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**ABSTRACT**

*The general objective of this study was to analyze the effect of generic strategies on the sustainable competitive advantage of Keroche Breweries. This research would benefit managers around manufacturing industries by leading to strategic strategies. The findings of this study would offer suggestions that could be beneficial to management practices in manufacturing firms. This study was guided by the porter's generic model of competitive advantage, game theory, resource-based view theory and capability-based theory. In this research a descriptive research design based on an approach to phenomenology was used. The target population of this study was employees of Keroche Breweries. Primary data was collected directly from respondents using questionnaires. Pilot testing was done and research instruments had the recommended reliability values. The data collected was analyzed using descriptive statistics using statistical package for social science version 26 and both descriptive and inferential analysis showed all conceptualized study variables. The study concluded that most studies showed empirical evidence that there is a significant relationship between cost leadership strategy and sustainable competition, therefore it was concluded that efficient cost leadership enhances the soundness and sustainable competitive advantage of Keroche. This is by obtaining supplies at a special price and minimizing cost through innovation. The study showed that differentiation strategy affects sustainable competitive advantage of Keroche breweries, thus, poor or lack of differentiation strategy would expose the company to eminent losses. Most studies found a focus strategy to positively impact sustainable competitive advantage. It was concluded that a well-designed focus strategy is perceived to be of lower risk and such an advantage would be translated into its sustainability in competitive advantage. The study recommended that the government should develop guidelines and policies that would define the required generic strategies and their application by all manufacturing firms in Kenya. This would ensure that manufacturing firms have the required generic strategies that can create a proper fit between their organizations and the environment hence developing generic strategies that will make them competitive internationally.*

**Key Words:** Cost Leadership, Differentiation, Focus Strategy

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## INTRODUCTION

The specific contribution of strategic management in the organization lies in the formulation of strategies to choose the right customer, build relationships of trust with them, and create a competitive advantage. Therefore, for the organization to cope with the outside world of customers and competitors, it is necessary to train and motivate all staff within the organization to provide the appropriate level of service to customers. Having correct and reliable information on customers is an essential ingredient in strategic management; with a focus on generic strategic management practices i.e. cost leadership strategy, differentiation strategy and focus strategy. organizations can develop a customer information file that is accessible and designed to aid decision making hence competitive advantage.

A strategy is how long-term objectives are achieved. Business strategies may include geographic expansion, diversification, market penetration, retrenchment. It is a binding together subject that provides soundness and guidance to the activities and choices of an individual or association. "Technique is the course and extent of an association over the long haul, which accomplishes advantage in a changing situation through its design of assets and capabilities to satisfy partner desire (Johnson, 2017).

Generic Strategies can be defined as the strategies that were developed by Michael Porter that companies can use to achieve a competitive advantage. (Economic Times, 2016). These methodologies can be applied to all organizations whether they are item based or administration based. He called these methodologies generic strategies. They incorporate cost initiative, separation, and core interest. These systems have been made to improve and increase an upper hand over contenders. These strategies can also be recognized as the comparative advantage and the differential advantage.

Cost leadership is an entrepreneurial capacity to create a product or service which will price less

than other rivals. It gives them a competitive advantage over other companies as the company can manufacture the same quality product but sell it for less. And this gives the consumers a price value. Lower prices would lead to higher profits as corporations can make a fair profit on any product or service sold. When companies can not make a sufficiently significant profit, Porter suggests seeking a lower-cost base such as labor, supplies and facilities. This allows businesses lower production costs relative to those of other rivals. The organization will bring value to the consumer through the cost-benefit transfer to them. Cost leadership approach is a technique that includes aiming to be the overall low-cost supplier of a product or service that appeals to a large variety of clients. For cost leadership to be successful, a firm needs to have a large market share (Hyatt, 2017).

A competitive advantage is achieved when the goods or services of a company are distinct from those of its rivals. Michael Porter in his book advocated making such products or services appealing in order to stand out from their rivals. In order to create innovative ideas the business will need strong research , development and design thinking. Such enhancements to the products or services may involve providing customers high quality. When consumers perceive a good or service as distinct from other goods, they are willing to pay more to obtain these benefits. Differentiation decreases competition and the battle for scarce resources, thereby increasing performance; but on the other hand, conformity makes organizations identical and, therefore, competition is stronger (Ogbonna & Harris 2016).

Sustainable competitive advantage is the achievement of an association in constantly taking advantage of serious lucky breaks to boost results, shielding itself against serious moves by opponents, as well as raising boundaries to the disintegration of its prevailing upper hand (Wheelen and Hunger, 2016). Kothari, C. (2004). Through this way it was explained that there is a need for companies to look for a good serious situation in an sector, a key field

where rivalry exists and further clarifies that, by means of a serious technique, a business may build up a competitive and supportable situation against the forces that determine rivalry between industries.

