FACTORS INFLUENCING COMPETITIVE ADVANTAGE WITHIN THE BEER MANUFACTURING SECTOR IN KENYA: A CASE STUDY OF EAST AFRICA BREWERIES LIMITED

BY

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UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

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UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

SPRING 2019
STUDENT’S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University-Africa for academic credit.

Signed: _____________________________  Date: _____________________________

Rachael Wambui Njogu (ID No: 633585)

This research project report has been presented for examination with my approval as the appointed supervisor.

Signed: _____________________________  Date: _____________________________

Prof. Peter Lewa

Signed: _____________________________  Date: _____________________________

Dean, Chandaria School of Business
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ABSTRACT

This study examined the factors that influence competitive advantage within the beer manufacturing sector in Kenya with a focus on East Africa Breweries Limited (EABL). The study was guided by the following research questions: what is the influence of organizational factors on the firm’s competitive advantage? how do organizational capabilities provide the firm with competitive advantage? and what is the influence of organizational strategies on the firm’s competitive advantage?

The study was modelled on a descriptive design. The population of the study was all staff that worked in all the departments at EABL who were 50 in total. The sample frame involved employees in EABL and was obtained from the human resource office in Ruaraka. Census method was used in the study, thus the sample size for the study was all the 50 employees. Primary data was collected using self-administered questionnaire which was piloted for reliability and consistency. Data was analyzed using descriptive statistics. Percentages were used to analyze the study and gave presentations of how many respondents agreed to a particular item within the questionnaire. Means were used to weigh the strength/ significance of the rated items in the questionnaire. Standard deviations were also employed to examine the difference among the responses that were obtained from the population. Inferential analysis of correlations and regressions were used in the study. Analyzed data was presented using tables and figures.

The study revealed that EABL has a management training structure in place that facilitates the development of competence skills, as well as evaluation systems that ensure its standards are maintained. The firm’s current assets and liabilities are well managed in order to determine short-term financial performance, and its competition in the market is not large enough to affect its market, because the firm has leveraged on technology to adapt quickly to its changing conditions and environment.

The study indicated that EABL has ensured that all its employees are doing the right things by ensuring that its management puts in place strategies that govern the use of its resources. The firm has acquired and developed attributes, like developing strategic partnerships with suppliers in order to deliver the right products at the right time, which allow it to outperform its competitors. The firm determines the values that its customers
want in order to satisfy their needs, and because it has recognized the importance of understanding its competitors as well as its customers.

The study showed that EABL considers service as an intrinsic part of its products to the end market. Thus, its competitive advantage is tied to the quantity and quality of its services, as well as its competitive strategies that enhance its ability to utilize its resources effectively. The company manufactures superior value products that are created through lower costs, and this helps the firm to stand out against its direct competitors at the price and product factor, thus, providing the firm with a positional advantage in the industry as a cost leader.

The study concludes that, legal legislation changes have increased the cost of working practice for the firm, meaning that the legal regulatory framework impact the firm’s growth immensely. However, the firm has policy makers who examine the entire business environment to identify regulations and policies that affect the company. The firm specializes only in developing technologies that have pivotal importance to its business, and it ensure that these competitive activities are compatible with its ability to manage possible radical organizational changes.

The study recommends that EABL managers to ensure that their organizational capabilities are matching with their competitive advantage. The focus on capabilities should ensure that the firm is not driven by performance, which may force managers to overlook their capability as a company.
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LIST OF ACRONYMS

**DRC:** Democratic Republic of Congo  
**EA:** East African  
**EABL:** East Africa Breweries Limited  
**EAC:** East African Community  
**hl:** Hectolitres  
**ICT:** Information Communication and Technology  
**KBL:** Kenya Breweries Limited  
**SPSS:** Statistical Package for Social Sciences  
**TBL:** Kibo Breweries Limited  
**UBL:** Uganda Breweries Limited  
**WCM:** Working Capital Management
CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

A company has a competitive advantage whenever it has an edge over its rivals in securing customers and defending itself against competitive forces (Huang, Dyerson, Wu & Harindranath, 2015). Competitive advantage is born out of core competencies that yield the long-term benefit to the company. Porter (1985) noted that a core competence as an area of specialized expertise that is the result of harmonizing complex streams of technology and work activity. According to Schwenker and Wulf (2013), competitive advantage can be developed from a particular resources and capabilities that the firm possesses that are not available to competitors. The transformation of available skills and resources into a strategic position can only take place under conditions that provide customer benefit, and normally requires the transformation of multiple competitive methods. The ability to implant cost leadership, differentiation, or focus strategy is dependent on a firm’s ability to develop a specific set of competitive methods. This becomes the basis for the firm to be able to achieve above average in its industry (Urbančová, 2013).

Schwenker and Wulf (2013) argue that competitive methods consist of skills and resources that are available for use by firms in a competitive industry. They define superior skills in terms of staff capability, systems, or marketing savvy not possessed by a competitor. Breweries customer’s customers are sensitive to services and prices and seek to manufacture quality beers and maintain performance advantage over competitors’ that pursue another generic strategy type or those that are stuck-in-the-middle (Bingham, Heimeriks, Schijven & Gates, 2015). One central measure of organizational effectiveness is the creation and continued dominance in the market. Many broad initiatives such as efficiency, core competency advancement, actualization of customer-centric products and services, and limitation of the fixed costs of manufacturing beer is achieved through competitive advantage within the market place (Wang, Senaratne & Rafiq, 2015).

The resources held by a beer company and the business strategy will have a profound impact on generating competitive advantage (Bingham et al., 2015). Powell (2001) views business strategy as the tool that manipulates the resources and create competitive
advantage, hence, viable business strategy may not be adequate unless it possesses control over unique resources that has the ability to create such a unique advantage. Competitive advantage is a key determinant of superior performance and it will ensure survival and prominent placing in the market, and it gives the company the ability to stay ahead of present or potential competition and influence achieving of market leadership in beer manufacturing sectors (Grant, 2010).

The term competitive advantage has traditionally been described in terms of the attributes and resources of an organization that allow it to outperform others in the same industry or product market (Bingham et al., 2015). The new paradigm of international competitiveness is a dynamic one, based on innovation. Competitiveness at the industry level arises from superior productivity; either in terms of lower costs than rivals or the ability to offer products with superior value (value adding) that justifies a premium price (Huang et al., 2015). Detailed case studies of hundreds of industries, based in dozens of countries, reveal that internationally competitive companies are not those with the cheapest inputs or the largest scale, but those with the capacity to improve and innovate continually. Competitive advantage, then, rests not on static efficiency or on optimizing within fixed constraints, but on the capacity for innovation and improvement that shift the constraints (Urbancova, 2013).

According to Porter (1996), competitive advantage is an important concept of strategic management. It defines the uniqueness of an organization verses its competitors. Competitive strategy of the organization is the road map towards gaining competitive advantage. The strategy by which the competitive advantage is gained is known as business level strategy of the organization. Sources of competitive advantage include high quality products, superior customer service and achieving lower costs than its rivals (Bingham et al., 2015). The search for competitive advantage has been the dominant theme in the study of strategy for many years (Porter, 1996). Competitive advantage is a journey and not a destination - it is like tomorrow which is inescapable but never arrives. Competitive advantage only becomes meaningful when this journey is experienced (Schwenker & Wulf, 2013). For most organizations, however, the problem is how to identify where the journey lies. In fast moving competitive environments, the nature of the journey itself keeps changing in an unpredictable fashion (Huang et al., 2015).
The beer brewing industry is on the rise especially in the developed countries. This has been propelled by economic growth, technology advancement, high per capita beer consumption, improved quality and globalization of markets that has provided better market opportunities (Ascher, 2018). Likewise, some of the developing countries with better economic indexes are expected to experience growth as well. Production of beer in developed countries is forecasted to increase to an annual growth rate of 2.3 percent through 2020 to a volume of about 153 billion liters (Euro Monitor International, 2018). In most of the developing nations, demand is expected to rise with the strongest gains being in Asia especially China and Eastern Europe. This is propelled by economic recovery, expanding population, rising disposable income, improvement in beer quality, efficient distribution systems, high per capita consumption levels, and rising popularity of beer at the expense of traditional beverages, especially among women, youth and more affluent consumers (Ascher, 2018).

In Africa, the beer industry has either declined or is stagnant as a result of economic recession, health and social concern, negative influence on globalization of markets, lack of donor funding support, and lack of industrial brewing technology (Tremblay, J., Tremblay, C. & Iwasaki, 2017). The growth in beer production has been remarkable in Asia, Europe, America, and while in Africa, the production growth rate has remained at less than 1% (Euro Monitor International, 2018). Demand in the developing world will continue to be restrained by health and social concerns, high taxes and competition from alternative beverages, although favorable demographic patterns will help to boost consumption (Tremblay et al., 2017).

Beer production in the East African Community (EAC) region has been stagnant. Kenya leads with beer production of 2.8 million hectolitres (hl) for the year 2016, Tanzania 2.1 million hl and Uganda 1.3 million hl. It is important to note that besides being a market leader in this sub sector, Kenya has extended beer production operations to each of the EAC member countries (EABL, 2016). The beer market trend in EAC has gone down by 4%. The consumption by volume has also been declining at an annual rate of 5% and consequently beer per capita consumption down from 14 litres to 8 litres for the last decade (Euro Monitor International, 2018). The basic attributes to beer industry non-performance are the critical challenge of taxes, which account for 50 % of beer
production cost, gradual consumption decline as a result of economic hardship and competitive price on other alcoholic beverages (EABL, 2017).

Beer industry in Kenya dates back to 1922 when two brothers from England, George and Charles Hurst, started brewing beer in Kenya. The two formally incorporated their business as a private company under the name of Kenya Breweries Limited (KBL). In 1929 the first malted barley beer was brewed and the first batch delivered to New Stanley Hotel where it was opened with mixed reaction. In 1930, the first lager beer was brewed and released into the market (Muigai, 2017). By 1938 the company was recognized for its beer after it won the first brewing award in an international competition. Bottled beer consumption was exclusive for whites in pre-colonial era until 1947 when Africans were allowed to drink formal sector beer (EABL, 2014).

KBL became a public limited company in 1934, after which it incorporated Tanganyika Breweries and changed its name to East Africa Breweries Limited (EABL) making the first move into the East African (EA) market (EABL, 2015). The company became a holding company after merging with beer makers Allsopps EA Ltd in 1962 and KBL was re-established as a major partner in Nairobi and Mombasa. In 1964 it acquired equity interest in Tanzania’s Kilimanjaro Brewery and a year later, Guinness East Africa was incorporated in Kenya. By 1972 EABL had the largest public share issue in Kenya of up to more than 23,000 shares making it the only key player in beer and barley production since 1947 (Muigai, 2017).

To break with tradition of selling only malted beer, the company started brewing 100% non-malted beer (Citizen Lager) in 1997. The company has also diversified into non-alcoholic beverages like Malta Guinness in the backdrop of beer demand (EABL, 2016). EABL has extensive beer operations within the EAC member states having three independent brewing entities namely: KBL-Nairobi, Kenya 80% ownership, Uganda Breweries Limited (UBL) Kampala, Uganda 98% ownership, and Kibo Breweries Limited (TBL) Moshi Tanzania 20% ownership. Other subsidiaries include, Kenya Malting Limited solely for barley farming and malt processing, and Central Glass Limited, which dominates local glass packaging market and exports to Ethiopia, Rwanda Democratic Republic of Congo (DRC) and Seychelles (Muigai, 2017).
1.2 Statement of the Problem

Competitive advantage plays a critical role in organizations in pursuit of policies that create high-quality goods to sell at high prices in the market. Porter and Kramer (2006) emphasize productivity as the focus of national strategies. Competitive advantage rests on the notion that manufacturing companies seek strategies to improve on offering quality product and services better than the competition in the market. Competitive advantage influences maximizing scale economies in goods and services that garner premium prices in the market (Schwenker & Wulf, 2013).

Competitive advantage among mature competitors increasingly requires building strategy on a foundation of multiple competencies. As the largest beer maker in the world, Anheuser-Busch can achieve a single competency commonly referred to as economies of scale, whereby its larger size creates opportunities for greater efficiencies. But its interaction of well-planned, multiple competencies leads to deeply embedded synergies, such as greater product availability and increased brewery yields, that reinforces the original competitive advantages (Bingham et al., 2015).

