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EFFECT OF COMPETITIVE STRATEGY ON FINANCIAL PERFORMANCE OF MANUFACTURING COMPANIES IN RWANDA: A CASE OF BRALIRWA

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Abstract: **This study is about the effect of competitive strategy on financial performance of manufacturing companies in Rwanda because, without effective competitive strategy manufacturing organization is bound to perform poorly since competitive strategy is a road map for the organization to follow. The researcher intend to achieve this by use of three specific objectives namely; to examine the effect of product differentiation strategy on financial performance of Bralirwa; to examine the effect of cost leadership strategy on financial performance of Bralirwa; to examine the effect of expansion strategy on financial performance of Bralirwa. The population size was 120 and sample of 52 respondents were taken. Both primary and secondary sources with their relevant tools like questionnaire and documentary analysis were used in order to come up with required data. Data was processed by use of SPSS and analyzed by use of percentages, mean and standard deviation. The relationship between the variables was established by use of Pearson correlations module. The tables of the findings explain how; Bralirwa has different competitive strategies like product differentiation strategy which make it differentiate its products according to the status of customers. Cost leadership strategy which consist of logistic technology which track its products movement and maintain product security, manufactures goods at a low cost, enterprise resource planning (ERP) technology which reduces cost, inventory management technique to reduce organization costs, and lastly the company has customer management system which reduces organization cost. Business focus strategy which consist of spreading products across the country, entering into franchise with other companies like Heineken and Coco-cola limited, opening its products to international market and lastly, introducing different product according to its different customers. Table 4.14 gave the relationship between competitive strategy and financial performance of Bralirwa whereby the respondents N is 52 and the significant level is 0.01, the results indicate that independent variable has Positive high correlation to dependent variable equal to. 907** and the p-value is .000 which is less than 0.01. When p-value is less than significant level, therefore researchers conclude that variables are correlated. This means that there is a significant relationship between competitive strategy and financial performance of Bralirwa by 90.7.**

Keywords: **competitive strategy, financial performance, manufacturing companies, Rwanda, Bralirwa.**

1. INTRODUCTION

1.0 Introduction:

This chapter covers background to the study, problems statements, objective of the study (both general and specific), research questions, and scope of the study (subject, geographical and time), significance to the study and organization of the study.

1.1 Background of the study:

The goal of any organization is not only to survive, but also to sustain its existence by improving performance. In order to meet the needs of the highly competitive markets, organizations must continually increase performance and this can be done better through effective competitive strategic planning (Arslan & Staub 2013). In order to assess the level of success or otherwise of a corporate body, its established strategic plans relative to the performance of the organization in all fronts of operations have to be ascertained. Formulating, implementing and the evaluation of a Strategic Plan indisputably become a major activity in both profit and not-for-profit organizations, especially, manufacturing sector.

Competitive strategy provides the basic direction and rationale for determining the focus of an organization; and also provides the specification against which any organization may best decide what to do and how to do it. Simply put, it is a process for creating and describing a better future in measurable terms and the selection of the best means to achieve the results desired. It is important to note that not all strategic plans are actually competitive even though they may be termed so. It is said that failure to plan strategically makes organization's plan to fail. Strategic planning standardizes the processes of goal/objective setting, situation analysis, alternative consideration, implementation and evaluation that enable an organization to attain its goals and objectives (Tapinos et. al. 2005). Sarason & Tegarden, (2003) asserted to the positive correlation between competitive strategic planning and performance achievements as very beneficial for organizations. In their studies Dyson, (2000); McAdam and Bailie, (2002) further emphasized the need for organizations to align their strategies with their performance measurement systems.

Performance measurement has significant influence in supporting the achievement of an organization's goals and the effectiveness and efficiency of its strategic planning process. Thus, in order to assess the level of success or otherwise of a corporate body, its established strategic plans in connection with the performance of the company in all fronts of operations had to be established.

Strategic management expert Toffler (2003) writes that a company without a strategy is like an airplane weaving through the skies, hurled up and down, slammed by winds and lost in the thunder heads. If lightning or crushing winds do not destroy it, it will simply run out of gas. In a similar line of thought, Ross et al (2000) note that, without a strategy an organization is like a ship without a rudder. It goes round in circles and like a tramp, has no specific place to go. Clearly, these statements emphasize the importance and the need for a comprehensive, systematic and dynamic strategic planning for every company which seeks to survive competition in the ever changing global competitive business environment. Ansoff (1970) argues that planning generally produces better alignment and financial results in companies which are strategically managed than those which are not. This suggests an apparent correlation between strategic planning and the ultimate performance of a company in terms of its growth, profits, attainment of objectives and sustained competitiveness (Strickland, 2004).

Though these assertions are largely true, Pitts et al (2003) affirm that exceptional situations also arise when some companies gain not because they had in place any strategy but because they just benefited from some sudden conditions in the external environment. Nonetheless, and still consistent with the need for evolving and constantly reviewing strategy, it is important to note that having a sound strategy in itself does not necessarily translate into desired performance goals if it is not properly implemented. Both strategy and implementation must be good and timely to achieve positive results. As for a company driven by wrong strategic planning, Malamud (2004) likens it to a train on a wrong track saying every station it comes to is the wrong station.

These fundamental principles essentially hold true for all industries globally and as should be expected, management is subject no less to the dynamics of these tendencies. It is assumed that competitive strategy, like other management initiatives developed basically for business, can be adapted in spite of the differences between profit and not-for-profit organizations. Manufacturing companies have adopted competitive strategy of competition like cost leadership, product differentiations, market niche and expansion in order to compete favorable and promote their performance effectively and efficiently. Researchers have analyzed firm performance as firm size are: Return on Assets (ROA), (Kyereboah, 2007), number of employees, market capitalization (market value of equities), total enterprise value (market capitalization+ debt), Total assets (Book value of the assets), Sales Revenue, Shareholders' equity (Book value of equity-total liabilities) (Elton and Gruber, 2007, Browlbly, 1996).