Keroche Breweries was founded in 1997 with its business based in Naivasha Kenya, In the year 2008, the Keroche Breweries was launched to get customers in the middle economic class. This is the first Kenyan-owned whose CEO is Tabitha Karanja, with funding from Barclays bank, worth one billion shillings (Mbuthia & Kariuki, 2016). This brewery is located in Naivasha with a 40,000 bottles capacity per day. The common brands produced by Keroche include Summit Lager and Summit malt that are widely distributed in the Kenyan markets. According to Madodo (2015), while EABL holds about fifty percent of the Kenyan brewing industry, its closest competitor is Keroche Breweries, and also the Kenya wines Agency (KWAL). Thus, such a population could not afford beer owing to lack of money and lack of choice, which led to the thriving of local brews. Keroche Breweries are the manufacturers of Summit Malt and Summit Lager which are one hundred percent Kenyan beer brands (Reuters, 2012).

### **Statement of the Problem**

Competitive advantage enables the firm to come up with a bigger value for its customers and huge profits for itself. Research undertaken tends to establish a positive link between generic strategies and competitive advantage among the large corporations. Although Keroche is second dominant in the local market, competition in Kenya's beer industry has increased in recent years, as both local and outside breweries attempt to take advantage of the existing market. This has enabled the company to achieve superior performance and guaranteed survival and prominent placing in the market (Kenya manufacturing survey, 2016).

Keroche breweries is one of the major businesses in the country. As well as creating high-quality brands that people enjoy, its business provides jobs, develops skills in people and creates wealth for our

employees, investors, customers and suppliers. As a trusted and respected company in the region, Keroche believes that the region benefits from its presence. With greater success in its performance, comes more reward for those with a stake in our business and a greater positive impact on the economy of the country. Be that as it may, despite this fundamental job, it has been recognized that Keroche breweries don't completely apply serious procedures in their activities instead of different associations in the distillery business over the world. They only apply customer taste and price as their major strategy forgetting generic strategies.

Keroche has not focused on the genetic factors influencing the competitive advantage. This is due to less application of market strategies which is the main reason for many of the problems faced by most Breweries Limited in their profitability and performance. This implies that they have not put up generic strategies that allow for effective interaction with their external environment for the benefit of the organization. Sustainable competitive advantage will ensure long term market success, the antidote for competitor's superiority, enhance marketing and increase profitability.

Numerous examinations have been completed on the distilleries business in Kenya yet have given blended and uncertain outcomes and thinking about various factors of estimation. Awino, et al (2018) did a study on challenges facing the implementation of differentiation strategies at the Keroche limited. Marshall, (2019) studied the strategic responses of breweries companies in Kenya in the face of changing environmental conditions. Warucu (2001) looked at competitive strategies employed by commercial banks. Kiptugen (2003) researched strategic responses to a changing competitive environment in the case study of Kenya Commercial Bank. Mbwayo (2005) focused on the strategies applied by commercial banks in Kenya in the anti-money laundering compliance programme. Gathoga, (2001) in his study focused on competitive strategies used by commercial banks in Kenya. Kimotho, (2012) did a study on the impact of

competitive strategies on the financial performance of CFC Stanbic Bank Limited. Murage, (2011) focused on competitive strategies in the petroleum industry. Waiganjo (2013) focused on the effect of competitive strategies on the relationship between strategic human resource management and firm performance of Kenya's corporate organizations. None of the referenced investigations has concentrated on the effect of generic strategic management practices on the sustainable competitive advantage of Keroche breweries which are assumed by the examination to be urgent in improving the association's general execution if all around planned and actualized. The investigation tried to address this hole by conceptualizing a multi-dimensional joint connection between conventional systems and the manageable upper hand of Keroche breweries. Hence answering the question; what are the effect of generic strategic management practices on the sustainable competitive advantage of Keroche breweries?

### Objective of the study

The general objective of this study was to analyze the effect of generic strategies on the sustainable competitive advantage of Keroche Breweries. The specific objectives were;

- To assess the effect of a cost leadership strategy on Keroche Breweries' sustainable competitive advantage.
- To assess the effect of the differentiation strategy on the Keroche Breweries sustainability competitive advantage.
- To assess the effect of focus strategy on Keroche Breweries' sustainable competitive advantage.

The study was guided by the following research Hypotheses

- **H01**Cost leadership strategy does not significantly influence the sustainable competitive advantage of Keroche Breweries.
- **H02**Differentiation strategy does not significantly influence the sustainable competitive advantage of Keroche Breweries.

- **H03**Focus strategy does not significantly influence the sustainable competitive advantage of Keroche Breweries.

## LITERATURE REVIEW

### Game Theory

The game-theoretical model is a simulation model of strategic interaction in a situation of competition between two teams, each concentrating on the rival actions in an attempt to predict their likely action to assess their own (Furrer & Thomas, 2000). The model is based on assuming rational behavior, similar to most microeconomic models. Nevertheless, game theory models go beyond the limiting assumption of rationality of microeconomic models to cover a wide variety of strategic purpose (Saloner, 1991).

In a typical game of a finite number of strategies, the perceptions of individual payoffs can be mapped in a matrix of different combinations of response choices. Amongst the various alternatives, a dominant strategy may exist, which is the one that offers the optimal payoff to a player irrespective of the rival action especially where agent action is required and leads to information is available (Parkhe, 1993).