EABL continues to dominate sales in 2007 with the majority market share. Its dominance is basically driven by continued effective marketing campaigns like promotions, advertisements and sponsorship of public events and offering quality alcoholic and non-alcoholic drinks (EABL, 2015). The pervasive influence of new and more advanced technologies as well as the realities of global infrastructure makes it necessary for EABL to play a proactive role in leading and transforming the beer industry in Kenya (EABL, 2017). The company has loyalty among consumers to particular brands and has adopted effective marketing strategies. This has enabled the company to achieve superior performance and guaranteed survival and prominent placing in the market (EABL, 2014). Despite the gain of competitive advantage in East African Breweries Limited, the factors influencing the same have not been determined.

Locally, there are studies which have focused on achieving sustainable competitive advantage in banks. For instance, Gathuiya (2011) carried out a study on achieving sustainable competitive advantage through innovation strategies in commercial Banks. Kibera and Waruingi (2014) found that creation and sustenance of competitive advantage
was achieved through product differentiation in companies. They found out that companies strive to survive and succeed in competition by pursuing strategies that enable them to perform better than their competitors. Despite East Africa Breweries Limited implementing competitive strategies, empirical study on the role of competitive advantage in the company has not been established. This study sought to fill this gap by determining the factors that influence competitive advantage in EABL.

1.3 Purpose of the Study
The purpose of this study was to determine factors influencing competitive advantage within the beer manufacturing sector in Kenya, while focusing on EABL.

1.4 Research Questions
The following research questions guided the study:

1.4.1 What is the influence of organizational factors on the firm’s competitive advantage?
1.4.1 How do organizational capabilities provide the firm with competitive advantage?
1.4.2 What is the influence of organizational strategies on the firm’s competitive advantage?

1.5 Significance of the Study
1.5.1 EABL Managers
The primary beneficiaries of this study were EABL managers. This study on factors influencing competitive advantage within the beer manufacturing sector in Kenya may help EABL managers understand how the various strategies adopted influence their competitive advantage. The study provides recommendations that these managers may adopt to increase their competitive advantage.

1.5.2 Managers of other Beer Companies
This study on factors influencing competitive advantage within the beer manufacturing sector in Kenya may also be of importance to other beer manufacturing companies, since it provides an overview of how selection of various strategies influences company positioning while improving competitive advantage. These managers may benchmark on this study to improve their companies’ overall competitive positioning.
1.5.3 Government
The government is the custodian of all its citizens regardless whether it has the ability to address their plight. Information gathered through this study may help the government to formulate policies beneficial and the best practices in application of competitive advantage in the brewing sectors in Kenya.

1.5.4 Further Researchers
The study provides a platform for further research in the area of competitive advantage in the in the brewery industry. The findings of the study may be of use to trainers’ in strategic management in that it may assist them in knowing the areas which should be given concentration when training managers on competitive advantage and related topics in their organizations.

1.6 Scope of the Study
This study determines factors that influence competitive advantage within the beer manufacturing sector in Kenya. The study focused on EABL which currently is the largest beer manufacturing company in EAC. The study was carried out on the firm’s headquarters located in Nairobi - Ruaraka. The results of the study were limited to EABL and data was collected from EABL employees between March and April 2019.

1.7 Definition of Terms
1.7.1 Competitive Advantage
Competitive advantage is defined as the state of a firm having an edge over its rivals in securing customers and defending itself against competitive forces (Huang et al., 2015).

1.7.2 Business Strategy
Powell (2001) views business strategy as the tool that manipulates the resources and create competitive advantage, hence, viable business strategy may not be adequate unless it possesses control over unique resources that has the ability to create such a unique advantage.
1.7.3 Core Competence

Core competence is defined as an area of specialized expertise within an organization that is the result of harmonizing complex streams of technology and work activity (Porter, 1985).

1.8 Chapter Summary

This chapter has discussed in detail the nature and scope of competitive advantage within the beer manufacturing globally, regionally and locally. The chapter has provided the problem statement which has shown the gap that this study sought to fill. The purpose of the study has also been provided and the research questions that guided the study. The chapter has also discussed the significance and scope of the study in terms of who may benefit from the study and who were covered in the study. The chapter also provides the definition of key terms used. The second chapter provides the literature review of the study, while chapter three presents the research methodology that was used in the study. The forth chapter presents the results and findings of the study while the fifth chapter provides the study’s discussions, conclusions and recommendations.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter provides literature review on the factors that influence competitive advantage within the beer manufacturing sector in Kenya. The chapter provides literature on organizational factors and how they influence a firm’s competitive advantage, organizational capabilities and how they provide a firm with competitive advantage, and organizational strategies and how they influence a firm’s competitive advantage.

2.2 Organizational Factors and Competitive Advantage

According to Barone and DeCarlo (2013) building a competitive advantage will involve understanding the needs of the market (customers), and devising a strategy to make use of the resources that are available (or can be obtained) to set the business apart from the competition. Research in the field of strategic management has attempted to discuss what competitive advantage involves. Tuan and Yoshi (2014) assert that competitive advantage and performance are terms that have been interchangeably used as they are based on the definition of Porter (1985), which asserts that competitive advantage and performance is more or less the same thing.

In addition, Powell (2001) indicates a unidirectional correlation: that competitive advantage leads to improved performance, not the opposite. Therefore, studies such as Powell (2001) assert that among the possible relationships between organizational capabilities, competitive advantage and performance, a direct relationship between organizational capabilities and competitive advantage likely exists rather than a relationship straight from that to performance. This section discusses how organizational factors like competence, working capital management, flexibility, regulatory framework and sales growth aid in competitive advantage.

2.2.1 Competence

Chappell (2012), suggests that competence is a contested concept, the meaning of which is shaped by those who use it. This is particularly problematic in a multi-cultural or multinational context, because multiple meanings will make empirical analysis almost impossible. For some researchers, competence appears to be an internal personality trait.
residing within the individual (Goodstein et al., 2016). That is, someone has a set of traits that make them more likely to be ‘competent’ than someone who does not possess these traits. From this perspective, it could be claimed that someone is born with specific characteristics that make them more likely to be ‘competent’. Based on this approach, the key to an organization’s efficiency and effectiveness is to determine who within the organization has these traits and who does not (Chappell, 2012).

A second approach views competence as a set of skills or learned behaviors (Bratton, 2015). In this case, competence is defined as internal to the individual, but learned over time. Analyzing the situation further, researchers have tried to distinguish between skills and behaviors (McAuley, 2014). They have focused on establishing a difference between identifiable skills and patterns of behaviors. Ultimately, theirs may be a redundant path of research because the only way to measure skill is as a behavior, building an inevitable confound (Hamel, 2016).

From the perspective that competence is learned, it is unlikely that someone will be competent within the company immediately, but will learn how things are done within the organization and their competence will increase over time. For the organization, there are several implications. First, not only must recruiting be exercised carefully, but there must also be a management training structure in place to facilitate the development of competence skills. Second, the prospect of 'growing' competent managers is possible under this approach (Ross et al., 2016). Therefore, organic growth and hiring from within are not only possible but also desirable, because an internal candidate already has knowledge of the internal systems and does not have to relearn it (Enhardt & Brigham, 2009).

A third perspective posits that competence is a standard of behavior that does not reside within the individual, but is a function of how the organization performs (Pitt et al., 2016). Instead of focusing on the individual and evaluating how she or he works, this perspective focuses on the work group/Strategic Business Unit and uses an external benchmark of competence (Pandey, 2012). The implication of this approach is that not only must the organization seek out those with management skills and ‘competence’, but
also structure itself to facilitate competent management and develop evaluation systems to ensure that standards are being maintained (Hamel, 2016).

2.2.2 Working Capital Management

The management of working capital is a vital element in all firms. It poses problems both in respect of individual components of assets and the volume and maturity of liabilities (Pandey, 2012). Working capital management implicates the administration of current assets as well as current liabilities (Weston, 2016). WCM is the main part of a firm’s short-term financial planning since it encompasses the management of cash, inventory and accounts receivable (Enhardt & Brigham, 2009). These three components and the way in which they are managed determine some of a company’s most vital financial ratios, e.g. the ‘inventory turnover’, the ‘average collection period’ and the ‘quick ratio’ (Ross et al., 2016). Hence, working capital management reflects a firm’s short-term financial performance.

Business is often associated with competition as most companies are in competition with at least one other firm over the same group of customers (Hamel, 2016). Competition, in economics refers to rivalry in supplying or acquiring an economic service or good. Sellers compete with other sellers, and buyers with other buyers. In its perfect form, there is competition among many small buyers and sellers, none of whom is too large to affect the market as a whole (Enhardt & Brigham, 2009). The classical theory of perfect competition, as developed by economists from Adam Smith to Alfred Marshall, takes a reduced-form approach: it depicts the outcome of competition, but not the activity of competing. Much of what is interesting and important about competition is hidden in the background (McAuley, 2014). Generally, firms are in competition with each other if they sell goods and services to the same groups of customers or try to employ factors sourced from the same group of suppliers (Weston, 2016).

2.2.3 Flexibility

Flexibility is considered to be a major source of competitiveness for small and medium sized business compared to larger enterprises. The use of information communication and technology (ICT) could now on the one hand increase the competitiveness of business as they enable the creation of more flexible links with trading partners because of faster and
more reliable communication channels (Muller-Falcke, 2015). On the other hand, ICTs could help bigger enterprises to increase their flexibility through a restructuring of the organization which will enable them to adapt quicker to changing conditions. Therefore, the competitive advantage of medium sized businesses could also decline (Tuan & Yoshi, 2014).

In general, most small firms rely much more on informal information systems than larger enterprises. To get the relevant information that is needed for a rational decision is not costless especially as in small forms usually there is only one decision maker – the owner/manager – whose personal resources (time, knowledge, and capabilities) are restricted. However, small firms have the advantage of smaller internal coordination costs, as all decisions are made by one or few people (Barone & DeCarlo, 2013).

2.2.4 Regulatory Framework
Legal changes are happening on a daily basis, and as a result, can have a large influence on what is happening within the business environment. Health and safety legislative changes may increase costs, or force working practices to change (McCormick, 2012). This is particularly important when considering new businesses, such as companies trading online (Barkham, 2016). Legal legislation changes may increase the cost of working practice to changes. This is particularly important when considering a new business venture, such as diversifying into the internet market. Changes to minimum wage, the standard working week and employee contracts need also to be taken into consideration (Pandey, 2012).

Empirical studies on legal regulatory framework indicate that an appropriate legal and regulatory framework can impact on the growth of a business. Harper (2015) states that a tightly regulated economy works against small enterprises since large firms have capacity and resources to get around regulations or bend the rules in their favor but small enterprises are caught in them and this affect their growth. McCormick (2012) argues that laws have an effect in business entry and growth and even if they are not enforced, they increase uncertainty in the business environment since nobody knows when the law will be enforced. She concludes that policy makers should examine the entire business
environment and identify regulations and policies that affect entry and growth of small enterprises.

2.2.5 Sales Growth
There is no general agreement on how firm size should be measured and therefore there is a wide variation on the growth variables used by researchers. A firm size may be measured according to its revenue or profits or by the amount of human and physical capital it employs (Barkham, 2016). This study considers sales and employment as growth indicators for the following reasons. First, the use of sales and employment measures are the most widely used in empirical growth research (Delmar, 2015). Second, those growth indicators are the only ones available in the present study for all the firms of interest. Sales are a relatively good indicator of size and therefore growth. Sales may be considered a precise indicator of how a firm is competing within a market, and indeed firms themselves tend to use it as a measure of their own performance. An analysis of company growth should at least in part be based on changes in turnover (Barkham, 2016).

However, sales are not the perfect indicator for growth for all purposes. Sales are sensitive to inflation and currency exchange rates, while employment is not. It is not always true that sales lead the growth process. For high technology startups and the startup of new activities in established firms, it is possible that assets and employment will grow before any sales occur (Delmar, 2015). Obvious drawback of employment as a growth indicator are that this measure is affected by labor productivity increases, machine for man substitution, degree of integration and other make or buy decisions. A firm can grow considerably in output and assets without a growth in employment especially technology-based firms. Therefore, the combination of turnover and employment makes the measure more reliable (Barkham, 2016).