Organizational performance is described as an organization's ability to acquire and utilize its scarce resources and valuables as expeditiously as possible in the pursuit of its operations goals which can be best achieved through competitive strategic planning (Griffins, 2006). The need for organizations to plan and monitor their activities in order to focus resources and efforts to ensure their future survival has spawned on manufacturing industries across the world. Competitive strategic planning is now a routine part of business or organizations with an accompanying set of beliefs and protocols that underpin the day-to-day practice. As indicated in the works of Ring and Perry (1985), Bryson and Roering (1987) as well as Nutt and Backoff (1993), the conceptualization that best recognizes and appropriates all the possibilities of strategy may be termed strategic.

Bralirwa is a brewery company established in 1957. The brewery became operational in 1959 and began producing Primus beer, the only brand produced until 1987. In 1987, a new premium local beer brand, Mützig was introduced. In 1989, Bralirwa began making Guinness under license. In 1971, the Heineken Group, a Dutch brewing conglomerate, acquired a 70% majority share in Bralirwa. With the acquisition, Bralirwa greatly improved its brewing process. In 1974, Bralirwa diversified into the production of soft drinks. A soft beverages plant was opened in Kigali, Rwanda's capital and largest city. The brewer partnered with the Coca-Cola Company, which allowed Bralirwa to widen the range of products manufactured. Today, Bralirwa is a regionally and internationally recognized brewer and soft beverage manufacturer with an expanding portfolio of alcoholic and non-alcoholic beverages. Their vision is to be a key contributor to Rwanda becoming a competitive financial center through mobilization of long term capital.

Bralirwa has established numerous competitive strategies in order to overcome the competition from other manufacturing firm. The company has established product differentiation strategy where by branding its products according to different market segments, it has invested in up to dated information management system for business re-engineering in order to produce final products at a low cost possible to both the company and customers. Lastly the company has also expanded its market boundaries by supplying the products not only regionally but also internationally as well as coming into franchise with other international organization like Heineken.

It is based on the above background that is why the researcher is prompted to establish the effect of cost leadership, product differentiations and growth and expansion on profitability and return on investment of Bralirwa which is one of the leading manufacturing companies in Rwanda.

1.2 Problem Statement

Competition in the 21st century has made manufacturing organizations to come up with well-defined strategies like cost leadership, product differentiation, market research, expansion and growth in order to overcome the overwhelming competition with similar companies. To determine the future direction of any organization, it is necessary to understand its current position and the possible avenues through which it can pursue particular courses of action and this can be done better through effective competitive strategy (Olsen, 2012).

Despite the intensive use of competitive strategy to gain competitive advantage in developing countries where Rwanda is inclusive, most manufacturing companies have continued to exhibit poor performance inform of profitability and return on investment. In 2008 Inyange industries made losses and was almost liquidated until when government came in to support them by providing more capital for re- investment and this is believed to be due to poor competitive strategy, hence effective competitive strategy is considered so instrumental in firm performance by countering competitions from other organization (NISR, 2010). There is inadequate academic research conducted on the effect of competitive strategy on financial performance of manufacturing companies in Rwanda. This create a gap and need for the researcher to establish the extent to which competitive strategy contributes to financial performance of manufacturing companies in Rwanda in order to come up with recommendation which can help the company compete favorably in the region and globally.

1.3 Research Objectives:

The main objective of this study is to analyze the effect of competitive strategy on financial performance of manufacturing companies in Rwanda.

1.3.1 Specific Objectives:

1. To examine the effect of product differentiation strategy on financial performance of Bralirwa.
2. To analyze the effect of cost leadership strategy on financial performance of Bralirwa.
3. To assess the effect of expansion strategy on financial performance of Bralirwa.

1.4 Research Questions:

This study addresses the specific research objectives via answering the following research questions:

1. What is the effect of product differentiation strategy on financial performance of Bralirwa?
2. What is the contribution of cost leadership strategy on financial performance of Bralirwa?
3. What is the effect of expansion strategy on financial performance of Bralirwa?

1.5 Significance of the Study:

This study will benefit the researcher, Bralirwa and JKUAT: It will equip the researcher with the knowledge on the effect of competitive strategy on financial performance manufacturing companies in Rwanda. It will also enable the researcher to obtain a Master's Degree in Strategic management. If the recommendation from the research report is adopted by organization, it will improve on the performance accordingly. The research report will be available in JKUAT library and will be used by other future researchers who would be interested in this area of competitive strategy on manufacturing companies in Rwanda.

1.6 Scope of the study:

The scope of this study was sub divided into subject, geographical and time scope: The researcher examined the effect of competitive strategy on financial performance of manufacturing companies in Rwanda, how they plan and the strategies they have with their respective effects on organization performance. The geographical scope is Bralirwa Industry which is located in Kicukiro sector of Kicukiro district in Kigali city. Bralirwa Industry was chosen due to its size and it is one of the prosperous performances. The researcher chose time duration of 5years (2010 – 2014), the above time scope was chosen as an appropriate because a good strategy becomes more result oriented within duration of five years.

2. LITERATURE REVIEW

2.1 Introduction:

This chapter analyzes different theories and literature on competitive strategy on organization financial performance. The chapter discusses theories upon which conceptual framework was developed, empirical analysis reflected in different researches around the world and critical analysis as well as research gap.

2.2 Theoretical Review:

This research provides different theories which include Michel Porter's generic strategy matrix, the Resource-Based View and Dynamic capabilities approach.