### Resource-Based View

Penrose (1959) gave the beginning bits of knowledge into the asset point of view of the firm. Be that as it may, "the asset-based perspective on the firm" (the RBV) was advanced by Wernerfelt (2016) and along these lines promoted by Barney's (1991) work. Numerous creators (Zollo and Winter 2014; Zahra and George 2016; and Winter 2017) have made a huge commitment to its applied turn of events. the substance of the RBV lies in the highlight of advantages and limits as the start of high ground: resources are heterogeneously appropriated across battling firms and are inadequately versatile which, in this manner, causes this heterogeneity to continue after some time (Mahoney & Pandian, 2017). The Resource-based view (RBV) recommends that seriousness can be accomplished by inventively conveying better an

incentive than clients. The surviving writing centers around the key recognizable proof and utilization of assets by a firm for building up a supported upper hand (Barney, 2016). Universal business scholars likewise clarify the achievement and disappointments of firms across limits by thinking about the seriousness of their auxiliaries or nearby coalitions in developing markets (Luo, 2015). Neighborhood information gave by an auxiliary or nearby coalition turns into a significant asset for conceptualizing an incentive according to the nearby prerequisites (Johnson, 2017). As per the Resource-Based View hypothesis, assets are contributions to an association's creation procedure; they can be characterized into three classes: physical capital, human capital and hierarchical capital (Crook, 2018). An ability is a limit with regards to a lot of assets to play out a stretch undertaking of an action. Every association is an assortment of novel assets and abilities that gives the premise to its technique and the essential wellspring of its profits. Generally, it is the significant, uncommon, incomparable and non-substitutable assets of the firm that empower or limit the selection of business sectors it might enter, and the degrees of benefit it might expect (Wernerfelt, 2015). The assembling firms are feeling the squeeze to perform and for them to do so assets and their usage is inescapable. Accordingly, the Resource-Based View hypothesis assisted this research with concentrating in researching amplex or in any case of the assets and improvement of their usage.

### **Capability-Based Theory**

The capability-based theory postulated by Grant (2016) recommends that abilities are the wellspring of competitive advantage while assets are the wellspring of capacities. Amit and Shoemaker (2015) received a comparable position and recommended that assets don't add to support competitive advantage for a firm, however its abilities do. Haas and Hansen (2015) upheld the significance of capacities and propose that a firm can increase competitive advantage from its

capacity to apply its abilities to perform significant exercises inside the firm requiring little to no effort.

Grant (2010) defines organizational capability as, an affiliation's ability to perform more than once a helpful task which relates either really or in an indirect manner to an affiliation's capacity for making a motivator through influencing the difference in commitments to yields. Grant (2010) likewise partitions capacity into four classifications: cross-useful abilities, expansive useful capacities, action related abilities, and specific abilities. McQuarrie (2014) focused on the significance of authoritative learning. It has been contended by Lee and Lee (2010) that the capacity to learn and make new information is basic for increasing competitive advantage.

### **Sustainable Competitive advantage**

It popularized the idea of sustainable competitive advantage by Porter (1985) who noted that it is a prolonged advantage to execute a specific value-creating strategy focused on a specific combination of internal organizational resources and capabilities that industry rivals can not duplicate, especially in the immediate market. A stable upper hand allows for assistance and improvement of the difficult business situation of the company's a little leeway that empowers companies to make a liability over a large stretch against their opposition.. As Johnson and Scholes (2007) added, sustainable competitive advantage is that the firm holds a position over its rivals. Porter (1985) indicates that the sustainable competitive advantage stems from the following sources: special competitive position, applicability to different scenarios, resilience, economic dominance and difficulty to duplicate. He adds that sustainable competitive advantage can be built through cost leadership, differentiation and emphasis. Sustainable competitive advantage covers any part of how the company is performing in the market. The true advantages derive from the advantages rivals can not easily replicate. According to Porter (1985) competitive advantage in terms of resources, skills, culture and investment over time needs to be more deeply embedded in the

organisation. This means looking for something unique and different from the competitors. Again, this is dependent on consistency and continuity in relations between the different parts of an organization. The key reason to evaluate competitors is to allow the organization or business to build a competitive advantage over them, in particular the advantage that can be sustained over time (Pearce & Robinson, 2007). Because of growing and exceptional competition the need for a supportable upper hand. Companies' chances of maintaining their competitive edge rely on their capacities. Sackmann, S.A. (1992) Knowing that the problem of strength is inherent within the concept of the strategy, which helps to improve the advantageous position over the contenders. In this context a firm's talents are of several kinds. Unmistakable characteristics are those qualities of a firm that can not be duplicated or replicated with enormous difficulty by the competitors, dramatically after which the competitors consider advantages for the starting firm given everything. Some of these involve government licenses, legally enforced business models, or viable licenses and copyrights that can be carefully affected. Nevertheless, businesses in serious markets have developed equally impressive endurance procedures in the business field, including solid products, examples of suppliers or consumer relations and skills, knowledge as well as schedules that are implemented in the company's internal classes. Conceptive capacities can be acquired or built by any organization with sound management skills, commitment and significant budgetary assets (Johnson and Scholes, 2007). Consequently, most advanced skills are now and then hypothetical, but as per the Thompson and Strickland (2007), The idea of a realistic upper hand may be merely unmistakable capabilities.