2.3 Organizational Capabilities and Competitive Advantage
2.3.1 Strategic Management
Porter (1998) observed that strategic responses involves a change in the competitive position a firm occupies in the competitive industry. A change in the competitive position will require a company to decide on which generic strategy to adopt. The choice involves cost leadership, niche focus and differentiation. This choice is essential in the strategic
planning process since it determines the superiority total organization performance. All the strategic planning variables will fall in place once a clear choice of the basic generic strategy has been determined.

Strategic management is getting everybody in the company to do the right things. It entails deciding what things are right for company under some given set of consumer expectations and competitive circumstances (Delmar, 2015). Davidson et al. (2014) defined strategic management as the process of deciding on the mission of the enterprise, the basic goals and objectives that it seeks to achieve and the major strategies that will govern the use of firm’s resources to achieve its objectives. A fully developed retail marketing strategy identifies: the specific markets and market segments that the firm intends to pursue, the consumer and competitive performance that the firm desires in its selected markets, the specific means by which the firm intends to appeal to its target customers and establish its competitive position (Delmar, 2015).

2.3.2 Resource Allocation
Competitive advantage occurs when an organization acquires or develops an attribute or combination of attributes that allows it to outperform its competitors. This attribute can include access to natural resources, inexpensive power, or access to highly trained and skilled personnel human resources (Clulow et al., 2013). New technologies such as robotics and information technology can provide competitive advantage, whether as a part of the product itself, as an advantage to the making of the product, or as a competitive aid in the business process (Porter, 1985).

Lack of enough capital affects this industry due to the huge capital required. In deed this is a strong barrier of entry to small upcoming companies. This is a barrier to product innovation as well. These theories require financial investment and management commitment (Hasty & Reardon, 2014). Unpredicted changes in customer preferences, many substitute products, and lack of investing in new products. Other barriers considered not severe included poor financial controls, failure to cope with competition, lack of clear vision and goals, failure to respond to changes, lack of storage and preservation facilities, security, transportation and employees wanting higher pay (Clulow et al., 2013). Three areas that are vital for the successful execution of a relationship
strategy are: the interaction process as the core of relationship marketing, the planned communication process supporting the development and enhancement of relationship and the value process as the output of relationship marketing (Hasty & Reardon, 2014).

Large and small alcoholic beverage companies are now developing strategic partnerships with suppliers in order to deliver the right product to the alcoholic beverages at the right time. These changes are partly the advances in the information technology and the relatively the increasing power of large alcoholic beverages (Clulow et al., 2013). Not only must the alcoholic beverage companies and the supplier agree on the price and the amount of merchandise to be bought or sold, but the terms of sale and the terms of payment must be agreed on as well (Hasty & Reardon, 2014).

Today, many organizations are fast changing to cope with the needs of the dynamic environment. However, the focus of their effort is often day to day management and dealing with the current issues or crisis. While many small firms survive and prosper this way, to establish a secure business and develop the capability to grow significantly requires some long term thinking in form of a strategy (Davidson et al., 2014). The importance of developing a strategy that is sufficiently proactive to drive a small firm not only to achieve long term success, but to be flexible enough to cope with the continual change in the environment is paramount (Hasty & Reardon, 2014). A strategy is needed by any organization that is faced with intelligent opposition that can affect the organizations desired outcome. To operate in environments that are potentially vulnerable to competitive actions and so they need a strategy to determine the way in which they intend to compete in the market place (Clulow et al., 2013).

2.3.3 Market Planning
2.3.3.1 Capturing Target Market
The growing complexity of large, diversified retail enterprises, the rapid change in consumer markets and the intensifying competitive environment make it imperative that the retail firms have a thoroughly well thought out strategic plan detailing how it intends to capture the target market (Davidson et al., 2014). Companies are therefore evaluating their retail services with an aim of coming up with more focused strategies that help them meet their unit and companywide objectives. They are working towards developing
coherent strategies on how to differentiate and add value to retail customers. Companies are therefore pursuing marketing strategies to not only win and grow their businesses but to also stay ahead of the competition, towards this end, the most commonly pursued marketing strategies are: product portfolio management, pricing, distribution and relationship marketing or customer services and promotion strategies (Hasty & Reardon, 2014). Renart (2014) argues that the conventional wisdom was that leadership in the marketplace could be attained by means of designing and implementing a sound marketing plan. Such a plan entails first defining the four P’s later evolved to six elements of the marketing mix: Market segmentation (product or service), Pricing, channels of distribution, sales team management, advertising, promotions and public relations.

An alcoholic beverage company can view the total consumer market as being made up of a collection of segments, each one representing a distinct and separate set of customer expectations (Hasty & Reardon, 2014). Alcoholic beverage firms view of market segment consists of those customers who share a common set of expectations regarding retail stores, and consequently tend to respond favorably to a particular combination of value offers, consisting not only attributes of physical products but also of services, atmosphere and any other sources of potential satisfaction (Davidson et al., 2014).

2.3.3.2 Market Segmentation
Market segmentation is the process of dividing the heterogeneous market into segments. The various segments identified should be homogeneous within themselves, but heterogeneous without (i.e. different from other segments). The goal is to facilitate the development of unique and effective marketing programs that will be most effective for these specific segments (David & Albert, 2012).

Smith (2012) articulated the view that to sustain growth in apparently non-growth scenarios, companies had to adopt the concept of market segmentation. The essential logic behind the proposition was that by acquiring a deeper understanding of variations in customer needs, companies could develop new products specifically aimed at satisfying different groups of customers. Market Segmentation starts with the belief that there are identifiable differences among a product’s various consumers and that the differences are relevant to their buying and store patronage behavior. The goal of market segmentation
therefore is to identify smaller, homogeneous submarkets within the larger heterogeneous mass market (Lewinson & Delozier, 2012).

Cahill (2014) argued that the possible benefits of segmentation were; by specialization, companies could stimulate greater consumption and thereby market expansion. If there are few competitors within a given segment, promotional costs might be reduced. For the alcoholic beverages, it is essential that a decision to use a market segmentation strategy should rest on consideration of four important criteria that affect its profitability. The market must be; identifiable, measurable, accessible, substantial, and responsive. Lewinson and Delozier (2012) state that, there are a number of variables that can be used to segment a market. Generally, those variables can be grouped into two broad categories; customer characteristics and buying situations. The traditional bases for segmentation have been classified as geographic, demographic, socioeconomic conditions (whether upscale or down scale), psychographic and behavioral, nature of housing, fashion interest and the concept of value. In retail operations approach, Cahill (2014) states that, the alcoholic beverages examine factors that might enhance or limit operations. Several factors influence directly the alcoholic beverages’ chances to operate successfully namely distribution, competition, promotion and legal considerations.

Lewinson and Dolozier (2012) argue that a crucial problem that affects an alcoholic beverage companies is getting the product into the store. This problem involves inventory control; overstocking increase in carrying costs, whereas stock outs because lost sales and customer ill will. The alcoholic beverage companies must therefore consider transportation and handling costs, delivery time, and reliability of delivery services. The alcoholic beverage companies must also consider the location and delivery practices of suppliers and the market area’s ability to support distribution facilities. It is imperative that the alcoholic beverage firms take into account the reality of the competition when identifying markets areas (David & Albert, 2012). An alcoholic beverage firm that depends heavily on promotional activities can identify market areas by analyzing the advertising media within each market area and the behavior of the competitive alcoholic beverages. Other companies have segmented their markets based on regions. An approach known as identifying markets areas. It consists of determining the right region of the
country and the right part of the region for example urban, per-urban and rural markets (Cahill, 2014).

2.3.3.3 Marketing Orientation
Marketing orientation is firstly customer focused. Becoming customer oriented requires finding out what values buyers’ want to help satisfy their needs. According to Becherer (2013), Blankson et al. (2012), market orientation requires a culture in which organizations strive to create superior value for their customers (and superior performance for the business) by focusing on customers’ needs and long-term profitability.

A marketing-oriented organization recognizes the importance of understanding its competitors as well as the customers. Thirdly, a market-oriented organization is effective in getting all business functions working together to provide superior customer value (to Becherer et al., 2013). Organizations that are market oriented begin strategic analysis with a penetrating view of the market and competition.

2.4 Organizational Strategies and Competitive Advantage
Mintzberg (1994) suggests that a strategy is about making plans for the future, based on a set of objectives, policies and plans that, when taken together, define the scope of the enterprise and how it intends to survive and achieve success. There must be a strategic fit of the many activities that are intertwined to provide competitive advantage and ultimately, sustainability for the organization.

Several key strategies are needed at every stage in the lifetime of an enterprise (Blankson et al., 2012). The ability of a firm to identify market segments or niches where they can build customer bases founded on their distinctive advantages and the ability to exploit non-price competitive advantages using relevant technologies and being innovative. Thus, the concept of strategy is essential to organizations in that it helps in: defining the organization’s business, mission and goals; identifying and framing organizations growth opportunities; formulating marketing strategies; budgeting, marketing, financial and production resources; and developing reformulation and recovery strategies.
2.4.1 Product/Service Advantage

In a competitive market place, consumers perceive the products/services or organization’s performance on specific attributes relative to that of the competitors (Kotler, 1994). Thus, manufacturing companies have to either reinforce or modify customers’ perception or image. Competitive advantage in products and services in beer manufacturing companies plays a pivotal role in marketing strategy, since it links market analysis, segment analysis and competitive analysis to internal corporate analysis (Stacey, 2013). In more recent times a new competitive factor, product or service advantage, is reported to play a major role in the achievement of organization superior performance. Service makes it possible to better qualify the supply of products, innovative manufacturers consider it as an intrinsic part of the product offered to the end market. The manufacturers combine products and services due to customers’ change in behavior and preferences (Passemard, 2015).

Customers not only expect lower prices, but also a wide and varied range of products, shorter delivery times, good technical assistance, improved payment terms and efficient distribution channels (Passemard, 2015). The company through competitive advantage therefore influence development of strategies based on customer service, enhancing differentiation of their products and to maintain competitive advantage making it more lasting than that just guaranteed by low prices. An advantage seems to be particularly tied to the quantity and quality of services that cannot be imitated by competitors (Ferrero, 2016).

2.4.2 Resource Utilization

Dynamic capabilities integrate; reconfigure, gain, and release resources to match and even create market change. Therefore, organizational processes shaped by the company’s asset position and molded by its evolutionary and co-evolutionary paths, explain the essence of the company’s dynamic capabilities and its competitive advantage (Barney, 2015). Dynamic capabilities involve path dependencies that leverage the growth of related resources, which are called weak form dynamic capabilities, and also use new and unrelated ones called strong form dynamic capabilities (Morgan et al., 2014).
Competitive strategies enhance firm’s ability to utilize its resources effectively. An example of a capability is the ability to bring a product to market faster than competitors. Such capabilities are embedded in the routines of the organization and are not easily documented as procedures and thus are difficult for competitors to replicate (Barney, 2015). The firm’s resources and capabilities together form its distinctive competencies. These competencies enable innovation, efficiency, quality, and customer responsiveness, all of which can be leveraged to create a cost advantage or a differentiation advantage, (Christensen, 2014).

Competitive advantage influences the use of resources and capabilities to achieve either a lower cost structure or a differentiated product (Porter, 1985). Another important decision is how broad or narrow a market segment to target. Porter formed a matrix using cost advantage, differentiation advantage, and a broad or narrow focus to identify a set of generic strategies that the firm can pursue to create and sustain a competitive advantage. The firm use competitive advantage to continue with value creating activities in a way that it creates more overall value than competitors. Firms through competitive advantage improve manufacturing of superior value created through lower costs or superior benefits to the consumer (Christensen, 2014).

2.4.3 Cost Advantage
The cost advantage of manufacturing enables the company systematic efforts to increase efficiency in its operations and results in the production cost per unit, lower cost of goods sold and selling price to end-user in the export markets (Morgan et al., 2014). The companies with cost advantage create more value for their customers by offering their products and services at a lower price, mainly due to the economies or diseconomies of scale for each activity, learning that improves knowledge and processes independently of scale, the patterns of capacity utilization, and the linkages that are present when the way one activity is performed affects another activity (Day & Wensley, 2016).

In the firm’s behavior oriented by cost leadership, competitive advantage is pursued through economies of scale, exploitation of the experience curve and rigorous control of overhead costs (Christensen, 2014). Differentiation policies rest upon the entrepreneur’s ability to stand out against its direct competitors not only at the price factor, but also as
regards the upgrading of products, the technical assistance given to customers and the selection of efficient distribution channels, that is the non-price factors of competition (Lau, 2012).