2.2.1 Michel Porter's generic strategy matrix:

To achieve sustained competitive advantage, firms can choose and implement a generic strategy (Porter, 1985). Over the last three decades, Michel Porter's generic strategy matrix, which highlights cost leadership, differentiation and focus as the three basic choices for firms, has dominated corporate competitive strategy (Pretorius, 2008). According to this model, a company can choose how it wants to compete, based on the match between its type of competitive advantage and the market target pursued, as the key determinants of choice (Akan et al., 2006).

Porter's generic strategy typology remains one of the most notable in the strategic management literature (Parnell, 2006). A business can maximize performance either by striving to be the low cost producer in an industry or by differentiating its line of products or services from those of other businesses; either of these two approaches can be accompanied by a focus of organizational efforts on a given segment of the market. According to Bordean et al. (2010), any organization that fails to make a strategic decision to opt for one of these strategies is in danger of being "stuck in the middle". The organization in failing to decide, tries both to be the cost leader and differentiator and achieves neither, and in the process confuses consumers (ibid, 2010).

Besides product differentiation and cost leadership, other strategies are at the disposal of the organization. The most predominant of these is Focus or Niche strategy. In the following sub-section, this review of literature highlights on the three generic positioning strategies and their intricacies. Parthasarthy (2007) describes strategy as a set of decisions and actions that managers make and take to attain superior company performance relative to rivals. Beard and Dess (1981) find both corporate-level strategy and business-level strategies are significant in explaining variation in firm profitability. The business strategy choices are found to be significant in explaining firm profitability (Beard and Dess, 1981) and its long-term performance.

a. Product Differentiation Strategy:

In Holmes and Hooper (2000), globalization leads to more intense competition among manufacturing organizations, with increase in customer demands and these organizations tend to seek competitive advantage by producing products with more valued features, such as product quality, product flexibility or reliable delivery (see also Baines and Langfield, 2003). As such, a differentiation strategy would provide greater scope for these organizations to produce products with more valued, desirable features as a means of coping with such demands. Product differentiation can be described as 'something that the organization does at least as well as other organizations, or preferably better than, any other organization in the market'. According to Webster (1994), when products are based on such core competencies, they define the Organization's value proposition in each target market and the organization's business strategy; thus, the business strategy adopted by an organization must be able to give it a competitive edge over other competitors in the industry.

Dirisu et al. (2013) identify various components of product differentiation strategy. The competitive strategy centers on: Product design, Product innovation (New product creation); higher product quality as compared to other brands and production of unique products. A differentiation strategy is based upon persuading customers that a product is superior in some way to that offered by competitors. In differentiation strategies, the emphasis is on creating value through uniqueness, as opposed to lowest cost (in Bordean et al., 2010). According to the authors Uniqueness can be achieved through service innovations, superior service, creative advertising, better supplier relationships leading to better services, or in an almost unlimited number of ways.

The key to success is that customers must be willing to pay more for the uniqueness of a service than the firm paid to create it. Firms following a differentiation strategy can charge a higher price for their products. The differentiation strategy appeals to a sophisticated or knowledgeable consumer interested in a unique or quality product.

b. Cost Leadership Strategy:

According to Porter (1985), Cost leadership means having the lowest per-unit (i.e., average) cost in the industry – that is, lowest cost relative to your rivals. This could mean having the lowest per-unit cost among rivals in highly competitive industries, in which case returns or profits will be low but nonetheless higher than competitors. It could also mean having lowest cost among a few rivals where each firm enjoys pricing power and high profits.

According to Chi (2015), cost leadership, interchangeably referred to as price leadership is normally defined independently of market structure. It is a defendable strategy on the following three grounds: It defends the firm against powerful buyers. Buyers can drive price down only to the level of the next most efficient producer. It defends against powerful suppliers. Cost leadership provides flexibility to absorb an increase in input costs, whereas competitors may not have this flexibility. The factors that lead to cost leadership also provide entry barriers in many instances. Economies of scale require potential rivals to enter the industry with substantial capacity to produce, and this means the cost of entry may be prohibitive to many potential competitors.

In order to achieve cost leadership, an organization basically has to put in place: - Large up-front capital investment in new technology, which hopefully leads to large market share in the long-run, but may lead to losses in the short-run, Continued capital investment to maintain cost advantage through economies of scale and market share, Process innovation – developing cheaper ways to produce existing products, Intensive monitoring of labor, where workers frequently have an incentive-based pay structure and Tight control of overhead (Anand and Ward, 2004).

c. Business focus strategy:

In business focus strategy, the company concentrates on a particular buyer group, product segment, or geographical market. Whereas low cost and differentiation are aimed at achieving their objectives industry wide, the focus or niche strategy is built on serving a particular target (customer, product, or location) very well (Lakos & Phipps, 2004). The strategy means achieving either a low cost advantage or differentiation in a narrow part of the market, creating a defendable position within that part of the market (ibid, 2004).

2.2.2 The Resource-Based View and Dynamic capabilities approach:

One of the most influential articles ever published on how a firm can gain competitive edge over its rivals by designing valuable resources that are neither perfectly imitable nor sustainable without great effort is a contribution entitled "Resource-Based view of the firm" (Wernefelt, 1984). In addition, other strategies that can help a firm to sustain competitive advantage is to have ample knowledge of threats posed by new entrants in the market, threat of substitute products and services, bargaining power of buyers and suppliers and intensity of competitive rivalry (Porter, 1980). In designing strategy, numerous strategy authors affirm that sustainable competitive advantage is one of the key goals of any organization.