### **Cost leadership strategy**

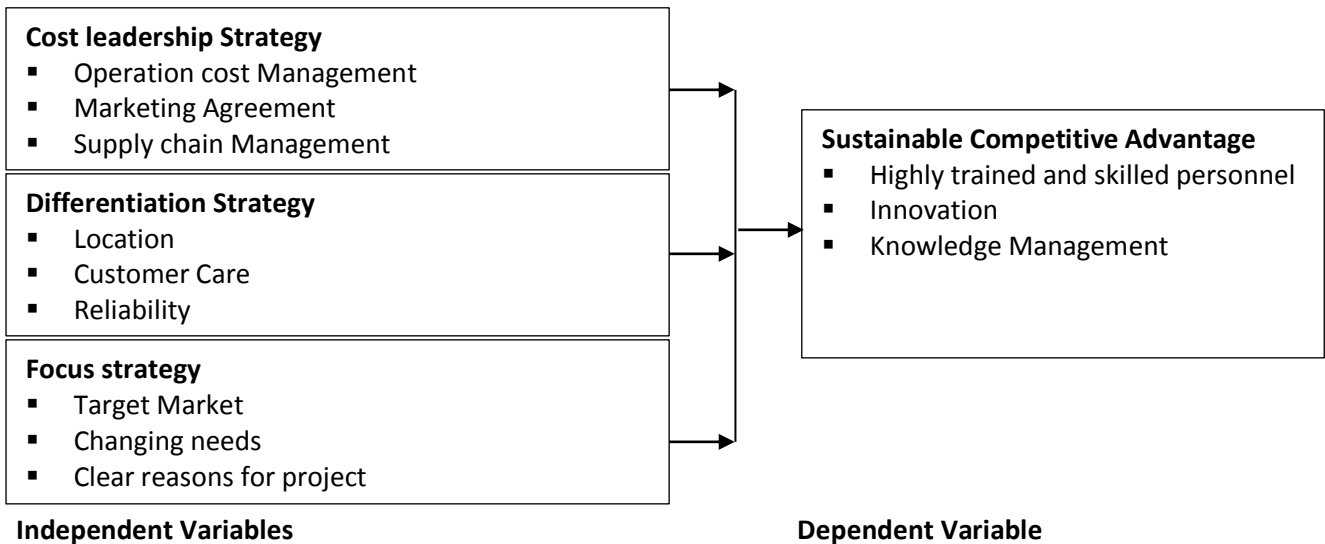
Cost leadership is an imaginative capacity to build an element or organization that will cost less than other contenders. This gives them an upper hand

over other organisations because the company can produce a similar product item and sell it for less. It gives the clients an opportunity to a benefit along these lines. Lower costs will yield higher benefits as organizations still yield a reasonable benefit to any large or sold administration. If organizations don't make an enormous profit, Porter suggests finding a low cost base, such as work, materials, and offices. It brings companies lower production costs than those of different rivals. The company will increase the client's interest by implementing money-saving benefit trade for them. Cost leadership strategy is a program that requires an attempt to be the general minimum cost supplier of an item or organization that is involved in an growing company field. (Hyatt, 2017).

### **Differentiation strategy**

A differentiation strategy is achieved when the products or services of a company vary from those of its rivals. Michael Porter suggested in his book that such goods or governments would be alluring to stand apart from their rivals. To generate creative thoughts, the company would need solid analysis, development and configuration thinking. These upgrades to the products or administrations could incorporate conveying high caliber to clients. If clients consider a to be or support as being not quite the same as different items, buyers are eager to pay more to get these advantages. Differentiation lessens the intensity and the battle for scant assets, in this manner improving execution; however then again, congruity makes associations comparative and, along these lines seriousness gets more grounded (Ogbonna and Harris 2016).

A firm that follows a differentiation strategy attempts to offer some unique service or product in the industry. Sustainable differentiation should be based on less imitable aspects of competitive advantage. Core competencies should be difficult to imitate by making them more complex for the competitor to comprehend.



**Figure 1: Conceptual Framework**

**Empirical Review**

According to Pearce & Robinson (2011), differentiation strategy is a business technique that looks to manufacture the upper hand with its item or administration by having it? not the same as other accessible serious items dependent on highlights, execution, or different components not legitimately identified with cost and cost. The distinction would be one that would be difficult to make and additionally hard to duplicate or mimic.

A survey was done by Kamau (2016) on operations strategies pursued by interurban PSV bus companies in Kenya established that PSV bus firms acknowledge that operations based strategies enhance the competitive capability of the firms by contributing to the long term business performance and success. The study also found that the competitive priorities on which PSV bus firms compete in their order of rank were: (1) Timeliness, (2) Cost, (3) Reliability, (4) Quality (6) Customer care, (7) Service quality, (8) Flexibility and (9) Fare Incentives. The generic differentiation strategy involves creating a market position that is perceived as being unique industry-wide and that is sustainable over the long run (Porter, 2014).