Cost advantages are known as positional advantages since they describe the firm's position in the industry as a leader in cost. A resource-based view emphasizes that a firm utilizes its resources and capabilities to create a competitive advantage that ultimately results in superior value creation (Lau, 2012). Lower cost advantage to a section of market segments with basic services offered to higher priced market leaders is also a strategy acceptable in the corporate world. It results to similar products to much higher priced products that can also be acceptable to sufficient customers in the market (Clulow, Gerstman & Barry, 2013).

It concentrates on a narrow segment and within that segment it attempts to achieve cost advantage. The premise is that the need of the group can be better serviced by focusing entirely on it; hence enjoy high degree of customer loyalty, which discourages other firms from competing directly (Lau, 2012). Cost leadership is achieved not only by rational management of the production function, but also by skillful maneuvering of all the intra-functional relationships within the enterprise system in order to reduce coordination costs and enables the firm to use the price weapon with some discretion (Clulow, Gerstman & Barry, 2013).

2.4.4 Differentiation Advantage
Product differentiation, is obtained by suitably mixing marketing elements other than price, i.e. the ability to modify the tangible and intangible characteristics of the goods or services provided to the consumer (this policy enhances the non-price competitiveness of the firm) (Parker, 2012). The ability of differentiation to help the firm achieve a low-cost position depends on two factors: the extent to which expenditure on differentiation significantly increases demand, shifting the demand curve to the right; and the extent to which significant reductions in unit costs arise from increasing volume (Hill, 2016).

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Both of these factors are situation dependent, and they form the basis for the contingency framework. Hill (2016) explained that the immediate effect of differentiation will be to increase unit costs. However, if costs fall with increasing volume, the long-run effect may be to reduce unit costs. Three sources of declining costs can be identified: learning effects, economies of scale, and economies of scope.

The impact that differentiation has on demand depends on three major contingencies; the ability of the firm to differentiate its product, the competitive nature of the product market environment, and the commitment of consumers to the products of rival firms (Knox, 2012). The number of attributes inherent in a product creates scope for differentiation. However, there is not a direct linear relationship between number of attributes and opportunities for differentiation. It is possible to differentiate a relatively homogeneous product if the psychological characteristics of consumers are diverse (Hill, 2016).

2.4.5 Innovation Advantage

Demands for innovation and technological advancement are increasingly crucial components of competitive strategy for many manufacturing firms (Miller, 2015). Most manufacturing companies face serious competitive challenges due to the rapid pace and unpredictability of technology change and failure to utilize innovation as a competitive advantage (Gaynor, 2012). Given the array of capabilities needed to sustain effective corporate entrepreneurship, competitive advantage provides the company with an attractive source of innovations to create positive synergy for the firm. Likewise, if the innovation process or the outcomes of innovation are difficult to copy, then it becomes an increasingly important ingredient in sustaining competitive advantage (Parker, 2012).

Clark (2014) suggested that beer manufacturing products from, function, pricing, and distribution offer potential avenues for reducing limitability for innovative advantage. Others argue that managerial innovations advantages, such as the strategic management of human resources (Schuler & Jackson, 2015), or information-based innovations, such as new market research techniques, provide more durable routes to competitive positioning that can be gained from product innovations. Parker (2012), recommended that firms could only specialize in developing technologies that have pivotal importance to their
business in order to protect limitability of key competitive elements. The common thread is identifying outcomes that are difficult for other firms to replicate (Knox, 2012).

The competitive advantage outcomes are no better if a firm chooses to resist change as it innovates and diversifies. The consequences of neglected structural and cultural implications of increased diversification and organizational differentiation particularly where new products often require new structures to foster market exploitation. Therefore, competitive activities must be compatible with a firm's ability to manage potentially radical organizational change (Gaynor 2012).

According to Gaynor (2012), innovative advantage and subsequent requirements for sustained exploitation, provides incentives for change in the strategic configuration. Innovative advantage might enable a firm to broaden its market appeal by introducing cost savings as well as unique features. Successful adaptability requires both knowing when to change and knowing when change is not appropriate. Innovation advantage that help a firm make correct choices will have a greater probability of maintaining competitive advantage. As Clark (2014) points out, the foundation of competitive advantage influences a firm’s utilization of capabilities such as human skills and relationships, material resources, and relevant knowledge that a firm uses to build products and deliver services having a market place appeal.

2.5 Chapter Summary
This chapter has provided literature review on the factors that influence competitive advantage within the beer manufacturing sector in Kenya. The chapter has provided literature on organizational factors and how they influence a firm’s competitive advantage, organizational capabilities and how they provide a firm with competitive advantage, and organizational strategies and how they influence a firm’s competitive advantage. The next chapter focuses on research methodology.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

The research methodology adopted by the study is presented in this chapter. The elements in this chapter include the research design, population and sample design, data collection methods, research procedures and the data analysis method. The summary of the whole chapter is provided at the end of this chapter.

3.2 Research Design

Cooper and Schindler (2014) find research design to be the structure and organization of a study regarded to obtain answers to research questions. The research design reveals the structure of the research problem and the program of investigation used to obtain empirical evidence. Babbie and Mouton (2010) on the other hand find research design as a structured framework or plan that helps a researcher to solve a research problem and minimize knowledge gap. By use of a perfectly developed and clear research framework, readers can enhance confidence in the methods used as the researcher maximizes validity and minimizes error or rather mistakes.

The proposed study was modelled on a descriptive design. According to Cooper and Schindler (2014), a descriptive study is concerned with finding out who, what, where and how of a phenomenon which was the concern of the study. The study intended to determine factors influencing competitive advantage in alcoholic beverages, where and how the alcoholic beverages companies in Kenya had adopted and whether they had led to a sustainable competitive advantage, which fits into the design. Njoroge (2003), Mazrui (2003), Kamau (2004) and Mukule (2006) used descriptive study in the related studies. In this research descriptive research was used to determine factors influencing competitive advantage within the beer manufacturing sector in Kenya. Descriptive studies are not only restricted to facts findings but may often result in the formulation of important principles of knowledge and solutions to significant problems.
3.3 Population and Sampling Design

3.3.1 Population
Mugenda and Mugenda (1999) describe the target population as the complete set of individual case or object with some common characteristics to which the researchers want to generalize the result of the study. The study targeted all the staff that worked in all the departments at EABL who were 50 in total.

3.3.2 Sample Design

3.3.2.1 Sample Frame
Cooper and Schindler (2008) found that a proper and complete list of all factors of a population facilitates the development of a sample population is known as a sample frame. In this study the sample frame involved employees in EABL and the sample frame was obtained from the human resource office in Ruaraka to ensure all employees were involved in this process and were not left out making the sample frame for this study relevant, current and complete.

3.3.2.2 Sampling Technique
Census method was used in the study. Babbie and Mouton (2010) defines a census as the procedure of systematically acquiring and recording information about the members of a given population. Saunders et al. (2012) states that, census data are commonly used for research, business marketing, and planning, and as a baseline for designing sample surveys by providing a sampling frame such as an address register. Babbie and Mouton (2010) adds that, census counts are necessary to adjust samples to be representative of a population by weighting them as is common in opinion polling.

3.3.2.3 Sample Size
Saunders et al. (2012) state that the sampling technique applied by a researcher when conducting a study, denotes the size and the accuracy of the final sample size that he/she chooses for the study. As noted, the study applied a census study, and as a result, the sample size for the study were all 50 employees that worked at EABL.
Table 3.1: Sample Size

<table>
<thead>
<tr>
<th>Department</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing</td>
<td>20</td>
</tr>
<tr>
<td>Accounts</td>
<td>16</td>
</tr>
<tr>
<td>Management and Administration</td>
<td>8</td>
</tr>
<tr>
<td>Human Resource</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>50</strong></td>
</tr>
</tbody>
</table>

Source (EABL, 2018)

3.4 Data Collection Methods
The study collected primary data. Primary data was collected using self-administered questionnaires that were distributed among the EABL employees while secondary data was collected from published reports and other documents from the EABL, and this was inclusive of the company's publications, audited accounts, official reports and chairman’s report from the company magazines.

The questionnaire had closed-ended questions to enable the researcher collect sufficient quantitative data. This was used in order to gain a better understanding and possibly enable a better and more insightful interpretation of the results from the study. The questionnaire was designed in the study and comprised of two sections. The first part included the general information about the EABL employees, while the second part addressed how the management in EABL has applied competitive advantage in the company. The questionnaire was administered to senior management staff and included managers and head of departments working at EABL as well as regular employees.

3.5 Research Procedures
Cooper and Schindler (2014) in their study reveal that research procedure entail a concise and clear vindication of all steps presumed in the study for the reason of explicability. In crafting and trying out the questionnaire, the research supervisor examined and gave advice on sustainable edits before giving the approval to commence the survey.
A pilot program was carried out and amendments done to the final questionnaires that were prepared and for data collection. The researcher used 5 employees to test the validity and reliability of the questionnaire. The Cronbach Alpha test on the Statistical Package for Social Sciences (SPSS) tool was used to examine the reliability. Any items that had less than 0.07 Alpha coefficients were excluded from the final questionnaire. This was done to ensure that the final instrument was reliable and valid to the study.

After the pilot, the researcher followed up with the research office for an official introductory letter to send to the management of EABL for consent to carry the research in the company. The researcher explained the purpose of the study. The approval from the human resource department gave the researcher the permission to administer the questionnaires to the employees during their working hours. In order to ensure high response rate, the researcher gave respondents two weeks to fill the questionnaire and frequent reminders were sent to the respondents.

3.6 Data Analysis Methods
Cooper and Schindler (2014) found that data analysis as a research technique for the systematic and qualitative description of the clear content of a communication. To enhance research quality, quantitative method of data analysis will be utilized. Babbie and Mouton (2010) found that descriptive statistics entails a process of changing raw data to tables and charts. Frequency distribution and percentages are critical in making sense of data. SPSS program was used to analyze data. The findings were presented using tables and figures.

Descriptive statistics was significant among the quantitative analysis. Before processing the responses, the completed questionnaire was edited for completeness and consistency. Percentages were used to analyze the study and gave presentations of how many respondents agreed to a particular item within the questionnaire. Means were used to weigh the strength/ significance of the rated items in the questionnaire. Standard deviations were also employed to examine the difference among the responses that were obtained from the population. This indicated the level of variance between responses that had been obtained.
Inferential analysis was also be used in the study. Correlations analysis was used to identify significant independent study factors (organizational factors, organizational capabilities and organizational strategies) that influenced the dependent variable of the study (competitive advantage). Simple regression in the form of $Y = a + B1X1 + B2X2 + B3X3 + \varepsilon$. This was used to examine how each independent variable influenced the dependent variable.

Where: $a =$ Constant  
$B1 =$ Organizational Factors  
$B2 =$ Organizational Capabilities  
$B3 =$ Organizational Strategies  
$\varepsilon =$ Error Value

3.7 Chapter Summary
This chapter has discussed the research methodology that was used in the study looking at the different methods and procedures and research that was adopted to conduct the study. The chapter has discussed in detail the research design, population and sampling design, data collection methods, research procedures and the data analysis methods that were used in the study. The next chapter presents the findings of the study.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction
This chapter provides the results and findings for factors that influence competitive advantage within the beer manufacturing sector in Kenya. The chapter provides findings for organizational factors, organizational capabilities and organizational strategies and how they influence a firm’s competitive advantage.

4.1.1 Response Rate
The researcher managed to gather 40 complete questionnaires from the 50 that had been distributed, therefore, the response rate for the study was 80% which was quite significant as shown in Figure 4.1, since Saunders et al. (2012) state that 51% response rate is above the threshold.

Figure 4.1 Response Rate

4.1.2 Reliability Test
Table 4.1 shows the reliability coefficients for Organizational Factors, Organizational Capabilities and Organizational Strategies as 0.937, 0.961 and 0.722 respectively. They are all >0.7 meaning that the questionnaire items were reliable.