The analysis of a firm's internal strengths and weaknesses is the core idea of the resource based view (RBV). The rapid diffusion of RBV is evidence of its relative objectivity and consistency (Peng, 2001). However, there are also those that doubt RBV's explanatory power. Priem and Butler (2001) argue that while RBV can be called a 'perspective' or a 'view' it should not be seen as a stand-alone theory. The authors criticise its conceptualization and its static nature. This, however, is contradicted by Barney and Wright (2001) who state that RBV has influenced strategic management in the last decade unlike any other theoretical approach. With the introduction of the dynamic capability concept, a vigorous component was added to RBV. As managers seek sustainable competitive advantage, they create an Organizational system to increase the productivity of the resources they acquire. Their capabilities are dynamic in the sense that they can easily adapt to the given Organizational environment. What RBV admittedly lacks is the power to conceptualize processes (Miller and Shamsie, 1996). The issue is seen as a kind of 'black box' (Priem and Butler, 2001) in that RBV literature often states the usefulness of resources without paying attention to when, where and how they might be effective.

2.2.3 Institutional Theory:

The beginning of institutional theory lie in the 1970s, raising research questions such as why Organizations of the same type in different locations resemble one another, or why specific structure and practices diffuse throughout different Organizational settings. Since its beginning there are a variety of concepts and arguments that are employed in the institutional context. The common theme is that all place importance on regulative, normative and cognitive norms and value whereby an organization exists. To synthesize the various research streams in this field, one can classify a number of dimensions. One body of research, notably one from the early days is how institutional fields emerge (Meyer and Rowan, 1977).The next dimension would be the source of institutionalization such as regulatory frameworks, professional associations or the organization itself (Zucker, 1987). Other authors concentrate on the dimensions of underlying dynamics such as isomorphism, convergent processes and inertia (DiMaggio and Powell, 1991).

Finally, there is the dimension of the organization itself. An organization can react to its external environment as well as to internal structural changes (Scott, 1987). This is exactly where the process of strategic planning fits in. institutional theory acknowledges the role of internal Organizational processes and actor's thereby placing emphasis on Organizational practices such as competitive strategy.

2.2.4 Organizational Routines Approach:

Organizational routines approach is not a self-contained theory it holds a firm place and theoretical grounding in the analysis of organization (much like RBV). Routines as a central unit of analysis present a powerful mechanism to describe Organizational processes and change. However, getting a good grasp on routines and analyzing their effect on Organizational outcomes is rather disputed in literature (Becker, 2004). The underlying theoretical concept of Organizational routines is the notion of patterns. They acknowledge recurring actions in Organizational activities. Routines are of a collective nature meaning that they normally involve a number of people. They are of a highly procession nature and can be embedded in various environmental contexts (Pentland &, Feldman, 2005). All of these characteristics make it a suitable theoretical base for analyzing strategic planning system.

2.2.5 Conceptual Framework:

Below is a conceptual frame work showing the effect of competitive strategy on financial performance of Bralirwa

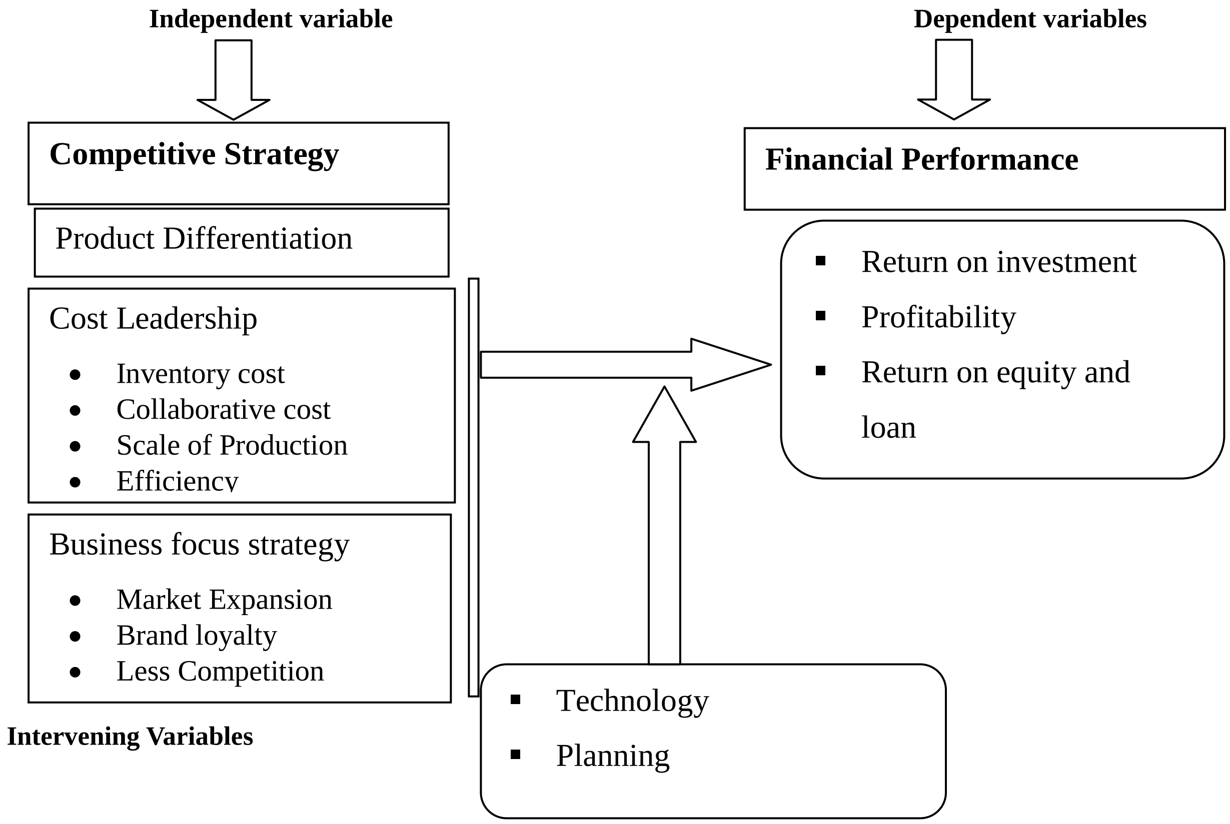

Figure 2.1: Conceptual framework of the study

Source: Researcher, 2015

2.3 Critic of the existing literature relevant to the study:

2.3.1 Effect of Product Differentiation Strategy on organization's performance:

Levitt (1980) points out that everything can be differentiated--even a commodity. He says this is true even for those who produce and deal in primary metals, grains, chemicals, plastics, and money. Peters and Austin (1985) declare that they just despise this word. They argue that if we put the label of commodity on a product it becomes a self-fulfilling prophecy. Buzzell and Gale (1987), too, warn that "if you think of your product/service offering as a commodity, that's what it will be--a commodity."

