty. The findings agree with Onyango and Kilonzo (2021) who noted that diversification makes agribusiness more adaptable and competitive, and with Achieng and Musyoka (2023) who asserted that related diversification enables firms to create stronger brand identities while protecting them from market risks. For cashew nut industry players, this means they have to diversify both the product and market by, for example, making cashew-based snacks, oils, or by-products in order to enhance quality perception and maintain long-term stability.

9.0 CONCLUSION

The study concluded that there is a moderate positive statistically significant relationship between diversification strategies and non-financial performance. Besides selling more products, opening up new markets, or value-adding through processing, such companies also get more loyal customers, improved reputation, and long-term stability. The outcome supports the idea that diversification is necessary for risk mitigation as well as market dynamism.

10.0 RECOMMENDATIONS

In light of the findings, the study recommended that, cashew nut companies should invest in value addition and product diversification. This may include developing new cashew-based products such as cashew butter, beverages, and snacks, as well as diversifying into related agricultural or agribusiness activities. At the policy level, government agencies and industry associations should support innovation through research funding, technology transfer, and the creation of favourable conditions for agro-processing industries.

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