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Effect of Customer Intensity Strategies on The Performance of Youth-Owned Enterprises in The Lake Region Economic Bloc, Kenya

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ABSTRACT

Purpose: Youth-owned enterprises (YOEs) in Kenya's Lake Region Economic Bloc (LREB) continue to record high failure rates despite sustained government and donor support, with weak customer-focused marketing repeatedly cited as a constraint on growth. This study, therefore, sought to evaluate the effect of customer intensity strategies on the performance of youth-owned enterprises in the LREB, Kenya.

Methodology: A descriptive research design was adopted, targeting 71,890 registered youth-owned enterprises drawn from the trade, manufacturing, services, and agriculture sectors in Busia, Kakamega, Kisumu, Homa Bay, and Kisii counties. Cochran's (1977) formula, adjusted for a finite population, was used to arrive at a sample size of 382 enterprises, proportionately distributed across the five counties using stratified random sampling. A structured questionnaire was used to collect primary data, and a pilot test was conducted to assess validity and reliability. Of the 352 questionnaires administered to the quantitative sample, 320 were correctly filled and returned, translating to a response rate of 90.91%. Data were analysed using descriptive and inferential statistics with the aid of the Statistical Package for Social Sciences (SPSS).

Findings: The findings revealed that most respondents perceived customer feedback usage, customer engagement, and repeat enterprise frequency as important drivers of enterprise performance. The study concluded that customer intensity, expressed through active customer engagement, quality service delivery, and responsiveness to feedback, affects performance among youth-owned enterprises in the LREB.

Unique Contribution to Theory Practice and Policy: The study recommended that youth entrepreneurs adopt affordable digital Customer Relationship Management (CRM) tools to strengthen customer engagement, and that development partners mentor youth enterprises on customer service, branding, and relationship-based marketing to sustain competitiveness.

Keywords: *Customer Intensity, Enterprise Performance, Youth-Owned Enterprises, Lake Region Economic Bloc*

1. Background of The Study

Customer intensity strategies refer to organizational approaches that prioritize developing strong, long-term, and mutually beneficial relationships with customers through continuous engagement, personalized service delivery, customer feedback mechanisms, customer retention initiatives, and effective communication (Kotler et al., 2022). These strategies focus on understanding customer needs, preferences, and purchasing behaviour to enhance customer satisfaction, loyalty, and repeat patronage, thereby creating sustainable competitive advantage (Payne & Frow, 2023). Unlike transaction-oriented marketing, which emphasizes one-time sales, customer intensity strategies encourage enterprises to build enduring relationships that generate customer trust, positive word-of-mouth, and long-term profitability. Armstrong and Kotler (2022) argue that organizations that consistently invest in customer engagement strengthen customer loyalty, improve customer lifetime value, and achieve sustainable business growth.

Globally, customer intensity strategies have become an essential driver of enterprise performance, particularly among small and medium-sized enterprises operating in dynamic and competitive markets. In the United States, businesses increasingly utilize customer relationship management systems, digital engagement platforms, customer loyalty programmes, and personalized marketing to strengthen customer relationships and improve organizational performance (Grewal & Levy, 2023). These customer-focused initiatives have contributed to increased customer retention, higher sales growth, enhanced customer lifetime value, and improved business sustainability by enabling firms to respond effectively to changing consumer preferences (Kotler et al., 2022). Similarly, multinational corporations such as Amazon and Starbucks continue to leverage customer analytics, personalized experiences, and loyalty programmes to strengthen customer engagement and sustain competitive advantage (Chaffey & Ellis-Chadwick, 2022).

In Africa, customer intensity strategies have become increasingly important as enterprises seek to strengthen competitiveness within rapidly changing markets characterized by digital transformation and evolving customer expectations. In South Africa, small and medium enterprises have increasingly embraced customer engagement initiatives through digital marketing, customer loyalty programmes, and service innovations to improve customer retention and business performance (Department of Small Business Development South Africa, 2023). Likewise, Rwanda has promoted customer-oriented entrepreneurship through digital business reforms and enterprise development initiatives that encourage businesses to improve customer experiences and market responsiveness (Rwanda Development Board, 2023). In Ghana, customer relationship management practices have enhanced enterprise competitiveness by strengthening customer satisfaction and encouraging repeat purchases despite resource constraints (Boateng, 2022).