In consumer markets even simple products, or the so-called commodities such as, chicken, bananas, oranges, pineapples, potatoes, salt, oatmeal, and even ordinary bottled water are now differentiated through branding (Levitt, 1980). This trend toward branding includes even ingredients. Some examples are: DuPont's Teflon, Lycra, Stainmaster, and Kevlar; G. D. Searle's Nutrasweet and Simplesse; and 3M's Scotchgard (Norris, 1992).

Caves (1987) argue that with the exception of industrial markets, most manufacturing industries that sell to other manufacturers are "nearly free of differentiation." He adds that these so-called undifferentiated commodities are sensitive to price. However, Levitt (1980: 84) offers an opposite view. He says this belief in high sensitivity of undifferentiated commodities to price is "seldom true except in the imaginary world of economics textbooks." For example, he states that when Detroit (the auto industry) buys sheet metal it stipulates exceedingly tight technical specifications, various delivery schedules, responsiveness in reordering, and the like. In addition, Detroit has an elaborate rating system for evaluating supplier performance. Thus, Detroit does not regard sheet metal as just a "commodity." Interestingly, Porter (1985), too, agrees with Levitt's position.

In price-sensitive markets where prices tend to be uniform a business can gain competitive advantage by achieving differentiation based on service (D'Aveni, 1994; Friedman, 1983; Gale & Buzzell, 1989; Hambrick, 1983). Even Caves (1987: 22) admits that undifferentiated commodities may achieve some differentiation due to a seller's reputation for reliable delivery, or the supporting services provided. Lawless (1991) suggests that sellers often use commodity bundling--combining the physical product with service--to differentiate their offerings in a market.

According to Porter (1980: 35) cost leadership and differentiation are the two basic generic strategies that offer an equally successful path to outperforming the competition. However, Hambrick (1983) argues that differentiation strategies are more profitable than cost leadership strategies, because market share leaders tend to compete more on the basis of differentiation than low cost. Peters and Waterman (1982: 186) also report a similar conclusion. They say that the high-performing companies in different industries tend to be oriented more to customer value than to the cost "side of the profitability equation." Such companies "tend to be driven more by close-to-the-customer attributes than by either technology or cost."

As earlier on argued, the foundation of differentiation strategy generally is to provide superior quality compared to the competition. Research coming out of the PIMS database supports this conclusion. According to this research, customer-perceived quality is far more fundamental to competitive position and profitability than any other factor: including market share, low cost, position on the "learning curve", and so on (Gale, 1992; Buzzell & Gale, 1987; Jacobson & Aaker, 1987). Other researchers using the PIMS database have also reported the primacy of quality. These include Prescott, Kohli, and Venkatraman (1986), Hambrick (1983), and Luchs (1986).

Outstanding reliability and meticulous attention to outward appearance and fit, along with high gas mileage, enabled the Japanese to capture the small car market in the U.S. during the 1970s (Burck, 1980; also see Peters & Waterman, 1982: 37). Lower quality and lack of innovation played a key role in the virtual disappearance of U.S. companies from the consumer electronics industry, and their loss of world dominance in such markets as automobiles, steel, and tires (Kotter, 1995).

2.3.2 Effect of Cost Leadership Strategy on organization's performance:

Martina (2007) explains that the ability of a valuable cost leadership strategy to create a sustainable competitive advantage is conditional since the strategy is rare and costly to imitate. The above-mentioned sources of cost advantage are classified into two categories according to likelihood of rarity. Leaving-curve economies of scale (especially in emerging businesses), differential low-cost access to productive inputs and technological software are generally considered" likely-to-be-rare sources of cost advantage", while economies of scale (except when efficient plant size approximately equals total industry demand), diseconomies of scale, technological hardware (unless a firm has proprietary hardware development skills) and policy choices are generally considered "less-likely-to-be-rare sources of cost advantage". Similarly, the sources of cost advantage are more or less replicable. Creating a sustainable competitive advantage also require that competitors cannot easily imitate the strategy. Sources of cost advantages that tend to be difficult and costly to duplicate include: differential access to cost productive inputs and technology software. Learning economies and technological hardware may be costly to duplicate if they are proprietary.

According to what the Palepu & Healy say, a firm may produce a relative low profit margin by adopting the strategy of cost leadership (Palepu & Healy, 2008). Cost leadership strategy helps firms to produce the standard, high-volume product or service at the most competitive price to customers.

By emphasizing on a cost-leadership strategy is kindly to create higher financial performance for firms competing in the emerging economies, such as China, India, Brazil, etc, as firms can gain a relative advantage because of their lower costs in labour recourse and manufacture (Aulakh, 2000). Furthermore, from the customers' point of view, the strategy of cost leadership catches the most charming issue (lower price) in emerging economies, offering the products or service to those people with low level of disposable income (Caroline, 2008). Lähtinen & Toppinen (2006) in their report, found out the cost-leadership indicators, statically, explain better on the short-term financial performance, than value added creation, which has affection on longer-term financial performance and turnover growth in the future. They conclude that, cost-efficiency is a prerequisite for the business, and the latest worldwide economic recession is just the best example to confirm the validity. Meanwhile, the value-added creation is a necessity to support the economic sustainability of the business.