Table 4.1 Reliability Test

<table>
<thead>
<tr>
<th>Questionnaire</th>
<th>Number of Items</th>
<th>Alpha Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Factors</td>
<td>10</td>
<td>.937</td>
</tr>
<tr>
<td>Organizational Capabilities</td>
<td>10</td>
<td>.961</td>
</tr>
<tr>
<td>Organizational Strategies</td>
<td>10</td>
<td>.722</td>
</tr>
</tbody>
</table>
4.2 Demographic Information

4.2.1 Gender

Figure 4.2 presents the gender divide of the respondents and it shows that 57.5% were male and 42.5% were female. This indicates that EABL has more male employees and could be explained by the nature of the industry.

![Figure 4.2 Gender](image)

4.2.2 Years at EABL

Figure 4.3 indicates that 60% of the employees had worked at EABL for 1-5 years, 22.5% had been with the firm for 6-10 years, 7.5% had been with EABL for 11-15 years and less than a year respectively and 2.5% had been with EABL for more than 16 years. This means the employees had been with EABL for a significant amount of time, making them great respondents for the study.

![Figure 4.3 Years at EABL](image)
4.2.3 Education Level

Figure 4.4 presents the educational background of the respondents and it shows that 40% of the employees at EABL had attained their Master’s degrees, 37.5% had university degrees and 22.5% had diplomas. This means that EABL employees were well educated and could easily understand the study questions, making them great respondents for the study.

Figure 4.4 Education Level

4.2.4 Department

Figure 4.5 indicates that 37.5% were from accounts, 35% were from marketing department, 15% were from human resources department, and 12.5% were from management and administration. This shows that all departments were well represented, making the study results all-inclusive.

Figure 4.5 Department
4.2.5 Employee Position
Figure 4.6 indicates that 42.5% of the respondents were middle level managers, 32.5% were low level managers, 25% were regular staff and none were senior managers. This shows that all sections between management and regular staff were well represented, making the study results all-inclusive.

Figure 4.6 Employee Position

4.3 Organizational Factors and Competitive Advantage
4.3.1 Organizational Factors and Competitive Advantage Descriptive Analysis
Table 4.2 shows that EABL has a management training structure that facilitates the development of competence skills as shown by 92.5% of the respondents while 7.5% were neutral with a mean of 4.38 and a standard deviation of 0.628. EABL has structured itself to facilitate development of evaluation systems that ensure its standards are maintained as shown by 90% of the respondents while 10% were neutral with a mean of 4.32 and a standard deviation of 0.656. EABLS’ current assets and liabilities are well managed in order to determine the company’s short-term financial performance as shown by 87.5% of the respondents while 12.5% were neutral with a mean of 4.28 and a standard deviation of 0.679. EABLS’ competition in the market is not large enough to affect its market as shown by 92.5% of the respondents while 7.5% were neutral with a mean of 4.37 and a standard deviation of 0.628. Technology has helped EABL to adapt quickly to its changing conditions and environment as shown by 87.5% of the respondents while 12.5% were neutral with a mean of 4.25 and a standard deviation of 0.670.
<table>
<thead>
<tr>
<th>Table 4.2 Organizational Factors and Competitive Advantage Descriptive Analysis</th>
<th>SD</th>
<th>D</th>
<th>N</th>
<th>A</th>
<th>SA</th>
<th>Mean</th>
<th>Std Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>EABL has a management training structure that facilitates the development of competence skills</td>
<td>0</td>
<td>0</td>
<td>7.5</td>
<td>47.5</td>
<td>45</td>
<td>4.38</td>
<td>.628</td>
</tr>
<tr>
<td>EABL has structured itself to facilitate development of evaluation systems that ensure its standards are maintained</td>
<td>0</td>
<td>0</td>
<td>10</td>
<td>47.5</td>
<td>42.5</td>
<td>4.32</td>
<td>.656</td>
</tr>
<tr>
<td>EABLs’ current assets and liabilities are well managed in order to determine the company’s short-term financial performance</td>
<td>0</td>
<td>0</td>
<td>12.5</td>
<td>47.5</td>
<td>40</td>
<td>4.28</td>
<td>.679</td>
</tr>
<tr>
<td>EABLs’ competition in the market is not large enough to affect its market</td>
<td>0</td>
<td>0</td>
<td>7.5</td>
<td>47.5</td>
<td>45</td>
<td>4.37</td>
<td>.628</td>
</tr>
<tr>
<td>Technology has helped EABL to adapt quickly to its changing conditions and environment</td>
<td>0</td>
<td>0</td>
<td>12.5</td>
<td>50</td>
<td>37.5</td>
<td>4.25</td>
<td>.670</td>
</tr>
<tr>
<td>Legal legislation changes have increased the cost of working practice at EABL</td>
<td>0</td>
<td>0</td>
<td>22.5</td>
<td>45</td>
<td>32.5</td>
<td>4.10</td>
<td>.744</td>
</tr>
<tr>
<td>Legal and regulatory frameworks have a huge impact on the growth of EABL</td>
<td>0</td>
<td>0</td>
<td>15</td>
<td>52.5</td>
<td>32.5</td>
<td>4.18</td>
<td>.675</td>
</tr>
<tr>
<td>EABL policy makers examine the entire business environment to identify regulations and policies that affect the company</td>
<td>0</td>
<td>0</td>
<td>12.5</td>
<td>45</td>
<td>42.5</td>
<td>4.30</td>
<td>.687</td>
</tr>
<tr>
<td>EABL uses sales and employment as its growth indicators</td>
<td>0</td>
<td>0</td>
<td>15</td>
<td>42.5</td>
<td>42.5</td>
<td>4.27</td>
<td>.716</td>
</tr>
<tr>
<td>EABL has grown considerably in output and assets without a growth in employment</td>
<td>0</td>
<td>0</td>
<td>10</td>
<td>42.5</td>
<td>47.5</td>
<td>4.38</td>
<td>.667</td>
</tr>
</tbody>
</table>

Table 4.2 also shows that legal legislation changes have increased the cost of working practice at EABL as shown by 77.5% of the respondents while 22.5% were neutral with a mean of 4.10 and a standard deviation of 0.744. Legal and regulatory frameworks have a
huge impact on the growth of EABL as shown by 85% of the respondents while 15% were neutral with a mean of 4.18 and a standard deviation of 0.675. EABL policy makers examine the entire business environment to identify regulations and policies that affect the company as shown by 87.5% of the respondents while 12.5% were neutral with a mean of 4.30 and a standard deviation of 0.687. EABL uses sales and employment as its growth indicators as shown by 85% of the respondents while 15% were neutral with a mean of 4.27 and a standard deviation of 0.716. EABL has grown considerably in output and assets without a growth in employment as shown by 90% of the respondents while 10% were neutral with a mean of 4.38 and a standard deviation of 0.667.

4.3.2 Correlations for Organizational Factors and Competitive Advantage

Table 4.3 shows that competence was a significant factor for competitive advantage (r=0.631, p<0.01). Working capital management was not a significant factor for competitive advantage (r=0.213, p>0.05). Flexibility was a significant factor for competitive advantage (r=0.406, p<0.01). Regulatory framework was not a significant factor for competitive advantage (r=0.218, p>0.05). Sales growth was not a significant factor for competitive advantage (r=0.209, p<0.01).

Table 4.3 Correlations for Organizational Factors and Competitive Advantage

<table>
<thead>
<tr>
<th></th>
<th>Competitive Advantage</th>
<th>Competence</th>
<th>Working Capital Management</th>
<th>Flexibility</th>
<th>Regulatory Framework</th>
<th>Sales Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive Advantage</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competence</td>
<td>.631**</td>
<td>.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working Capital Management</td>
<td>.213</td>
<td>.363*</td>
<td>.021</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flexibility</td>
<td>.406**</td>
<td>.510**</td>
<td>.505**</td>
<td>.009</td>
<td>.001</td>
<td>.001</td>
</tr>
<tr>
<td>Regulatory Framework</td>
<td>.218</td>
<td>.422**</td>
<td>.230</td>
<td>.281</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Sales Growth</td>
<td>.209</td>
<td>.140</td>
<td>.300</td>
<td>.286</td>
<td>.157</td>
<td>1</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed)
* Correlation is significant at the 0.05 level (2-tailed)
4.3.3 Regressions for Organizational Factors and Competitive Advantage

Table 4.4 shows the regression model for organizational factors and competitive advantage and the adjusted R square figure of 0.346, indicates that competence, working capital management, flexibility, regulatory framework and sales growth account for 34.6% change in EABLs’ competitive advantage.

Table 4.4 Model Summary for Organizational Factors and Competitive Advantage

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.655</td>
<td>.429</td>
<td>.346</td>
<td>.22621</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Competence, Working Capital Management, Flexibility, Regulatory Framework, Sales Growth

Table 4.5 presents the regression coefficients for organizational factors and competitive advantage, and it presents the relationship equation as: Competitive Advantage = 2.599 + 0.356 Competence – 0.061 Working Capital Management + 0.066 Flexibility – 0.043 Regulatory Framework + 0.065 Sales Growth.

Table 4.5 Coefficients for Organizational Factors and Competitive Advantage

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>2.599</td>
<td>.481</td>
<td>.548</td>
<td>.000</td>
</tr>
<tr>
<td>Competence</td>
<td>.356</td>
<td>.093</td>
<td>.616</td>
<td>.381</td>
</tr>
<tr>
<td>Working</td>
<td>-.061</td>
<td>.100</td>
<td>-.094</td>
<td>.606</td>
</tr>
<tr>
<td>Capital</td>
<td>.066</td>
<td>.089</td>
<td>.124</td>
<td>.746</td>
</tr>
<tr>
<td>Framework</td>
<td>-.043</td>
<td>.082</td>
<td>-.075</td>
<td>.523</td>
</tr>
<tr>
<td>Sales</td>
<td>.065</td>
<td>.070</td>
<td>.127</td>
<td>.922</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Competitive Advantage

The table shows that there was a significant positive relationship between competence and competitive advantage because p<0.01; and every single unit increase of competence results in a 35.6% increase in competitive advantage. There was an insignificant negative relationship between working capital management and competitive advantage because
p>0.05; and every single unit increase of working capital management results in a 6.1% decrease in competitive advantage because of the reverse relationship. This shows that there was an insignificant positive relationship between flexibility and competitive advantage because p>0.05; and every single unit increase of flexibility results in a 6.6% increase in competitive advantage.

There was an insignificant negative relationship between regulatory framework and competitive advantage because p>0.05; and every single unit increase of regulatory framework results in a 4.3% decrease in competitive advantage because of the reverse relationship. This shows that there was an insignificant positive relationship between sales growth and competitive advantage because p>0.05; and every single unit increase of sales growth results in a 6.5% increase in competitive advantage.

4.4 Organizational Capabilities and Competitive Advantage

4.4.1 Organizational Capabilities and Competitive Advantage Descriptive Analysis

Table 4.6 shows that EABL has ensured that it has every employee in the company doing the right things as shown by 80% of the respondents while 20% were neutral with a mean of 4.05 and a standard deviation of 0.667. EABL’s management has major strategies in place that govern the use of the firm’s resources as shown by 87.5% of the respondents while 12.5% were neutral with a mean of 4.32 and a standard deviation of 0.694. EABL has acquired and developed attributes that allow it to outperform its competitors as shown by 87.5% of the respondents while 12.5% were neutral with a mean of 4.28 and a standard deviation of 0.679. EABL has developed strategic partnerships with suppliers in order to deliver the right products at the right time as shown by 70% of the respondents while 30% were neutral with a mean of 3.92 and a standard deviation of 0.730.

EABL is fast changing in order to cope with the needs of its dynamic environment as shown by 90% of the respondents while 10% were neutral with a mean of 4.22 and a standard deviation of 0.620. EABL has a well thought out strategic plan that details how the firm intends to capture its target market as shown by 85% of the respondents while 15% were neutral with a mean of 4.18 and a standard deviation of 0.675. EABL maintains leadership in the market place by designing and implementing sound marketing plans as
shown by 90% of the respondents while 10% were neutral with a mean of 4.25 and a standard deviation of 0.630.