In Kenya, youth-owned enterprises operate within an increasingly competitive business environment characterized by rapid technological advancement, expanding digital commerce, changing consumer preferences, and intensified market competition. The Government of Kenya has implemented various initiatives, including the Youth Enterprise Development Fund, the Micro and Small Enterprises Act (2012), and the Bottom-Up Economic Transformation Agenda, to promote entrepreneurship and enterprise growth among young people (Ministry of Cooperatives and MSME Development, 2023). These initiatives encourage youth-owned enterprises to adopt customer-oriented strategies that enhance customer engagement, improve service delivery, and strengthen enterprise competitiveness (KNBS, 2024). Nevertheless, many youth-owned enterprises continue to experience challenges such as weak customer relationship management systems, inadequate customer feedback mechanisms, limited marketing capabilities, and financial constraints, which reduce their ability to establish strong customer relationships and improve business performance (World Bank, 2024).

Performance of youth-owned enterprises refers to the extent to which businesses owned and managed by young entrepreneurs achieve their strategic, operational, and financial objectives through efficient utilization of available resources while maintaining competitiveness and sustainability (Richard et al., 2022). Enterprise performance encompasses both financial and non-financial outcomes, including sales growth, profitability, market expansion, customer satisfaction, customer retention, innovation, operational efficiency, business survival, and employment creation (Wheelen et al., 2023). According to Barney and Hesterly (2021), enterprise performance also reflects an organization's ability to create value for customers while effectively responding to changing environmental conditions and competitive pressures. Consequently, high-performing youth-owned enterprises demonstrate stronger market positioning and long-term business sustainability.

Effective enterprise performance demonstrates an organization's capacity to utilize its resources efficiently while responding effectively to customer needs and market opportunities. High-performing youth-owned enterprises exhibit stronger customer loyalty, improved profitability, increased sales growth, enhanced innovation, and greater resilience against market uncertainties (OECD, 2023). According to Kotler et al. (2022), enterprises that continuously strengthen customer relationships achieve superior customer retention and long-term profitability compared to those that focus primarily on transactional exchanges. Conversely, poor enterprise performance may manifest through declining sales, reduced profitability, customer attrition, weak market penetration, and business failure (UNDP, 2024)

Within the Lake Region Economic Bloc (LREB), youth-owned enterprises operate in a diverse and rapidly evolving economic environment characterized by increasing entrepreneurial activity, expanding regional trade opportunities, digital transformation, and growing competition across sectors including agribusiness, manufacturing, retail, tourism, and services. The bloc continues to promote regional integration, enterprise development, and investment as mechanisms for stimulating economic growth and employment creation (Lake Region Economic Bloc Secretariat, 2023). Despite these opportunities, many youth-owned enterprises continue to experience challenges related to customer acquisition, customer retention, limited customer engagement, inadequate market intelligence, and intense competition, which constrain enterprise growth and sustainability (KNBS, 2024). The World Bank (2024) further notes that strengthening customer-focused business strategies remains essential for improving the competitiveness and long-term performance of youth enterprises within emerging regional economies. Therefore, examining the effect of customer intensity strategies on the performance of youth-owned enterprises within the Lake Region Economic Bloc is important in understanding how customer-oriented approaches can promote sustainable enterprise growth, employment creation, and regional socio-economic development