Porter has employed the U-shaped curve in describing the link between profitability and market share. According to this curve, the most profitable firms are the low-market share differentiated (e.g., Mercedes) or focused firms at one end, and the largest high-market share practitioners of cost leadership strategy at the other (e.g., General Motors). Porter (1980) says this curve is applicable to two important industries: the global automobile industry, and the U.S. fractional horsepower electric motor industry. For lack of space we will focus here only on the auto industry.

Porter cites General Motors—GM--(low cost) and Mercedes (differentiation) as the profit leaders in this industry. But, GM's success raises two important questions. First, it is not quite

Clear, how GM achieved low cost? Was it because of a persistent pursuit of cost leadership strategy, as suggested by Porter, or was low cost mainly the result of the high market share GM enjoyed, or both? It was GM's CEO Alfred Sloan who came out with the pioneering strategy of "a car for every purse and purpose." He rationalized GM's cars into five price-quality segments—from a Chevrolet, to a Pontiac, to an Oldsmobile, to a Buick, to a Cadillac. In order to differentiate GM brands from their competition, he positioned each car line at the top of the price scale in its price-quality segment (Datta, 1996; Sloan, 1972).

For more than half a century GM dominated the U.S. auto industry like a colossus with a market share as high as 50% which made it a low-cost leader. It was GM's differentiation strategy that spelled the doom of Henry Ford's Model T--and his cost leadership strategy--an event Porter (1980) himself has acknowledged. So, it is ironic that even the most prestigious handiwork--Cadillac—of the man wrote the book on market segmentation and differentiation failed the threshold of a differentiated product in Porter's scheme of things. The researcher would like to point out here that while multiple brands might have been a good strategy for GM in the past it is not so in today's global competition in which the successful firms like Toyota and others concentrate only on a limited number of car lines (Womack, 2006).

2.3.3 Effect of Business focus strategy (expansion and growth) on organization's performance:

Buhner (1987) argued that local and international expansion provides firms with potential market opportunities for growth. In particular, when the stage of the industry life-cycle is mature, and/or competitions is severe in a domestic market, MNE firms can gain market opportunities by exploiting market imperfections in less saturated and less competitive foreign markets. Less saturated foreign markets provide companies with ways to expand distribution and achieve market share (Dunning, 1993). In addition, enormous market opportunities for greater growth lie around the world. According to World Population to 2300 published by the United Nations (2004), 97 percent of the world's population and 75 percent of its purchasing power is outside of the U.S. Second, MNE firms could gain from economies of scale and geographic scope (Barlett & Ghoshal, 1989; Grant 1987; Kim et al., 1989). By integrating a critical resource such as R&D across nation boundaries, MNE firms can have greater opportunities to achieve optimal economies of scale.

Economies of scale and geographic scope allow companies to have various cost differentiation advantages such as arbitrage potential (Contractor et al, 2003), bargaining power (Sundaram & Black, 1992), and better cross-subsidization (Contractor, 2002). Economies of scale also allow firms to increase their efficiency, learning and innovation (Kochhar & Hitt, 1995). A firm with strong core competencies at its domestic market can exploit and apply its core competencies among different business segments and geographic markets (Bartlett & Ghoshal, 1989). Porter (1990) suggested that the competitive advantages that generate profitability in home markets stimulate the company to apply the same competences in international markets to further enhance a firm's profitability. Furthermore, the resources applying among a firm's multiple international operations facilitate utilization of core competences to produce synergy (Grant, Jammine, & Thomas, 1988). Simply stated, the more a firm adopts international diversification, the higher the firm exploits its tangible and intangible resources, which is expected to lead to improved performance (Hymer, 1976).

Lastly, MNE firms have access to a variety of global sourcing such as cheaper labor, better qualified workforce, more advanced technology, country-specific resource (Jung, 1991), and greater know – how or international experience (Kobrin, 1991). Why Service Companies Expand, Boddewyn et al. (1986) argued that theories developed for explaining the performance of MNE manufacturing firms could be applied to MNE service firms. In fact, service firms seek the international expansion strategy for the similar reasons as manufacturing firms: market access, resources, and labor cost, among others (Guile,1988). Consequently, it can be argued that the fundamental theoretical rationale should be the same (Boddewyn et al., 1986; Dunning, 1989; Li & Guisinger, 1992). Dunning (1989) contended that geographic diversification in service markets provides benefits from economies of scale throughout the value chain process. Likewise, Campbell and Verbeke (1994) suggested that MNE service firms could take advantages of economies of scale in marketing activities.

2.4 Research gaps:

Most of the empirical studies conducted on the strategies as seen above are conducted in developed world and few cases in developing world and yet manufacturing companies in developing world need to analyze the benefit of this strategies on their financial performance especially inform of profitability which the major corporate goal for any given organization. It is upon the above gap that is why the researcher is prompted to establish the effect of competitive strategies on profitability of manufacturing organization in Rwanda which is one of the developing countries in sub Saharan Africa by taking on Bralirwa industries as a case study.

3. RESEARCH DESIGN AND METHODOLOGY

3.0. Introduction:

This chapter indicates various methods and techniques used by the researcher during the course of gathering relevant information from the field. It also desecribes methods and techniques used i.e. Research design, target population, sample design, data collection procedures and data analysis.