Table 4.6 Descriptive for Organizational Capabilities and Competitive Advantage

<table>
<thead>
<tr>
<th>Statement</th>
<th>SD</th>
<th>D</th>
<th>N</th>
<th>A</th>
<th>SA</th>
<th>Mean</th>
<th>Std Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>EABL has ensured that it got every employee in the company doing the right things</td>
<td>0</td>
<td>0</td>
<td>20</td>
<td>55</td>
<td>25</td>
<td>4.05</td>
<td>.677</td>
</tr>
<tr>
<td>EABL’s management has major strategies in place that govern the use of the firm’s resources</td>
<td>0</td>
<td>0</td>
<td>12.5</td>
<td>42.5</td>
<td>45</td>
<td>4.32</td>
<td>.694</td>
</tr>
<tr>
<td>EABL has acquired and developed attributes that allow it to outperform its competitors</td>
<td>0</td>
<td>0</td>
<td>12.5</td>
<td>47.5</td>
<td>40</td>
<td>4.28</td>
<td>.679</td>
</tr>
<tr>
<td>EABL has developed strategic partnerships with suppliers in order to deliver the right products at the right time</td>
<td>0</td>
<td>0</td>
<td>30</td>
<td>47.5</td>
<td>22.5</td>
<td>3.92</td>
<td>.730</td>
</tr>
<tr>
<td>EABL is fast changing in order to cope with the needs of its dynamic environment</td>
<td>0</td>
<td>0</td>
<td>10</td>
<td>57.5</td>
<td>32.5</td>
<td>4.22</td>
<td>.620</td>
</tr>
<tr>
<td>EABL has a well thought out strategic plan that details how the firm intends to capture its target market</td>
<td>0</td>
<td>0</td>
<td>15</td>
<td>52.5</td>
<td>32.5</td>
<td>4.18</td>
<td>.675</td>
</tr>
<tr>
<td>EABL maintains leadership in the market place by designing and implementing sound marketing plans</td>
<td>0</td>
<td>0</td>
<td>10</td>
<td>55</td>
<td>35</td>
<td>4.25</td>
<td>.630</td>
</tr>
<tr>
<td>EABL develops unique and effective marketing programs that are most effective for each of its specific market segments</td>
<td>0</td>
<td>0</td>
<td>17.5</td>
<td>42.5</td>
<td>40</td>
<td>4.23</td>
<td>.733</td>
</tr>
<tr>
<td>EABL determines the values that its buyers want in order to satisfy their needs</td>
<td>0</td>
<td>0</td>
<td>12.5</td>
<td>45</td>
<td>42.5</td>
<td>4.30</td>
<td>.687</td>
</tr>
<tr>
<td>EABL recognizes the importance of understanding its competitors as well as its customers</td>
<td>0</td>
<td>0</td>
<td>2.5</td>
<td>40</td>
<td>57.5</td>
<td>4.55</td>
<td>.552</td>
</tr>
</tbody>
</table>
EABL develops unique and effective marketing programs that are most effective for each of its specific market segments as shown by 82.5% of the respondents while 17.5% were neutral with a mean of 4.23 and a standard deviation of 0.733. EABL determines the values that its buyers want in order to satisfy their needs as shown by 87.5% of the respondents while 12.5% were neutral with a mean of 4.30 and a standard deviation of 0.687. EABL recognizes the importance of understanding its competitors as well as its customers as shown by 97.5% of the respondents while 2.5% were neutral with a mean of 4.55 and a standard deviation of 0.552.

4.4.2 Correlations for Organizational Capabilities and Competitive Advantage
Table 4.7 shows that resource allocation was not a significant factor for competitive advantage (r=0.138, p>0.05). Capturing target market was not a significant factor for competitive advantage (r=0.090, p>0.05). Market segmentation was not a significant factor for competitive advantage (r=0.264, p>0.05). Market orientation was not a significant factor for competitive advantage (r=0.164, p>0.05).

Table 4.7 Correlations for Organizational Capabilities and Competitive Advantage

<table>
<thead>
<tr>
<th></th>
<th>Competitive Advantage</th>
<th>Resource Allocation</th>
<th>Capturing Target Market</th>
<th>Market Segmentation</th>
<th>Market Orientation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive Advantage</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resource Allocation</td>
<td>.138</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capturing Target Market</td>
<td>.090</td>
<td>-.105</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market Segmentation</td>
<td>.264</td>
<td>-.169</td>
<td>.169</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Market Orientation</td>
<td>.164</td>
<td>.182</td>
<td>.225</td>
<td>.209</td>
<td>1</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed)
* Correlation is significant at the 0.05 level (2-tailed)
4.4.3 Regressions for Organizational Capabilities and Competitive Advantage

Table 4.8 shows the regression model for organizational capabilities and competitive advantage and the adjusted R square figure of 0.010, indicates that resource allocation, capturing target market, market segmentation and market orientation account for 1% change in EABLs’ competitive advantage, which was quite insignificant.

Table 4.8 Model Summary: Organizational Capabilities and Competitive Advantage

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.334</td>
<td>.111</td>
<td>.010</td>
<td>.27823</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Resource Allocation, Capturing Target Market, Market Segmentation, Market Orientation

Table 4.9 presents the regression coefficients for organizational capabilities and competitive advantage, and it presents the relationship equation as: Competitive Advantage = 2.939 + 0.095 Resource Allocation + 0.028 Capturing Target Market + 0.155 Market Segmentation + 0.036 Market Orientation.

Table 4.9 Coefficients for Organizational Capabilities and Competitive Advantage

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>2.939</td>
<td>.693</td>
<td>.291</td>
<td>4.240</td>
</tr>
<tr>
<td>Resource Allocation</td>
<td>.095</td>
<td>.090</td>
<td>.178</td>
<td>1.062</td>
</tr>
<tr>
<td>Capturing target market</td>
<td>.028</td>
<td>.095</td>
<td>.048</td>
<td>.291</td>
</tr>
<tr>
<td>Market segmentation</td>
<td>.155</td>
<td>.095</td>
<td>.273</td>
<td>1.629</td>
</tr>
<tr>
<td>Market orientation</td>
<td>.036</td>
<td>.098</td>
<td>.063</td>
<td>.370</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Competitive Advantage

The table shows that there was an insignificant positive relationship between resource allocation and competitive advantage because p>0.05; and every single unit increase of resource allocation results in a 9.5% increase in competitive advantage. There was an insignificant positive relationship between capturing target market and competitive advantage because p>0.05; and every single unit increase of capturing target market
results in a 2.8% increase in competitive advantage. There was an insignificant positive relationship between market segmentation and competitive advantage because \( p > 0.05 \); and every single unit increase of market segmentation results in a 15.5% increase in competitive advantage. There was an insignificant positive relationship between market orientation and competitive advantage because \( p > 0.05 \); and every single unit increase of market orientation results in a 3.6% increase in competitive advantage.

4.5 Organizational Strategies and Competitive Advantage

4.5.1 Descriptive for Organizational Strategies and Competitive Advantage

Table 4.10 shows that EABL considers service as an intrinsic part of its products to the end market as shown by 85% of the respondents while 15% were neutral with a mean of 4.20 and a standard deviation of 0.687. EABLs’ competitive advantage is tied to the quantity and quality of its services as shown by 95% of the respondents while 5% were neutral with a mean of 4.30 and a standard deviation of 0.564. EABLs’ competitive strategies enhance its ability to utilize its resources effectively as shown by 87.5% of the respondents while 12.5% were neutral with a mean of 4.25 and a standard deviation of 0.670. EABL manufactures superior value products that are created through lower costs as shown by 77.5% of the respondents while 22.5% were neutral with a mean of 4.10 and a standard deviation of 0.744. EABL stands out against its direct competitors at the price and product factor as shown by 90% of the respondents while 10% were neutral with a mean of 4.32 and a standard deviation of 0.656.

EABL has a positional advantage that describes its position within the beer industry as a cost leader as shown by 90% of the respondents while 10% were neutral with a mean of 4.30 and a standard deviation of 0.648. EABL has the ability to modify goods and services that it provides to the consumers as shown by 90% of the respondents while 10% were neutral with a mean of 4.20 and a standard deviation of 0.608. EABLs’ differentiation depends on the competitive nature of the product market environment as shown by 87.5% of the respondents while 12.5% were neutral with a mean of 4.27 and a standard deviation of 0.679. EABL specializes only in developing technologies that have pivotal importance to its business as shown by 90% of the respondents while 10% were neutral with a mean of 4.35 and a standard deviation of 0.662. EABLs’ competitive activities are compatible with the firm’s ability to manage possible radical organizational
changes as shown by 97.5% of the respondents while 2.5% were neutral with a mean of 4.55 and a standard deviation of 0.552.

Table 4.10 Descriptive for Organizational Strategies and Competitive Advantage

<table>
<thead>
<tr>
<th>Description</th>
<th>SD</th>
<th>D</th>
<th>N</th>
<th>A</th>
<th>SA</th>
<th>Mean</th>
<th>Std Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>EABL considers service as an intrinsic part of its products to the end market</td>
<td>0</td>
<td>0</td>
<td>15</td>
<td>50</td>
<td>35</td>
<td>4.20</td>
<td>.687</td>
</tr>
<tr>
<td>EABLs’ competitive advantage is tied to the quantity and quality of its services</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>60</td>
<td>34</td>
<td>4.30</td>
<td>.564</td>
</tr>
<tr>
<td>EABLs’ competitive strategies enhance its ability to utilize its resources effectively</td>
<td>0</td>
<td>0</td>
<td>12.5</td>
<td>50</td>
<td>37.5</td>
<td>4.25</td>
<td>.670</td>
</tr>
<tr>
<td>EABL manufactures superior value products that are created through lower costs</td>
<td>0</td>
<td>0</td>
<td>22.5</td>
<td>45</td>
<td>32.5</td>
<td>4.10</td>
<td>.744</td>
</tr>
<tr>
<td>EABL stands out against its direct competitors at the price and product factor</td>
<td>0</td>
<td>0</td>
<td>10</td>
<td>47.5</td>
<td>42.5</td>
<td>4.32</td>
<td>.656</td>
</tr>
<tr>
<td>EABL has a positional advantage that describes its position within the beer industry as a cost leader</td>
<td>0</td>
<td>0</td>
<td>10</td>
<td>50</td>
<td>40</td>
<td>4.30</td>
<td>.648</td>
</tr>
<tr>
<td>EABL has the ability to modify goods and services that it provides to the consumers</td>
<td>0</td>
<td>0</td>
<td>10</td>
<td>60</td>
<td>30</td>
<td>4.20</td>
<td>.608</td>
</tr>
<tr>
<td>EABLs’ differentiation depends on the competitive nature of the product market environment</td>
<td>0</td>
<td>0</td>
<td>12.5</td>
<td>47.5</td>
<td>40</td>
<td>4.27</td>
<td>.679</td>
</tr>
<tr>
<td>EABL specializes only in developing technologies that have pivotal importance to its business</td>
<td>0</td>
<td>0</td>
<td>10</td>
<td>45</td>
<td>45</td>
<td>4.35</td>
<td>.662</td>
</tr>
<tr>
<td>EABLs’ competitive activities are compatible with the firm’s ability to manage possible radical organizational changes</td>
<td>0</td>
<td>0</td>
<td>2.5</td>
<td>40</td>
<td>57.5</td>
<td>4.55</td>
<td>.552</td>
</tr>
</tbody>
</table>
4.5.2 Correlations for Organizational Strategies and Competitive Advantage

Table 4.11 shows that product/service advantage was a significant factor for competitive advantage \((r=0.631, p<0.01)\). Resource utilization was not a significant factor for competitive advantage \((r=0.243, p>0.05)\). Cost advantage was not a significant factor for competitive advantage \((r=0.088, p>0.05)\). Differentiation advantage was not a significant factor for competitive advantage \((r=0.280, p>0.05)\). Innovation advantage was not a significant factor for competitive advantage \((r=0.186, p>0.05)\).