Statement of the Problem

Youth-owned enterprises (YOEs) in Kenya play a vital role in creating jobs and boosting the economy, but they face a troubling reality: around 60% fail within just three years, despite significant public funding and support initiatives. In the Lake Region Economic Bloc, counties like Busia and Kisumu are seeing many YOEs struggle with low customer retention, limited market reach, and stagnant profits, which not only affects individual livelihoods but also hampers the region's economic potential. Current policy measures, such as microcredit schemes, youth funds, and general entrepreneurship training, have not done enough to enhance the survival or growth of these businesses. This is largely because they overlook the importance of customer-centric strategies like targeted marketing, building customer loyalty, and customizing services that are essential for driving repeat business and gaining a competitive edge. This study aims to explore how customer intensity strategies impact the performance of YOEs in the Lake Region. By employing a mixed-methods approach that includes a cross-sectional survey of youth entrepreneurs and in-depth interviews, the research evaluated whether focused customer practices can lead to increased sales growth, profitability, and enterprise sustainability. The findings are expected to guide policy and program development by suggesting key investments in customer analytics, specialized marketing training, and retention-focused strategies to strengthen the resilience of YOEs.

2. Literature Review

Theoretical Review

The study was anchored on the Customer Intensity Theory, which holds that organisations achieve superior outcomes by understanding customer needs, building strong relationships, and delivering customised solutions. The theory conceptualises customer intensity as existing on a continuum of emotional, behavioural, and relational engagement between an enterprise and its customers:

enterprises whose customers engage in shallow transactions occupy a low-intensity position, while those whose customers become loyal advocates and ambassadors occupy a high-intensity position (Kumar, Jones, Venkatesan & Leone, 2019). Applied to this study, the theory suggests that youth-owned enterprises that actively use customer feedback, sustain regular customer engagement, and encourage repeat patronage are better positioned to convert relationship strength into measurable performance gains.

The study was further complemented by the Resource-Based View (RBV) Theory (Barney, 1991), which holds that enterprises achieve superior performance when they possess and effectively deploy resources that are valuable, rare, difficult to imitate, and non-substitutable. Applied to youth-owned enterprises, customer relationships, brand trust, and accumulated customer knowledge constitute intangible strategic resources that allow resource-constrained youth entrepreneurs to compensate for limited physical capital and compete effectively. Together, the two theories position customer intensity as both a relational process and a strategic resource capable of driving the performance of youth-owned enterprises in the Lake Region Economic Bloc.

Empirical Review

Smith, Dibb and Meadows (2022) investigated emotional engagement in youth-led enterprises and found that marketing strategies emphasising shared values, identity, and community ties significantly strengthened loyalty among young consumers, who were found to value brand principles more than price. This finding is particularly relevant to youth-owned enterprises, whose customers are often drawn from similarly youthful market segments. In Asia, Wang, Luo and Zhang (2022) examined product innovation, digital marketing, and performance among small and medium enterprises in emerging markets and found that customer-focused digital engagement strategies, including mobile-based customer service, significantly enhanced enterprise performance and scalability. In Malaysia, Al-Shaikh and Hanaysha (2022) examined entrepreneurial marketing dimensions among small and medium enterprises and established that customer intensity and value creation were positively and significantly associated with enterprise success, with the study recommending that resource-constrained enterprises prioritise customer-value-creating activities ahead of other marketing dimensions.

Within Kenya, Ngugi, Odero-Wanga and Mshenga (2021) examined the determinants of customer retention among youth-led agribusinesses and found that consistent customer engagement and responsiveness to feedback significantly predicted repeat business and enterprise survival. Rather (2021) further demonstrated that customer experience and engagement behaviours are central to building the kind of sustained brand relationships that translate into enterprise competitiveness. While these studies converge on a positive relationship between customer-centred engagement and

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enterprise outcomes, they were conducted largely among digital ventures, agribusinesses, and general small and medium enterprises, leaving a contextual gap regarding the trade, manufacturing, services, and agriculture-based youth enterprises of Kenya's Lake Region Economic Bloc. This study sought to address this gap by evaluating the effect of customer intensity strategies on the performance of youth-owned enterprises within the LREB.