3.1 The Research Design:

The researcher used descriptive case study design. According to Kumar (2005), the major aim of descriptive analysis is to describe and provide information on what is prevalent regarding a group of people, a community, a phenomenon or a situation. In order to achieve the objective of this study by providing information on competitive strategy and financial performance of manufacturing companies in Rwanda, this study embarked on the research mission of using quantitative and qualitative methods is to investigate a number of diverse variables to describe different types of strategies and how they are managed, the effect they have on performance or growth as well as the challenges they faced. This study also used renowned theoretical perspectives to derive the hypotheses of the study and to name the research variables. This stance of the study as descriptive research is underscored by Hussey and Hussey's (1997) argument that research constructs in a descriptive study must be supported by established theory.

3.2 Targeted Population:

The population of the study comprised of 120 employees of Bralirwa industries in Kigali. Of particular relevance to the study is the fact that the study area, Bralirwa Industry is one of the fast growing and largest manufacturing industries in Rwanda as well as East African region.

3.3 Sample design:

A sample design is a definite plan for obtaining a sample from a given population. It refers to the technique or the procedure the researcher would adopt in selecting items for the sample (Kothari, 2004).

Table 3.1: Sampling frame

Category	Target Population	Sample size	Basis of selection
Top managers	5	5	Universal sampling
Senior Managers	15	10	Purposive Sampling
Accountants	20	11	Purposive Sampling
Finance/corporate officers	10	5	Purposive Sampling
Credit officers	10		
Production	34	16	Purposive Sampling
Marketer	21		
Auditors	5	5	Universal sampling
Total	**120**	**52**	

3.3.1 Sample size determination:

When it is not possible to study an entire population but the population is known, a smaller sample is taken from strata by purposive sampling technique. Slovin's formula allows a researcher to sample the population with a desired degree of accuracy (Stephanie, 2013). Slovin's formular was used to calculate the sample size.

With regard to the level of accuracy, we used a confidence level of 90% as suggested by Kothari (2004), this means that there are 90 chances in 100 (or .90 in 1) that the sample results represent the true condition of the population within a specified precision range against 10 chances in 100 (or .10 in 1) that it does not. The slovin's formula is calculated as follows:

$$n = \frac{N}{1 + Ne^2}$$

Stephanie (2013)

n= Number of samples or sample size

N= Total population

e= Error tolerance

The population size of this research is 120 employees of Bralirwa. We take a sampling error of 10%, and then the sample size was:

n = 120/1+120(0.10*0.10)

120/ 1+120*0.01

120/1+1.2

120/2.3

n = 52

Therefore the sample size was 52 respondents.

3.3.2 Sampling Techniques and procedures

A list of employees was obtained from Bralirwa Human Resource Management Office, it is from this list that was used to group the employees into strata (department). Then the researcher applied purposive sampling method in order to avoid bias and reduce the chances of error. The researcher too inquired from the management the key top positions within the company where the researcher screened depending on the performance of departments related to the researcher's topic. Some groups was purposively selected in order to explore most of the research questions especially in finance and accountant department.

3.4 Data Collection Method

3.4.1. Primary data collection

Primary data was used to provide first hand information related to the subject under study. in this process, the exercise of collecting data involved different techniques in order to get reliable data for the research that is; Questionnaires; interview guide and documentation.

a, Questionnaire

This is an important method of data collection. Judd (1991) said that a questionnaire is justifiable in data collection mainly because; it enables the researcher to collect large amount of data within a short period of time, it also provides opportunity for respondents to give frank, anonymous answers. Questionnaire designed was both open and closed ended set of questions that to be answered. The questionnaire was written in a simple and clear language for the respondent to feel free while answering. In addition to that the use of questionnaire was considered vital to the research since it provides accurate information regarding the study.

3.4.2 Secondary data collection

Secondary data was used to review other scholars ideas related to the Effect of competitive strategy of financial performance of manufacturing companies in Rwanda .

b, Documentary Review

Bailey (1998) defines documentary study as the analysis of documents. These documents include any written materials that contain information about the phenomenon we wish to study including books, journals and reports. For the purpose of this research, the researcher mainly relied on financial statement, reports and minutes of meetings in order to establish substantial information on financial performance of Bralirwa in relationship to the competitive strategy being used. This method was chosen because; it is vital in providing background information subject under study before primary data could be collected.

3.5 Validity and Reliability

The validity of data was checked before processing the results. This helped to establish the reliability of the tools to be used in data collection. This was done by pre-testing the questionnaires using sample of 10 respondents. This process is aided correction of the mistakes and errors within the tools of data collections to verify how they are reliable to produce significant information from the field. The reliable data minimized statistical errors in the research.

3.6 Data Analysis and Presentations

The data collected was processed and analyzed using SPSS (Version 22). This involved data coding, editing and tabulation especially quantitative data. The purpose of all these is to make the information clear and understandable for other people. Qualitative analysis technique was used. The Qualitative analysis techniques complemented with some statistics that was mainly obtained from the secondary data that was obtained through documentary analysis from the case study organization. The SPSS established correlation relationship between the independent variable and dependent variables (financial incentives and financial performance of the Banks).

3.7 Ethical Considerations

In conducting this research, there are some ethics that were considered. The adherence to ethical consideration helped the researcher to have smooth process as far as data collection is concern. The researcher considered the followings ethics in order to establish rapport with the respondents:

There was Informed consent in doing research. The researcher got permission from the respondents to participate in the research. The researcher requested the brewery management to allow the selected members to participate in the interview which required authorization letter.

Confidentiality and privacy was one of the key issues to be observed. The researcher observed respondents confidentiality during the interviewing process. Researcher allowed the respondents to be free when conducting the interviews, mentioning names might look like coercing the respondents and was avoided

4. RESEARCH FINDINGS AND DISCUSSIONS

This chapter presents research finding and discussions basing on the analyzed data from the field. The findings were presented in to two categories which is profile of the respondents and findings according to specific objectives.