<table>
<thead>
<tr>
<th>Competitive Advantage</th>
<th>Product/Service Advantage</th>
<th>Resource Utilization</th>
<th>Cost Advantage</th>
<th>Differentiation Advantage</th>
<th>Innovation Advantage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive Advantage</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product/Service</td>
<td>.552**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advantage</td>
<td>.000</td>
<td>.243</td>
<td>.220</td>
<td>.130</td>
<td>.173</td>
</tr>
<tr>
<td>Resource</td>
<td>.243</td>
<td>.220</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utilization</td>
<td>.130</td>
<td>.173</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost</td>
<td>.088</td>
<td>-.176</td>
<td>-.098</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Advantage</td>
<td>.590</td>
<td>.276</td>
<td>.547</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Differentiation</td>
<td>.280</td>
<td>.340*</td>
<td>-.282</td>
<td>.063</td>
<td>1</td>
</tr>
<tr>
<td>Advantage</td>
<td>.080</td>
<td>.032</td>
<td>.078</td>
<td>.697</td>
<td></td>
</tr>
<tr>
<td>Innovation</td>
<td>.186</td>
<td>.000</td>
<td>-.099</td>
<td>.155</td>
<td>.249</td>
</tr>
<tr>
<td>Advantage</td>
<td>.250</td>
<td>1.000</td>
<td>.542</td>
<td>.339</td>
<td>.121</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed)
* Correlation is significant at the 0.05 level (2-tailed)

4.5.3 Regressions for Organizational Strategies and Competitive Advantage

Table 4.12 shows the regression model for organizational strategies and competitive advantage and the adjusted R square figure of 0.010, indicates that product/service advantage, resource utilization, cost advantage, differentiation advantage and innovation advantage account for 31% change in EABLs’ competitive advantage.
Table 4.12 Model Summary: Organizational Strategies and Competitive Advantage

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.631</td>
<td>.399</td>
<td>.310</td>
<td>.23223</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Product/Service Advantage, Resource Utilization, Cost Advantage, Differentiation Advantage, Innovation Advantage

Table 4.13 presents the regression coefficients for organizational strategies and competitive advantage, and it presents the relationship equation as: Competitive Advantage = 1.221 + 0.340 Product/Service Advantage + 0.111 Resource Utilization + 0.094 Cost Advantage + 0.076 Differentiation Advantage + 0.091 Innovation Advantage.

Table 4.13 Coefficients for Organizational Strategies and Competitive Advantage

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>1.221</td>
<td>.736</td>
</tr>
<tr>
<td>Product/Service Advantage</td>
<td>.340</td>
<td>.106</td>
</tr>
<tr>
<td>Resource Utilization</td>
<td>.111</td>
<td>.083</td>
</tr>
<tr>
<td>Cost Advantage</td>
<td>.094</td>
<td>.079</td>
</tr>
<tr>
<td>Differentiation Advantage</td>
<td>.076</td>
<td>.101</td>
</tr>
<tr>
<td>Innovation Advantage</td>
<td>.091</td>
<td>.084</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Competitive Advantage

The table shows that there was a significant positive relationship between product/service advantage and competitive advantage because p<0.01; and every single unit increase of product/service advantage results in a 34% increase in competitive advantage. There was an insignificant positive relationship between resource utilization and competitive advantage because p>0.05; and every single unit increase of resource utilization results in an 11.1% increase in competitive advantage. There was an insignificant positive relationship between cost advantage and competitive advantage because p>0.05; and every single unit increase of cost advantage results in a 9.4% increase in competitive advantage. There was an insignificant positive relationship between differentiation advantage and competitive advantage because p>0.05; and every single unit increase of
differentiation advantage results in a 7.6% increase in competitive advantage. There was an insignificant positive relationship between innovation advantage and competitive advantage because p>0.05; and every single unit increase of innovation advantage results in a 9.1% increase in competitive advantage.

4.5.4 Correlations for Study Factors and Competitive Advantage

Table 4.14 shows that organizational factors was a significant factor for competitive advantage (r=0.480, p<0.01). Organizational capabilities product/service advantage was a significant factor for competitive advantage (r=0.553, p<0.01). Organizational strategies product/service advantage was a significant factor for competitive advantage (r=0.542, p<0.01).

Table 4.14 Correlations for Study Factors and Competitive Advantage

<table>
<thead>
<tr>
<th></th>
<th>Competitive Advantage</th>
<th>Organizational Factors</th>
<th>Organizational Capabilities</th>
<th>Organizational Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive Advantage</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational Factors</td>
<td>.480**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational Capabilities</td>
<td>.553**</td>
<td>.151</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Organizational Strategies</td>
<td>.542**</td>
<td>.151</td>
<td>-.061</td>
<td>1</td>
</tr>
</tbody>
</table>

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

4.5.5 Regressions for Study Factors and Competitive Advantage

Table 4.15 shows the regression model for study factors and competitive advantage and the adjusted R square figure of 0.714, indicates that organizational factors, organizational capabilities and organizational strategies account for 71.4% change in EABLS’ competitive advantage, which is very significant.
Table 4.1 Model Summary for Study Factors and Competitive Advantage

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.858</td>
<td>.736</td>
<td>.714</td>
<td>.14943</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Organizational Factors, Organizational Capabilities, Organizational Strategies

Table 4.16 presents the regression coefficients for study factors and competitive advantage, and it presents the relationship equation as: Competitive Advantage = 0.235 + 0.208 Organizational Factors + 0.354 Organizational Capabilities + 0.384 Organizational Strategies.

Table 4.16 Coefficients for Study Factors and Competitive Advantage

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>.235</td>
<td>.403</td>
<td>.584</td>
<td>.563</td>
</tr>
<tr>
<td></td>
<td>Organizational Factors</td>
<td>.208</td>
<td>.057</td>
<td>.320</td>
</tr>
<tr>
<td></td>
<td>Organizational Capabilities</td>
<td>.354</td>
<td>.057</td>
<td>.537</td>
</tr>
<tr>
<td></td>
<td>Organizational Strategies</td>
<td>.384</td>
<td>.063</td>
<td>.527</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Competitive Advantage

The table shows that there was a significant positive relationship between organizational factors and competitive advantage because p<0.01; and every single unit increase of organizational factors results in a 20.8% increase in competitive advantage. There was a significant positive relationship between organizational capabilities and competitive advantage because p<0.01; and every single unit increase of organizational capabilities results in a 35.4% increase in competitive advantage. There was a significant positive relationship between organizational strategies and competitive advantage because p<0.01; and every single unit increase of organizational strategies results in a 38.4% increase in competitive advantage.
4.6 Chapter Summary

This chapter has provided the results and findings for factors that influence competitive advantage within the beer manufacturing sector in Kenya. The chapter has provided findings for organizational factors and how they influence a firm’s competitive advantage, organizational capabilities and how they provide a firm with competitive advantage, and organizational strategies and how they influence a firm’s competitive advantage. The next chapter focuses on the study’s discussions, conclusions and recommendations.
CHAPTER FIVE

5.0 DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter provides the discussions, conclusions and recommendations for factors that influence competitive advantage within the beer manufacturing sector in Kenya. The chapter provides discussions based on the analyzed data and findings for organizational factors, organizational capabilities and organizational strategies and how they influence a firm’s competitive advantage.

5.2 Summary of the Study

This study examined the factors that influence competitive advantage within the beer manufacturing sector in Kenya with a focus on EABL. The study was guided by the following research questions: what is the influence of organizational factors on the firm’s competitive advantage? how do organizational capabilities provide the firm with competitive advantage? and what is the influence of organizational strategies on the firm’s competitive advantage?

The study was modelled on a descriptive design. The population of the study was all staff that worked in all the departments at EABL who were 50 in total. The sample frame involved employees in EABL and was obtained from the human resource office in Ruaraka. Census method was used in the study, thus the sample size for the study was all the 50 employees. Primary data was collected using self-administered questionnaire which was piloted for reliability and consistency. Data was analyzed using descriptive statistics. Percentages were used to analyze the study and gave presentations of how many respondents agreed to a particular item within the questionnaire. Means were used to weigh the strength/ significance of the rated items in the questionnaire. Standard deviations were also employed to examine the difference among the responses that were obtained from the population. Inferential analysis of correlations and regressions were used in the study. Analyzed data was presented using tables and figures.

The study revealed that EABL has a management training structure in place that facilitates the development of competence skills, as well as evaluation systems that ensure its standards are maintained. The firm’s current assets and liabilities are well managed in
order to determine short-term financial performance, and its competition in the market is not large enough to affect its market, because the firm has leveraged on technology to adapt quickly to its changing conditions and environment. Legal legislation changes have increased the cost of working practice for the firm, meaning that the legal regulatory framework impact the firm’s growth immensely. However, the firm has policy makers who examine the entire business environment to identify regulations and policies that affect the company. The firm uses sales and employment as its growth indicators, and it has grown considerably in output and assets without a growth in employment.

The study indicated that EABL has ensured that all its employees are doing the right things by ensuring that its management puts in place strategies that govern the use of its resources. The firm has acquired and developed attributes, like developing strategic partnerships with suppliers in order to deliver the right products at the right time, which allow it to outperform its competitors. The company is fast changing in order to cope with the needs of its dynamic environment, and as such, it has a well-thought-out strategic plan that details how it intends to capture its target market, maintain leadership in the market place by designing and implementing sound marketing plans, and developing unique and effective marketing programs that are most effective for each of its specific market segments. The firm determines the values that its customers want in order to satisfy their needs, and because it has recognized the importance of understanding its competitors as well as its customers.

The study showed that EABL considers service as an intrinsic part of its products to the end market. Thus, its competitive advantage is tied to the quantity and quality of its services, as well as its competitive strategies that enhance its ability to utilize its resources effectively. The company manufactures superior value products that are created through lower costs, and this helps the firm to stand out against its direct competitors at the price and product factor, thus, providing the firm with a positional advantage in the industry as a cost leader. The company has the ability to modify goods and services that it provides to the consumers, and its differentiation depends on the competitive nature of the product market environment. The firm specializes only in developing technologies that have pivotal importance to its business, and it ensure that these competitive activities are compatible with its ability to manage possible radical organizational changes.
5.3 Discussions

5.3.1 Organizational Factors and Competitive Advantage

The study showed that EABL has a management training structure that facilitates the development of competence skills. This is evidenced by Ross et al. (2016) who state that, for firms to achieve competence in staff, not only must recruiting be exercised carefully, but there must also be a management training structure in place to facilitate the development of competence skills.

The study revealed that EABL has structured itself to facilitate development of evaluation systems that ensure its standards are maintained. According to Hamel (2016), a firm also needs to structure itself to facilitate competent management and develop evaluation systems to ensure that standards are being maintained.

The study indicated that EABLs’ current assets and liabilities are well managed in order to determine the company’s short-term financial performance. Weston (2016) echoes that, working capital management implicates the administration of current assets as well as current liabilities, and Ross et al. (2016) opines that, working capital management reflects a firm’s short-term financial performance.

The study showed that EABLs’ competition in the market is not large enough to affect its market. Enhardt and Brigham (2009) back this up by stating that, in its perfect form, there is competition among many small buyers and sellers, none of whom is too large to affect the market as a whole.

The study indicated that technology has helped EABL to adapt quickly to its changing conditions and environment. This is backed-up by Tuan and Yoshi (2014) who state that, ICTs could help bigger enterprises to increase their flexibility through a restructuring of the organization which may enable them to adapt quicker to changing conditions. The study revealed that legal legislation changes have increased the cost of working practice at EABL. This is in agreement with Pandey (2012) who observed that, legal legislation changes may increase the cost of working practice to changes.
The study showed that legal and regulatory frameworks have a huge impact on the growth of EABL. Empirical studies by Harper (2015) and McCormick (2012) on legal regulatory framework indicate that an appropriate legal and regulatory framework can impact on the growth of a business. The study indicated that EABL policy makers examine the entire business environment to identify regulations and policies that affect the company. This gains affirmation from McCormick (2012) who concludes that policy makers should examine the entire business environment and identify regulations and policies that affect entry and growth of small enterprises.

The study showed that EABL uses sales and employment as its growth indicators. This is confirmed by Delmar (2015) who notes that, firms consider sales and employment as growth indicators for various reasons. The study revealed that EABL has grown considerably in output and assets without a growth in employment. This confers with Barkham (2016) who states that, a firm can grow considerably in output and assets without a growth in employment especially technology-based firms.

5.3.2 Organizational Capabilities and Competitive Advantage
The study showed that EABL has ensured that it got every employee in the company doing the right things. Delmar (2015) states that, strategic management is getting everybody in the company to do the right things. It entails deciding what things are right for company under some given set of consumer expectations and competitive circumstances.

The study revealed that EABL’s management has major strategies in place that govern the use of the firm’s resources. Davidson et al. (2014) affirms this by defining strategic management as the process of deciding on major strategies that will govern the use of firm’s resources to achieve its objectives. The study showed that EABL has acquired and developed attributes that allow it to outperform its competitors. This is affirmed by Clulow et al. (2013) who state that, competitive advantage occurs when an organization acquires or develops an attribute or combination of attributes that allows it to outperform its competitors.
The study indicated that EABL has developed strategic partnerships with suppliers in order to deliver the right products at the right time. This is affirmed by Clulow et al. (2013) who observe that, large and small alcoholic beverage companies are now developing strategic partnerships with suppliers in order to deliver the right product to the alcoholic beverages at the right time.