Conceptual Framework

The conceptual framework of the study illustrates the relationship between customer intensity strategies, the independent variable, and the performance of youth-owned enterprises, the dependent variable, with firm age considered as a moderating variable. Customer intensity strategies were conceptualised through customer feedback usage, level of customer engagement, and repeat enterprise frequency, while performance of youth-owned enterprises was conceptualised through sales growth, digital marketing effectiveness, customer turnout during promotions, profit growth, and return on marketing investment.

Independent Variable **Dependent Variable**

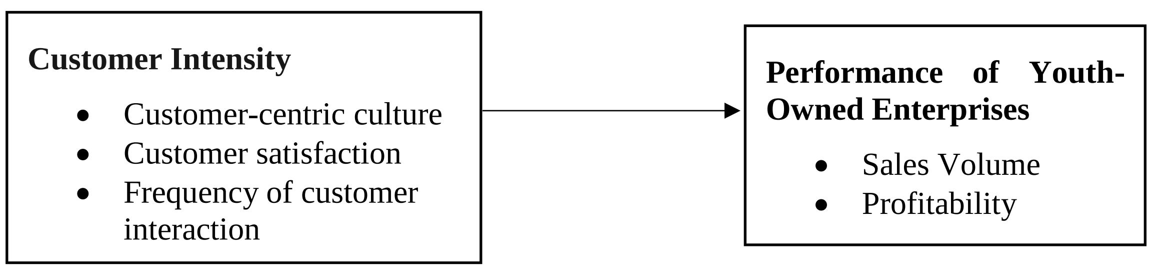

Figure 1: Conceptual Framework

3. Methodology

The study adopted a descriptive research design within a positivist philosophy and was carried out among registered youth-owned enterprises (ages 18–35) in the trade, manufacturing, services, and agriculture sectors of Busia, Kakamega, Kisumu, Homa Bay, and Kisii counties, which together constitute the Lake Region Economic Bloc. The target population comprised 71,890 registered youth-owned enterprises. Cochran's (1977) formula, adjusted for a finite population, was applied to determine a sample size of 382 enterprises, proportionately distributed across the five counties using stratified random sampling and Bowley's allocation formula. A structured, closed-ended questionnaire employing a five-point Likert scale, where 5 = Strongly Agree and 1 = Strongly Disagree, was used to collect primary data from enterprise owners/managers. A pilot test was conducted to refine the instrument and assess reliability using Cronbach's Alpha. Data were analysed using descriptive statistics, comprising frequencies, percentages, means, and standard deviations, and inferential statistics, comprising Pearson correlation and simple linear regression

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analysis, with the aid of the Statistical Package for Social Sciences (SPSS). Before inferential analysis, diagnostic tests for normality were conducted to ascertain that the assumptions of regression analysis were satisfied.

4. Results

Response Rate

The study applied a concurrent embedded mixed-methods design involving both quantitative and qualitative data collection. For the quantitative strand, 352 youth-owned enterprises within the Lake Region Economic Bloc (LREB) were targeted. Out of these, 320 enterprises were successfully reached and fully completed the structured questionnaires. This resulted in a response rate of 90.91% and a corresponding non-response rate of 9.09%. According to Mugenda and Mugenda (2018), a response rate above 60% is considered adequate for academic research, enhancing the reliability and representativeness of the results.

In the qualitative component, 30 key informants comprising youth officers, SACCO representatives, trade officials, and youth fund managers were purposively selected. Of these, 24 participated in face-to-face interviews, yielding a response rate of 80.00% and a non-response rate of 20.00%. The non- responses were primarily due to inaccessibility, scheduling conflicts, or disinterest. Both response rates were sufficient to support comprehensive analysis, ensure data adequacy, and facilitate meaningful triangulation of findings. Table 1 presents the response rate for the study.