Such differentiation can be based upon design or brand image, distribution, and so forth (Frambach et. al, 2016). In particular, differentiator firms create customer value by offering high-quality

products supported by good service at premium prices (Walker & Ruekert, 1987). The effectiveness of the differentiation strategy depends on how well the firm can balance product benefits and product costs for the customer, relative to competitive offerings (Slater & Olson, 2001). Companies following a differentiation strategy strive to create and market unique products for varied customer groups. They aim to create a superior fulfillment of customer needs in one or more product attributes to develop customer satisfaction and loyalty, which can often in turn be used to charge a minimum price for the products (Morshett et al., 2016).

According to Porter (1985), the firm concentrates its showcasing exertion on serving characterized, centered market fragments with a limited extension by fitting its promoting blend to these specific markets, it can more readily address the issues of that target advertising. The firm ordinarily hopes to increase an upper hand through item advancement or potentially brand showcasing instead of productivity. It is most suitable for relatively small firms but can be used by any company. An engaged technique should target advertise portions that are less powerless against substitutes or where the opposition is most fragile to win better than the expected degree of profitability.

According to Kotler (1997), the focus strategy has two variants: (a) In cost focus, a firm seeks a cost



advantage in its target segment, It exploits differences in cost behavior in some segments. For instance, Southwest Airlines, famous for its low-cost focus follows a linear route structure. It just flies one kind of plane and it needs to remain in high-thickness advertisements and has been exceptionally proficient. (b) Differentiation center a firm looks for separation in its objective section. It misuses the exceptional needs of purchasers in specific sections. Ferrari focuses on an elite games vehicle section and because of separation dependent on plan, superior and amazing Prix records which permits it to charge an exceptional cost.

Acquaah & Ardekani (2016) justified that the execution of a joined serious methodology isn't just achievable however will likewise produce better steady execution over the usage of single serious techniques. The execution of a joined serious procedure brings about various wellsprings of upper hand (e.g., economies of scale and brand/client dedication) when contrasted with focal points increased through the quest for single serious methodologies. Also, the quest for a consolidated serious methodology and every one of the single serious methodologies will create better gradual execution over the failure than effectively seek after any of the particular serious systems (i.e., stuck in the center). Furthermore, firms that pursue a differentiation strategy may also be able to achieve a low-cost position by emphasizing efficiency in their value-creating activities, thereby further strengthening their competitive position vis-a-vis their rivals. The success of Japanese companies such as Toyota, Canon, and Honda has been attributed to the simultaneous pursuit of cost leadership and differentiation strategies (Ishikura, 2009).

According to Aduda (2012), In its analysis of competitive strategies adopted by Petroleum Retail Stations in Mombasa, Kenya, all stations apply some competitive strategies, but most of them combine cost leadership and differentiation strategies at the same time, most of them are multinationals

because of their favorable financial ability. A few local businesses and individual owners rely mainly on pricing management and lower-price sales.

According to Johnson (1987), pure competition exists when a large number of sellers produce a certain type of product or service that is slightly differentiated. These sellers have low barriers of entry into the market and easily enter or leave it as they choose. No attempt is made in this study to further expound on these extreme forms of competition as it is believed that they present a hypothetical market structure (Reynolds, 2005). For this reason, the focus is accorded mainly to the imperfect forms of competition, namely, oligopolistic and monopolistic competition.

Porter (2004) identifies competitive strategy actions as positioning, taking an offensive, exploiting change and diversification. Galliers (2006) argues that as it becomes harder to sustain operational advantages in a competitive market, firms turn to strategic positioning to gain a cost advantage or premium pricing by competing distinctively. In positioning, the company determines areas where it should confront competition and where it should avoid it, whereas in taking an offensive, the company attempts to cope with competitive forces or alter their causes.

In exploiting change, the company attempts to take advantage of structural changes in the sources of competition whereas in diversification, the company assesses the future potential of the business.

Porter (2004) argues that to attain a competitive advantage in an industry, it is critical to understand the process of its evolution to be able to predict change and strategically react to this change. He suggests that his model developed with help from Miller (Porter, 1980) of structural analysis of industries be used as a framework for this. By combining this with the product life cycle model (Kotler, (1972) as referenced by Porter, 2004) one may be adequately able to analyze and forecast the evolution of any industry.

Kenya, Mbovu & Mburu, (2018), investigated the role of reverse logistics in enhancing the level of competitiveness at the EABL. The authors found that the manufacturing sector can increase competitiveness by collecting used products and recycling them to make new products for use. The repair and refurbishing process of used products ensures that the customer expectations are met and that there are concerns and care to the consumers of these products. Additionally, Mbovu & Mburu reported that the storage locations of products in a manufacturing company should review the sales data and minimize the distribution time to attain a competitive advantage. With the brewing industry being so agile, the brewing companies need to adopt various strategic practices to gain a competitive advantage over their rivals.

#### METHODOLOGY

In evaluating the impact of generic approaches on a sustainable competitive advantage in Keroche breweries, the researcher adopted a descriptive survey method. The population of this study was

100 employees of Keroche breweries. The study used a census approach to pick from all the employees of Keroche breweries. Data collection instruments were questionnaires. Specifically, primary data were collected using structured questionnaires. The quantitative information gathered was broke down by the utilization of elucidating insights utilizing Statistical Package for Social Sciences (SPSS 26) and introduced through rates, implies, standard deviations and frequencies.