The study exposed that EABL is fast changing in order to cope with the needs of its dynamic environment. Davidson et al. (2014) affirms this by observing that, today, many organizations are fast changing to cope with the needs of the dynamic environment. However, the focus of their effort is often day to day management and dealing with the current issues or crisis.

The study revealed that EABL has a well thought out strategic plan that details how the firm intends to capture its target market. This overwhelmingly supported by Davidson et al. (2014) who state that, the rapid change in consumer markets and the intensifying competitive environment make it imperative that the retail firms have a thoroughly well thought out strategic plan detailing how it intends to capture the target market.

The study showed that EABL maintains leadership in the market place by designing and implementing sound marketing plans. This is affirmed by Renart (2014) who argues that the conventional wisdom was that leadership in the market place could be attained by means of designing and implementing a sound marketing plan, and such a plan entails first defining the four P’s later evolved to six elements of the marketing mix. The study indicated that EABL develops unique and effective marketing programs that are most effective for each of its specific market segments. This is in agreement with David and Albert (2012) who state that the goal of any firm is to facilitate the development of unique and effective marketing programs that will be most effective for these specific segments.

The study showed that EABL determines the values that its buyers want in order to satisfy their needs. Empirical evidence by Becherer et al. (2013) and Blankson et al. (2012) indicates that, for a firm to become customer oriented, it requires the firm to find out what values buyers’ want to help satisfy their needs. The study revealed that EABL recognizes the importance of understanding its competitors as well as its customers.
Empirical evidence by Becherer et al. (2013) shows that, a marketing-oriented organization recognizes the importance of understanding its competitors as well as the customers.

5.3.3 Organizational Strategies and Competitive Advantage

The study indicated that EABL considers service as an intrinsic part of its products to the end market. Passemard (2015) confirm that, innovative manufacturers consider competitive advantage as an intrinsic part of the product offered to the end market. The study showed that EABLS’ competitive advantage is tied to the quantity and quality of its services. A study by Ferrero (2016) showed that, an advantage of competitive advantage seems to be particularly tied to the quantity and quality of services that cannot be imitated by competitors.

The study revealed that EABLS’ competitive strategies enhance its ability to utilize its resources effectively. This is in agreement with Barney (2015) who states that, competitive strategies enhance firm's ability to utilize its resources effectively. An example of a capability is the ability to bring a product to market faster than competitors. The study showed that EABL manufactures superior value products that are created through lower costs. Christensen (2014) supports this by indicating that, firms through competitive advantage improve manufacturing of superior value created through lower costs or superior benefits to the consumer.

The study revealed that EABL stands out against its direct competitors at the price and product factor. This is affirmed by Lau (2012) who states that, differentiation policies rest upon the entrepreneur’s ability to stand out against its direct competitors not only at the price factor, but also as regards the upgrading of products, the technical assistance given to customers and the selection of efficient distribution channels, that is the non-price factors of competition. The study indicated that EABL has a positional advantage that describes its position within the beer industry as a cost leader. This is affirmed by Lau (2012) who states that, cost advantages are known as positional advantages since they describe the firm's position in the industry as a leader in cost.
The study showed that EABL has the ability to modify goods and services that it provides to the consumers. This is confirmed by Parker (2012) who notes that, product differentiation, is obtained by suitably mixing marketing elements other than price, i.e. the ability to modify the tangible and intangible characteristics of the goods or services provided to the consumer (this policy enhances the non-price competitiveness of the firm).

The study revealed that EABLs’ differentiation depends on the competitive nature of the product market environment. Knox (2012) confirms this by stating that, the impact that differentiation has on demand depends on three major contingencies; the ability of the firm to differentiate its product, the competitive nature of the product market environment, and the commitment of consumers to the products of rival firms.

The study showed that EABL specializes only in developing technologies that have pivotal importance to its business. This is affirmed by Parker (2012) who recommended that, firms could only specialize in developing technologies that have pivotal importance to their business in order to protect limitability of key competitive elements. The study revealed that EABLs’ competitive activities are compatible with the firm’s ability to manage possible radical organizational changes. This is in agreement with Gaynor (2012) who observed that, competitive activities must be compatible with a firm's ability to manage potentially radical organizational change.

5.4 Conclusions
5.4.1 Organizational Factors and Competitive Advantage
The study concludes that EABL has a management training structure in place that facilitates the development of competence skills, as well as evaluation systems that ensure its standards are maintained. The firm’s current assets and liabilities are well managed in order to determine short-term financial performance, and its competition in the market is not large enough to affect its market, because the firm has leveraged on technology to adapt quickly to its changing conditions and environment. Legal legislation changes have increased the cost of working practice for the firm, meaning that the legal regulatory framework impact the firm’s growth immensely. However, the firm has policy makers who examine the entire business environment to identify regulations and policies that
affect the company. The firm uses sales and employment as its growth indicators, and it has grown considerably in output and assets without a growth in employment.

5.4.2 Organizational Capabilities and Competitive Advantage

The study concludes that EABL has ensured that all its employees are doing the right things by ensuring that its management puts in place strategies that govern the use of its resources. The firm has acquired and developed attributes, like developing strategic partnerships with suppliers in order to deliver the right products at the right time, which allow it to outperform its competitors. The company is fast changing in order to cope with the needs of its dynamic environment, and as such, it has a well-thought-out strategic plan that details how it intends to capture its target market, maintain leadership in the market place by designing and implementing sound marketing plans, and developing unique and effective marketing programs that are most effective for each of its specific market segments. The firm determines the values that its customers want in order to satisfy their needs, and because it has recognized the importance of understanding its competitors as well as its customers.

5.4.3 Organizational Strategies and Competitive Advantage

The study concludes that EABL considers service as an intrinsic part of its products to the end market. Thus, its competitive advantage is tied to the quantity and quality of its services, as well as its competitive strategies that enhance its ability to utilize its resources effectively. The company manufactures superior value products that are created through lower costs, and this helps the firm to stand out against its direct competitors at the price and product factor, thus, providing the firm with a positional advantage in the industry as a cost leader. The company has the ability to modify goods and services that it provides to the consumers, and its differentiation depends on the competitive nature of the product market environment. The firm specializes only in developing technologies that have pivotal importance to its business, and it ensure that these competitive activities are compatible with its ability to manage possible radical organizational changes.
5.5 Recommendations

5.5.1 Recommendations for Improvement

5.5.1.1 Organizational Factors and Competitive Advantage
The study recommends that EABL managers to ensure that their organizational capabilities are matching with their competitive advantage. The focus on capabilities should ensure that the firm is not driven by performance, which may force managers to overlook their capability as a company.

5.5.1.2 Organizational Capabilities and Competitive Advantage
The study recommends the managers of EABL to ensure that their strategies focus on the company’s interaction process in terms of marketing, the communication process that may support the existing strategy, and the value process that will be produced as the overall output. This will ensure that their capabilities meet their targeted expectations.

5.5.1.3 Organizational Strategies and Competitive Advantage
The study recommends EABL managers to ensure that their strategy focus be on consumers. This may ensure that they maintain their competitive advantage way beyond their competitors. The firm should strive to consistently provide products and services that satisfy their market segments.

5.5.2 Recommendations for Further Studies
This study focused on determining factors that influence competitive advantage within the beer manufacturing sector in Kenya. The study focused on EABL which currently is the largest beer manufacturing company in EAC. The results were limited to EABL, and thus in order to capture the whole beer industry in Kenya, similar studies need to be conducted on all beer companies big and small within the country.
REFERENCES


Barkham L. (2016). Ethics and policies for cyber operations. Cham, Switzerland: Springer.


Pandey, S. C. (2012). *Organizational culture and behavior : concepts, methodologies, tools, and applications*. Hershey, PA, USA Business Science


APPENDICES
APPENDIX I: QUESTIONNAIRE

SECTION A: Demographic Information

1. What is your gender?
   Male ( )
   Female ( )

2. When did you join EABL?
   Less than a year ( )
   1-5 years ( )
   6-10 years ( )
   10-15 years ( )
   16 years and more ( )

3. What level of education have you attained?
   Certificate ( )
   Undergraduate ( )
   Graduate ( )
   Masters ( )

4. What is your department?
   Management & Administration ( )
   Human Resource Department ( )
   Accounts ( )
   Marketing ( )

5. What is your position in the organization?
   Senior management level ( )
   Middle management level ( )
   Lower management ( )
   Regular staff ( )
SECTION B: Organizational Factors and Competitive Advantage

6. In the table below, tick appropriately. Using a scale tick the appropriate answer from the alternatives, SD-Strongly Disagree, D-Disagree, N-Neutral, A-Agree and SA-Strongly Agree. What is your level of agreement with the following statements on organizational factors and competitive advantage at EABL?

<table>
<thead>
<tr>
<th>Statement</th>
<th>SD</th>
<th>D</th>
<th>N</th>
<th>A</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>EABL has a management training structure that facilitates the development of competence skills</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EABL has structured itself to facilitate development of evaluation systems that ensure its standards are maintained</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EABLs’ current assets and liabilities are well managed in order to determine the company’s short-term financial performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EABLs’ competition in the market is not large enough to affect its market</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technology has helped EABL to adapt quickly to its changing conditions and environment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal legislation changes have increased the cost of working practice at EABL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal and regulatory frameworks have a huge impact on the growth of EABL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EABL policy makers examine the entire business environment to identify regulations and policies that affect the company</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EABL uses sales and employment as its growth indicators</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EABL has grown considerably in output and assets without a growth in employment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
SECTION C: Organizational Capabilities and Competitive Advantage

7. In the table below, tick appropriately. Using a scale tick the appropriate answer from the alternatives, SD-Strongly Disagree, D-Disagree, N-Neutral, A-Agree and SA-Strongly Agree. What is your level of agreement with the following statements on organizational capabilities and competitive advantage at EABL?

<table>
<thead>
<tr>
<th>Statement</th>
<th>SD</th>
<th>D</th>
<th>N</th>
<th>A</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>EABL has ensured that it got every employee in the company doing the right things</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EABL’s management has major strategies in place that govern the use of the firm’s resources</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EABL has acquired and developed attributes that allow it to outperform its competitors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EABL has developed strategic partnerships with suppliers in order to deliver the right products at the right time</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EABL is fast changing in order to cope with the needs of its dynamic environment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EABL has a well thought out strategic plan that details how the firm intends to capture its target market</td>
<td></td>
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<tr>
<td>EABL maintains leadership in the market place by designing and implementing sound marketing plans</td>
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<td>EABL develops unique and effective marketing programs that are most effective for each of its specific market segments</td>
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<td>EABL determines the values that its buyers want in order to satisfy their needs</td>
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<td>EABL recognizes the importance of understanding its competitors as well as its customers</td>
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SECTION D: Organizational Strategies and Competitive Advantage

8. In the table below, tick appropriately. Using a scale tick the appropriate answer from the alternatives, SD-Strongly Disagree, D-Disagree, N-Neutral, A-Agree and SA-Strongly Agree. What is your level of agreement with the following statements on organizational strategies and competitive advantage at EABL?

<table>
<thead>
<tr>
<th>Statement</th>
<th>SD</th>
<th>D</th>
<th>N</th>
<th>A</th>
<th>SA</th>
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<tbody>
<tr>
<td>EABL considers service as an intrinsic part of its products to the end market</td>
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<td>EABLs’ competitive advantage is tied to the quantity and quality of its services</td>
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<td>EABLs’ competitive strategies enhance its ability to utilize its resources effectively</td>
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<td>EABL manufactures superior value products that are created through lower costs</td>
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<td>EABL stands out against its direct competitors at the price and product factor</td>
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<td>EABL has a positional advantage that describes its position within the beer industry as a cost leader</td>
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<td>EABL has the ability to modify goods and services that it provides to the consumers</td>
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<td>EABLs’ differentiation depends on the competitive nature of the product market environment</td>
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<td>EABL specializes only in developing technologies that have pivotal importance to its business</td>
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<td>EABLs’ competitive activities are compatible with the firm’s ability to manage possible radical organizational changes</td>
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THE END