Table 1: Response Rate

Components	Targeted Participants	Respondents	Response Rate %	Non-response
Quantitative data	352	320	90.91	32
Qualitative data	30	24	80.00	6
Total	**382**	**344**	**90.05**	**38**

As shown in Table 1 above, the study recorded an impressive overall response rate of 90.05%, which helped to understand how reliable and adequate the data gathered is. A high response rate reflects strong cooperation from participants, which in turn boosts the representativeness, validity, and credibility of the findings on youth-owned enterprises in the Lake Region Economic Bloc. In

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the quantitative phase, the response rate was 90.91% (320 out of 352), while in the qualitative phase it was 80.00% (24 out of 30). As noted by Babbie (2020) and the foundational standards set by Mugenda and Mugenda (2018), any response rate over 70% is considered excellent in social science research. Recent research by Holtom et al. (2022) supports the idea that such high response rates greatly reduce non-response bias and boost the statistical strength of the findings.

Background Information

The study sought to assess the demographic composition of the youth respondents who participated in the study. Understanding the background characteristics of the participating enterprises. Specifically, the study assessed the level of education of the respondents and the structural characteristics of youth-owned enterprises.

Level of Education of Respondents

In addition, the researcher sought to establish the level of the respondents in the study. The findings were as depicted in Figure 2.

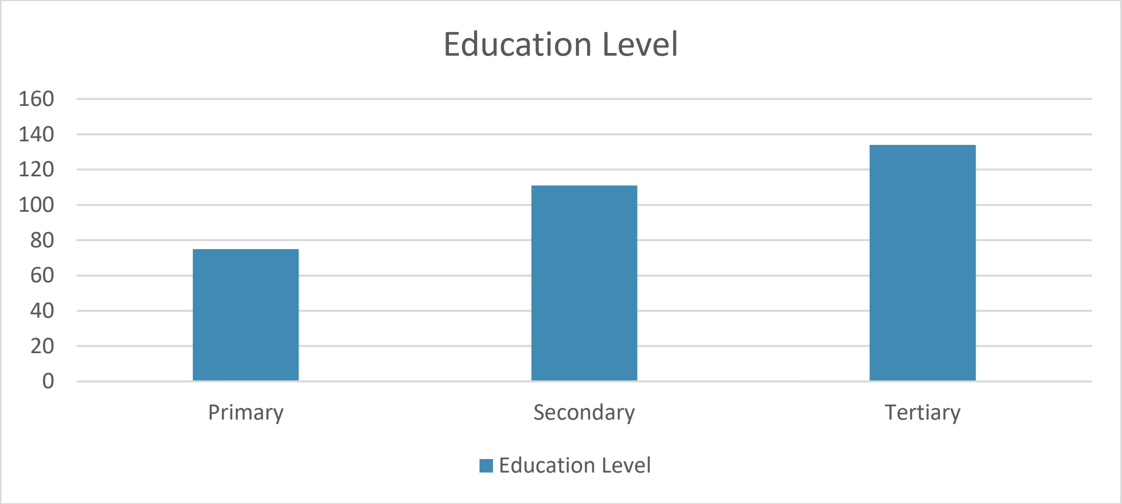

Figure 2: Level of Education of Respondent

Among the respondents across the youth enterprises, a substantial number of the respondents had achieved tertiary level completion, 41.9% (n = 134) of the total sample. The second most prevailing level of academic attainment was secondary education, as 34.7% (n = 111) of the respondents had achieved this level of education, and 23.4% (n = 75) had only acquired primary school education. These findings suggest that the majority of youth entrepreneurs surveyed possess at least a secondary education, which may influence their capacity to comprehend, adopt, and implement entrepreneurial marketing strategies effectively and apply new knowledge (Cohen &

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Levinthal, 1990). This helps to explain elevated agreement with statements about technology adoption, product innovation, and structured customer feedback mechanisms.