#### FINDINGS

##### Descriptive statistics

This section presented the research findings based on the study variables. Descriptive statistics, therefore, showed the outcome of responses to each of the three statements namely; cost leadership, differentiation and focus. The tests were calculated on a Likert 5 point scale – Strongly Agree; 4 - Agree; 3 - Neutral; 2 – Disagree; 1 – Strongly Disagree.

#### Effect of cost leadership strategy on the sustainable competitive advantage of Keroche Breweries

**Table 1: Cost leadership strategy**

	5	4	3	2	1	mean	Standard deviation
Our company obtain supplies at a special price and this enables us to produce products at a lower cost compared to competitors	41%	22.2%	7.8%	17.8%	11.1%	2.00	1.227
You produce unique products and sell them at a premium price	31.1%	33.3%	6.7%	20%	20%	2.38	1.329
Our customers identify well with our brand and we can charge them a premium price per item.	22.2%	33.3%	5.6%	16.7%	22.2%	3.17	1.508
We produce products for specific customers and we can sell them at a premium price	16.7%	22.2%	2.2%	25.6%	33.3%	2.63	1.539
We produce products for specific markets and we can sell them at a market or lower price	5.6%	27.8%	16.7%	27.8%	22.2%	2.67	1.254
Our organization minimizes cost through innovation	42.2%	22.2%	6.7%	6.7%	22.2%	3.56	1.608
Our organization maximizes on profitability through cost reduction strategies	31.1%	33.3%	5.6%	11.1%	18.9%	3.47	1.507

This assessed the first objective of the study that is to determine the effect of cost leadership strategy

on the sustainable competitive advantage of Keroche Breweries. The researcher was interested

in finding out the respondents perception about Keroche breweries strategies and assessed by seven reliability tested statements namely; Our company obtains supplies at a special price and this enables us to produce products at a lower cost compared to competitors, You produce unique products and sell them at a premium price, Our customers identify well with our brand and we can charge them a premium price per item. We produce products for specific customers and we can sell them at a premium price, we produce products for specific markets and we can sell them at a market or lower price, our organization minimizes cost through innovation and our organization maximizes on profitability through cost reduction strategies.

The research findings on table 1 indicated that 41.1% of the respondents strongly agreed while

22.2% agreed that the company obtains supplies at a special price and this enables us to produce products at a lower cost compared to competitors. 7.8 had a neutral opinion on whether the company obtains supplies at a special price. According to 11.1% of the respondents, the company does not obtain supplies at a special price (mean = 2.00, SD= 1.227). 64.4% of respondents agree that organization minimizes cost through innovation (mean = 3.56, SD= 1.608). This means that the company embraces innovation to minimize costs hence gaining a competitive advantage. 64.4% of respondents agreed that the organization maximizes profitability through cost reduction strategies while 5.6% had a neutral opinion (mean = 3.47, SD= 1.507). this posits that Keroche embraces cost reduction strategies to maximize on profits.

**Effect of Differentiation strategy on the sustainable competitive advantage of Keroche Breweries**

**Table 2: Differentiation strategy**

	5	4	3	2	1	mean	Standard deviation
In our company, there is strong coordination among functions especially in the Research & Development, Product Development and Marketing departments.	28.9%	27.8%	3.3%	12.2%	27.8%	3.18	1.632
Creativity and innovation is the order of the day in product redesigning and development	22.2%	33.3%	8.9%	16.7%	18.9%	3.23	1.454
We have a strong research team who guides the company in producing superior products	30%	42.2%		16.7%	11.1%	3.63	1.361
We have a wide range of superior products over competitors	20%	22.2%	18.9%	13.3%	25.6%	2.98	1.484
Our company is well known for producing quality products	33.3%	33.3%	16.7%	11.1%	5.6%	3.78	1.188
We benchmark with leading companies in our industry three times in a year		5.6%	5.6%	38.9%	50%	1.67	.821
Our company always keeps our customers aware of our products and service attributes	27.8%	25.6%	2.2%	11.1%	33.3%	3.03	1.686

The research findings on table 2 indicated that 16.7% of respondents had a neutral opinion on whether the company has a strong research team that guides the company in producing superior products (mean = 3.23, SD= 1.454). 70.2% of the

respondents agreed that the company has a strong research team that guides the company in producing superior products while 14.4% of respondents disagreed that the company has a strong research team that guides the company in

producing superior products. 2.2% of respondents held a neutral opinion on whether the company always keep customers aware of their products and service attributes. 53.4% of the respondents agreed that the company always keep customers aware of

their products and service attributes (mean = 3.03, SD= 1.686). 42.2% of the respondents agreed that the company has a wide range of superior products than their competitors.

### Effect of Focus strategy on the sustainable competitive advantage of Keroche Breweries

**Table 3: Focus strategy**

	5	4	3	2	1	mean	Standard deviation
Our organization understands its focus and mandate	22.2%	33.3%	27.8%	5.6%	11.1%	3.50	1.220
Our organization always updates its mandate in line with changes in the market need	5.6%	27.8%	22.2%	26.7%	17.8%	2.78	1.188
Customer complaints at Keroche are resolved on a timely basis	11.1%	16.7%	22.2%	16.7%	33.3%	2.56	1.391
Our organization specializes in its target market and needs	17.8%	22.2%	15.6	16.7%	27.8%	2.87	1.501
Our organization always strives to remain relevant in its market	34.4%	33.3%	1.1%	20%	11.1%	3.60	1.421
Keroche is reputable for quality and technical capabilities of its products/services	22.2%	33.3%	11.1%	22.2%	11.1%	3.33	1.341
Keroche adopts and responds fast to my/our institution/company's changing needs	11.1%	27.8%	5.6%	27.8%	27.8%	2.67	1.422

On striving to remain relevant, 67.7% of the respondents agreed that the organization strives to remain relevant in the market (mean = 3.60, SD= 1.421). 1.1% of respondents held a neutral opinion that Keroche adopts and responds fast to our company's changing needs while 55.6% of the respondents disagreed that Keroche does not adopt and responds fast to our company's changing needs (mean = 2.67, SD= 1.422). 15.6% of the respondents had a neutral opinion on whether the organization

specializes in its target market and needs. 40% of the respondents agreed that the company specializes in the target market and needs (mean = 2.87, SD= 1.501). A large percentage agreed that the company understands its focus and mandate (55.5%) 27.8% of the respondents had a neutral opinion on whether the company understands its focus mandate or not. 16.7% of the respondents disagreed that the company understands its focus and mandate.

### Sustainable competitive advantage

**Table 4: Sustainable competitive advantage**

	5	4	3	2	1	mean	Standard deviation
Keroche management is excellently capable of achieving sustainable competitive advantage	22.2%	22.2%	5.6%	21.1%	27.8%	2.92	1.581
Keroche excellently and highly values openness and accepts the change to build a sustainable competitive advantage.	7.8%	25.6%	20%	16.7%	30%	2.64	1.352

Employees excellently carry out their duties with high morale and enthusiasm to build a sustainable competitive advantage.	22.2%	27.8%	5.6%	22.2%	22.2%	3.06	1.517
Keroche management and employees are excellently aware of achieving a strong linkage among its vision, mission, and objectives to build a sustainable competitive advantage.	20%	22.2%	22.2%	13.3%	22.2%	3.07	1.428
Keroche staff turnover was lower than that of the competitors indicating sustainable competitive advantage.	5.6%	11.1%	33.3%	22.2%	27.8%	2.44	1.172
Keroche growth rate was higher than that of the competitors last year indicating a sustainable competitive advantage.	6.7%	21.1%	8.9%	33.3%	41.1%	2.41	1.297
We are faster than our competitors to respond to changes in technology to build the company's sustainable competitive advantage.	11.1%	30%	22.2%	23.3%	13.4%	3.02	1.236

### Inferential Analysis

**Table 5: Correlations between the independent and the dependent variables**

		Cost Leadership Strategy	Differentiation Strategy	Focus strategy	Sustainable Competitive Advantage
Cost Leadership Strategy	Pearson Correlation	1			
	Sig. (2-tailed)				
Differentiation Strategy	N	90			
	Pearson Correlation	.676**	1		
Focus strategy	Sig. (2-tailed)	.000			
	N	90	90		
Sustainable Competitive Advantage	Pearson Correlation	.665**	.661**	1	
	Sig. (2-tailed)	.000	.000		
	N	90	90	90	
	Pearson Correlation	.642**	.657**	.648**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	90	90	90	90

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

All the three variables of cost leadership strategy, differentiation strategy, and focus strategy were shown to positively affect the sustainable competitive advantage of Keroche Breweries

### Multiple Regression Results

Multiple regression tested the influence of grievance handling procedures (independent variable: cost leadership strategy, differentiation strategy and focus strategy) on sustainable competitive advantage (dependent variable).

**Table 6: Multiple linear regression**

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
1	.662 <sup>a</sup>	.438	.383	.169	

a. Predictors: (Constant), Focus strategy, Differentiation Strategy, Cost Leadership Strategy

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	161.619	3	53.873	356.314	.000 <sup>b</sup>
	Residual	13.003	86	.151		
	Total	174.622	89			

a. Dependent Variable: Sustainable Competitive Advantage  
b. Predictors: (Constant), Focus strategy, Differentiation Strategy, Cost Leadership Strategy

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.014	.100		.143	.046
	Cost Leadership Strategy	.032	.136	.035	.236	.014
	Differentiation Strategy	.562	.129	.623	4.366	.000
	Focus strategy	.380	.118	.383	3.218	.002

a. Dependent Variable: Sustainable Competitive Advantage

To investigate how well combined independent variables; cost leadership strategy, differentiation strategy and focus strategy influences sustainable competitive advantage, multiple regression was computed.