Table 2: Nature of Business Sector

No	Nature of Business	Business Sector
1	Retail shop/ Boutique/M-Pesa	Trade
2	Cereal Vending/ General Trading	Trade
3	Poultry/Fish/Crop Vending	Agriculture
4	Hotel/ Restaurant/ Food Vending	Services
5	Salon/ Barbar shop/ Beauty Care	Services
6	Transport/Garage/Motor Services	Services
7	Welding /Carpentry/ Fabrication	Manufacturing

The data indicate that the majority of enterprises are concentrated in retail/trade (20.4%), agriculture (12%), and food and beverage (9.8%) sectors. These sectors typically require low startup capital and serve everyday consumer needs. In contrast, creative media (3.1%), healthcare (2.2%), and education (1.8%) had fewer entries, suggesting barriers such as capital requirements, specialization, or limited local demand. The diverse distribution reflects a multi-sectoral microenterprise landscape, dominated by informal and semi-formal businesses. Understanding this composition is critical for designing targeted interventions, especially in financing, training, and regulatory frameworks.

Descriptive Statistics

Customer Intensity Strategies

The study sought to examine the influence of customer intensity strategies on the performance of youth-owned enterprises within the Lake Region Economic Bloc (LREB). Customer intensity strategies involve active customer engagement, systematic integration of customer feedback, and personalized marketing approaches aimed at strengthening customer relationships and enhancing enterprise competitiveness.

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Table 3: Customer Intensity Strategies

Statement	SD	D	N	A	SA	μ	σ
Understanding customer needs leads to better product development	0.50%	1.20%	1.80%	42.50%	54.00%	4.4821	0.7102
Keeping an eye on competitors helps in staying relevant	1.10%	2.40%	3.20%	48.30%	45.00%	4.339	0.8245
Using market trends to adjust business plans improve growth	0.80%	1.50%	2.00%	51.20%	44.50%	4.3712	0.7811
Effective communication with customers enhances brand loyalty	0.20%	0.90%	1.50%	45.40%	52.00%	4.4815	0.6954
Regular market research is essential for long-term success	2.10%	3.50%	4.20%	38.90%	51.30%	4.3381	0.8923
Average Score							**4.4024**

The findings in Table 3 revealed that the respondents were aligned on the impact that customer intensity strategies have on youth-owned enterprises' performance in the LREB. Involving customers in operations had (**μ=**4.46, σ=0.72), indicating strong agreement. This aligns with the Customer Intensity Theory (Morris, Schindehutte, & LaForge, 2002), which posits that active customer participation strengthens the enterprise's customer support systems, fostering smoother operations and better responsiveness to market needs. Similarly, "Strong customer-intensity behaviour helps youth enterprises to become more competitive" was also recorded (μ=4.46, σ = 0.79) in maintaining customer intensity behaviour. This finding corresponds with Wang and Lee (2020), who demonstrated that effective customer interactions enhance scalability and market positioning among youth entrepreneurs. It also reflects the broader notion from Schumpeterian Innovation Theory (Schumpeter, 1934) where understanding and integrating customer feedback fuels innovative products and services that boost competitiveness.

The item "Providing good customer service helps youth-owned enterprises perform better" had a high mean of 4.31 (SD = 0.93). This highlights the role of quality service delivery as a core driver of customer satisfaction and loyalty, consistent with the Customer Intensity Theory and findings

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from Gonzalez and Martinez (2022), who link customer loyalty directly to profitability in youth-led enterprises. Providing quality customer service (μ=4.31, σ= 0.79) emerged as the highest rated strategy. These results align with the Customer Intensity Theory (Morris, Schindehutte & LaForge 2002), which posits that sustained customer engagement strengthens operational efficiency, and together with Schumpeter's (1934) innovation theory, which emphasizes integrating customer feedback to drive innovation. Empirical studies such as Wang & Lee (2020) and Ngugi, Njoki, & Kimani (2019) also prove that active customer involvement improves performance and survival.

Providing quality customer service (**μ**= 4.31, σ = 0.93) was also rated highly, reflecting its role in customer loyalty and more enterprises, consistent with (Gonzalez & Martinez, 2022), who linked service quality directly to profitability. Personalized marketing does not affect customer retention (**μ**= 3.25, σ = 1.48), scoring low agreement. This is a clear indication that respondents believe in the value of personalized marketing and social media engagement. This aligns with Nambisan (2017) and Muthee & Maina (2021), who stressed on digital platforms for customer relationship management.

The composite mean across the customer intensity strategy items is approximately 4.38, with a composite standard deviation of 0.73. These figures reflect strong and consistent agreement among youth entrepreneurs in the Lake Region Economic Bloc regarding the importance of customer involvement. The evidence confirms that customer intensity through active involvement, quality service, and personalized engagement is a critical driver of competitiveness, growth, and sustainability in YOEs.

Performance of Youth-Owned Enterprises

The study sought to assess the overall performance of youth-owned enterprises within the Lake Region Economic Bloc (LREB). Performance metrics included growth in monthly sales volume, effectiveness of digital marketing initiatives, customer engagement during promotional campaigns, referral-driven sales, net profit growth, and return on marketing investment (ROMI). These indicators reflect both short-term operational success and long-term business sustainability, and they align with established performance measures for micro and small enterprises in emerging economies, where marketing strategies are increasingly digital and data-driven.

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Table 4: Performance of Youth-Owned Enterprises

Statement	SD	D	N	A	SA	μ	σ
My monthly sales volume has increased since I began using specific marketing strategies.	0%	0%	0.30%	46.20%	53.10%	3.7563	0.98736
Digital marketing efforts (e.g., WhatsApp, Instagram, SMS) have resulted in increased product/service demand.	0%	0.10%	0.30%	50.60%	49.10%	3.7844	1.02036
I experience higher customer turnout during promotional campaigns.	0.30%	0.30%	0.90%	50%	49.30%	3.7625	1.07106
I have experienced growth in net profit over the last financial year.	0.30%	2.40%	0.10%	50%	47.30%	3.4438	0.91142
Return on marketing investment (ROMI) has been positive in the past 12 months.	0.30%	0.30%	0.11%	35.60%	64.10%	3.675	3.675
I experience higher customer turnout during promotional campaigns.	0.30%	0.00%	0.30%	59.70%	39.70%	4.0219	1.2605
Average score						**3.7407**	

As shown in Table 6, the results indicate notable gains in market outcomes from marketing strategies. Monthly sales growth (**μ**= 3.76, σ = 0.99) and increased demand through digital marketing (**μ**= 3.78, σ = 1.02) align with the Entrepreneurial Theory of the Firm (Stevenson & Jarillo, 1990) and studies by Gathungu et al. (2014) linking proactive marketing to sales growth.

Promotional campaigns significantly boost customer turnout (**μ** = 4.02, σ = 1.26), while positive ROMI (**μ**= 3.68) supports the Resource-Based View (Barney, 1991) on efficient resource utilization. Muthee & Maina (2021) similarly report measurable returns from youth-led digital promotions. Profit growth (**μ** = 3.44, σ = 0.91) was moderate, reflecting Schumpeter's (1934) view that market expansion often precedes sustained profitability. Overall, with a composite mean of

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μ= 3.74, these results underscore the role of targeted marketing in driving sales, market reach, and long-term viability of YOEs.

In conclusion, the findings indicate that with an average score of **μ** =3.74, entrepreneurial marketing strategies, particularly those focused on digital engagement and promotional efforts, are significantly boosting sales, demand, and customer turnout for years for YOEs in the Lake Region Economic Bloc, Kenya. The results align with theories, such as the Entrepreneurial Theory of the Firm, Innovation, and resource management. This highlights the need to continuously enhance these strategies to turn market successes into lasting profitability and sustainability.

Correlation Analysis

Correlation is a technique for investigating the relationship between two quantitative, continuous variables. The study adopted Pearson correlation analysis to assess the association between customer intensity strategies and the performance of youth-owned enterprises.