From the values of unstandardized regression coefficients, all independent variables; cost leadership strategy, differentiation strategy and focus strategy influences sustainable competitive advantage thus confirming the fitness of the conceptualized multiple regression model;

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3$$

Where;

Y= Sustainable Competitive Advantage

$\alpha$ = Constant Term

$\beta$ = Beta Coefficients

X<sub>1</sub> = Cost Leadership Strategy

X<sub>2</sub> = Differential Strategy

X<sub>3</sub> = Focus Strategy

Therefore the revised final multiple regression model was;

$$Y = 0.014 + 0.032X_1 + 0.562X_2 + 0.380X_3$$

Therefore, supposing all independent variables are (0.000), sustainable competitive advantage in Keroche Breweries will be 0.014. A single increase in cost leadership strategy will significantly lead to (0.032) increase in sustainable competitive advantage. A single increase in differentiation strategy leads to (0.562) increase in sustainable competitive advantage while a single increase in focus strategy will lead to (0.380) increase in sustainable competitive advantage. It can, therefore, be concluded that differentiation strategy (0.562) influences contribute sustainable competitive advantage most followed by focus strategy (0.380) and lastly, cost leadership strategy (0.032).

**Testing of Null Hypotheses**

From multiple regression analyses, the study’s null hypotheses were tested as follows;

H<sub>01</sub>: Cost leadership strategy does not significantly influence the sustainable competitive advantage of Keroche Breweries.

H<sub>A</sub>: Cost leadership strategy significantly influences the sustainable competitive advantage of Keroche Breweries.

T-test statistics results: (t = .236; p=0.014 < 0.05)

Verdict: The null hypothesis H<sub>01</sub> was rejected.

Results interpretation: Cost leadership strategy significantly influences the sustainable competitive advantage of Keroche Breweries

H<sub>02</sub>: Differentiation strategy does not significantly influence the sustainable competitive advantage of Keroche Breweries.

H<sub>A</sub>: Differentiation strategy significantly influences the sustainable competitive advantage of Keroche Breweries.

T-test statistics results: (t = 4.366; p=0.000 < 0.05)

Verdict: The null hypothesis H<sub>02</sub> was rejected.

Results interpretation: Differentiation strategy significantly influences the sustainable competitive advantage of Keroche Breweries.

H<sub>03</sub>: Focus strategy does not significantly influence the sustainable competitive advantage of Keroche Breweries.

H<sub>A</sub>: Focus strategy significantly influences the sustainable competitive advantage of Keroche Breweries

T-test statistics results: (t = 3.218; p=0.002 < 0.05)

Verdict: The null hypothesis H<sub>03</sub> was rejected.

Results interpretation: Focus strategy significantly influences the sustainable competitive advantage of Keroche Breweries.

## CONCLUSIONS AND RECOMMENDATIONS

First, most studies showed empirical evidence that there is a significant relationship between cost leadership strategy and sustainable competition, therefore it was concluded that efficient cost leadership enhanced the soundness and sustainable competitive advantage of Keroche. This is by obtaining supplies at a special price and minimizing cost through innovation.

Secondly, studies showed that differentiation strategy affected sustainable competitive advantage of Keroche breweries, thus, poor or lack of differentiation strategy will expose the company to eminent losses. Thus, improvement in the prudential differentiation strategy will lead to an increase in sustainable competitive advantage.

Thirdly, most studies found a focus strategy to be mostly related to focus strategy had positively impacted sustainable competitive advantage. This is because focus strategy is of paramount importance in affecting companies a competitive advantage, therefore, it can be concluded that a well-designed focus strategy is perceived to be of lower risk and such an advantage will be translated into its sustainability in competitive advantage.

It was clear from the findings that generic strategies influenced sustainable competitive advantage. The individuals in the company who are tasked with selecting and developing generic strategies should ensure that organizations have a sustainable competitive environment will be guided by this study when searching for the best strategies to apply as proven in this study they positively influence sustainable competitive advantage. Management should formulate internal organizational processes that will guide the development of generic strategies of the organization. The issue of comprehensiveness of the process is critical as management can evaluate available alternatives in adapting the generic strategies.

Also, generic strategies that are cost leadership, differentiation, and focus are critical because they influence sustainable competitive advantage. This is because it enables the company to obtain products at special prices, producing products for specific markets, minimizing cost through innovation, having a strong research team that guides the production of superior products, and enabling the company to understand its focus and mandate. The study, therefore, recommends that the government should develop guidelines and policies that will define the required generic strategies and their

application by all the manufacturing firms in Kenya. This would ensure that manufacturing firms have the required generic strategies that can create a proper fit between their organizations and the environment hence developing generic strategies that will make them competitive internationally.

#### **Areas for further research**

First, this study used only three variables. Given the fact that many other factors may affect sustainable competitive advantage, other researchers may seek to unravel the influence of such other factors like corporate governance, resource allocation and so

forth on the sustainable competitive advantage in Keroche breweries. It would be interesting to find out whether the results would be similar when different variables are used. Also, given the critical role that generic strategies play in charting out the strategic direction of the company, it would be interesting for future research to study the influence of generic strategies as an independent variable and sustainable competitive advantage as a dependent variable. Further future research could also establish the influence of generic strategies on individual performance dimensions.

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