Table 5: Correlation Matrix

	Customer Intensity Strategies
Performance	.761**

**Correlation is significant at the 0.01 level (2-tailed).

The findings in Table 5 reveal a strong, positive, and statistically significant correlation between customer intensity strategies and the performance of youth-owned enterprises ($r = 0.761$). This indicates that as youth enterprises intensify their engagement with customers through feedback usage, communication, and responsiveness to market trends, their performance improves correspondingly. The finding is consistent with Kumar, Rajan, Gupta and Dalla Pozza (2021), who established that structured customer engagement strengthens enterprise revenue outcomes, and with Rather (2021), who demonstrated that sustained customer experience and engagement are central to building enterprise competitiveness.

Regression Analysis and Hypothesis Testing

A simple linear regression was conducted to test the hypothesis that customer intensity strategies have no statistically significant influence on the performance of youth-owned enterprises in the Lake Region Economic Bloc, Kenya (H_{01}). Table 6 presents the model summary.

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Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.761	.580	.578	.6355

The model summary shows a strong positive relationship between customer intensity strategies and performance (R = .761). The R Square value of .580 indicates that customer intensity strategies explain 58.0% of the variation in performance, a substantial proportion for a single-predictor model. The Adjusted R Square of .578 confirms that the model remains strong after adjusting for sample size.

Table 7: Analysis of Variance (ANOVA)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	177.204	1	177.204	438.775	.000
Residual	128.428	318	0.404		
Total	305.632	319			

The ANOVA results indicate that the regression model was statistically significant, $F(1, 318) = 438.775$, $p < 0.001$. This confirms that customer intensity strategies significantly predict the performance of youth-owned enterprises, and the null hypothesis (H_{01}) was rejected.

Table 8: Regression Coefficients

Model	B	Std. Error	Beta	t	Sig.
(Constant)	0.715	0.115	—	6.244	.000
Customer Intensity Strategies	0.789	0.038	0.761	20.747	.000

According to the intercept (β_0), when customer intensity is held constant at zero, the baseline level of performance would be 0.715. Further, the findings revealed that a unit increase in customer intensity strategies would lead to a 0.789 improvement in performance ($\beta = 0.761$, $t = 20.747$, $p = 0.000$). This indicates that customer intensity strategies exert a strong, positive, and statistically significant effect on performance, and that youth enterprises that prioritise the use of customer feedback, engagement, and repeat business stand to gain the most in performance terms. The regression model for the relationship between customer intensity strategies and the performance of youth-owned enterprises in the Lake Region Economic Bloc, Kenya, is therefore:

$$\mathbf{Y} = 0.715 + 0.789\mathbf{X_1} \text{ .... Equation 1}$$

Where Y is the performance of youth-owned enterprises in the LREB, and X_1 is customer intensity strategies.

5. Conclusions and Recommendations

Conclusion

The study concluded that customer intensity strategies have a strong, positive, and statistically significant effect on the performance of youth-owned enterprises in the Lake Region Economic Bloc, Kenya. Among the customer-focused practices examined, effective communication with customers and the use of customer needs to guide product development emerged as the most strongly endorsed strategies, while systematic market research showed comparatively more variation in practice. Enterprises that actively engage customers, use feedback to shape decisions, and encourage repeat patronage recorded stronger sales growth, higher customer turnout during promotions, and more favourable returns on marketing investment. These findings affirm that relationship-based, customer-centred marketing is a particularly effective strategy for resource-constrained youth ventures, consistent with both the Customer Intensity Theory and the Resource-Based View, which frame customer relationships as a valuable and difficult-to-imitate strategic asset.

Recommendations

The study recommends that youth entrepreneurs in the Lake Region Economic Bloc adopt affordable digital Customer Relationship Management (CRM) tools to better track customer preferences, systematise feedback usage, and personalise engagement, thereby strengthening the customer intensity practices most strongly linked to performance. Development partners, county governments, and youth enterprise support programmes should incorporate mentorship on customer service, branding, and relationship-based digital marketing into existing youth enterprise capacity-building initiatives.

The study further recommends that future research consider a longitudinal or mixed-methods design that tracks how customer intensity practices and their performance effects evolve as youth enterprises mature, and that examines the moderating role of firm age and sector across a wider range of counties within the Lake Region Economic Bloc to enhance the generalisability of these findings.

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