4.1 Profile of Respondents

This sub sections produced findings basing on gender, age, educational background and work experience of the respondents in case study organization.

Table 4.1: Gender of Respondents

Gender	Frequency	Percent
Male	35	67.3
Female	17	32.7
Total	**52**	**100.0**

According to table 4.1, 67.3% of the respondents were male while 32.7% female. This implies that the view collected in the research is relatively free of gender bias since view of both males and female were obtained.

Table 4.2: Age of Respondents

Age	Frequency	Percent
21 – 30	11	21.2
31 – 40	12	23.1
41 – 50	21	40.4
51 and above	8	15.4
Total	**52**	**100.0**

From table 4.2, 40.4% of the respondents were between 41 - 50, 23.1% between 31 – 40, 21.2% between 21-30 and 15.4% above 51 years, which means that there was fair representation of the population as almost all classes were represented and the data provided reflected the views of the entire population and the majority of the respondents are mature which means they produced mature answers.

Table 4.3: Educational Background

Educational Background	Frequency	Percent
Diploma	5	9.6
Degree	32	61.5
Masters	12	23.1
Professionals	3	5.8
Total	**52**	**100.0**

Table 4.3 shows that, 61.5% of the respondents were degree holders, 23.1% were masters holders, 9.6% were diploma holders and 5.8% were diploma holders. This implies that the respondents are able to comprehend and intelligently respond to the questions asked basing on their educational background.

Table 4.4: Work Experience of the Respondents

Work Experience	Frequency	Percent
2 - 3 Years	11	21.2
3 - 4 Years	23	44.2
5 years and above	18	34.6
Total	52	100.0

Table 4.4 above shows, 44% of the respondents had experience of 3 to 4 years, 34% had 5 years and above experience and 21.2% had experience of 2-3 years. This implies that the respondents are experienced with Bralirwa environment and the information they gave was reliable.

2.2 Product Differentiation Strategy and financial performance of Bralirwa

This section analyze Product Differentiation Strategy and financial performance of Bralirwa Company limited as the main focus of the researcher.

Table 4.5: Assessment of Product Differentiation Strategy in Bralirwa

	Mean	Std. Deviation	Comments
Bralirwa differentiate its products according to different customers	4.6154	.49125	Very strong homogeneity
Bralirwa design products in different shapes and sizes	4.5385	.50338	Very strong heterogeneity
Bralirwa design products in different colors	4.5000	.50488	Very strong heterogeneity
Bralirwa design products according to different prices	4.5385	.50338	Very strong heterogeneity
Bralirwa design products according to different attractive label information	4.5192	.50450	Very strong heterogeneity
Overall Summary	**4.5416**	**.50179**	**Very strong heterogeneity**

The analysis show how products are differentiated in Bralirwa. In analyzing whether Bralirwa differentiate its products according to different customers the respondents agreed which is signified by a very strong mean of 4.6154 and homogeneity standard deviation of .49125. This implies that Bralirwa differentiate its products according to different customers. In assessing whether Bralirwa design products in different shapes and sizes, this was showed by a very strong mean of 4.5385 and heterogeneity standard deviation of .50338. This means that Bralirwa design products in different shapes and sizes. The researcher also assessed whether Bralirwa design products using different colors, this was showed by a very strong mean of 4.5000 and heterogeneity standard deviation of .50488. This implies that Bralirwa design products using different colors which are attractive to customers. Since price is the determinant of demand, the researcher further assessed whether Bralirwa design products according to different prices, this was seen by a very strong mean of 4.5385 and heterogeneity standard deviation of .50338. This means that Bralirwa design products according to different prices in order to accommodate all the social classes.

Furthermore, the in assessing whether Bralirwa design products using attractive information, this was seen by a very strong mean of 4.5192 and heterogeneity standard deviation of .50450. This implies that Bralirwa design products using attractive information. Lastly in assessing whether Bralirwa pack products in recommended containers which favors environment, this was witnessed by a very strong mean of 4.5385 and heterogeneity standard deviation of .50338. This implies that the company packs products in recommended containers which favors environment.

In summary the respondents agreed that the company uses Product Differentiation Strategy, this was witnessed by a very strong mean of 4.5416 and heterogeneity standard deviation of .50179.

Table 4.6: An Assessment of Product Differentiation Strategy on financial performance

	Mean	Std. Deviation	Comments
Product differentiation has increased Bralirwa's liquidity	4.6538	.48038	Very strong homogeneity
Product differentiation has increased Bralirwa return on investment	4.6154	.49125	Very strong homogeneity
Product differentiation has increased Bralirwa's returns on asset	4.5962	.49545	Very strong homogeneity
Product differentiation has increased Bralirwa's profitability	4.5385	.50338	Very strong heterogeneity
Overall Summary	**4.5884**	**.49476**	**Very strong homogeneity**

In assessing the Effect of Product Differentiation Strategy on financial performance, the study findings is seen below; the first step was to assess whether Product differentiation has increased Bralirwa's liquidity, this was seen by a very strong mean of 4.6538 and homogeneity standard deviation of .48038. This implies that Product differentiation has increased companies liquidity. The study further assed if Product differentiation has increased Bralirwa returns on investment, this was witnessed by a very strong mean of 4.6154 and homogeneity standard deviation of .49125. This implies that Product differentiation has increased Bralirwa returns on investment.

In assessing whether Product differentiation has increased Bralirwa's returns on asset, this was seen by a very strong mean of 4.5962 and homogeneity standard deviation of .49545. This implies that Product differentiation has increased Bralirwa's returns on asset. Lastly the researcher assessed whether Product differentiation has increased Bralirwa's profitability, this was seen by a very strong mean of 4.5385 and homogeneity standard deviation of .50338. This implies that Product differentiation has increased the company's profitability.

Overall Summary: Product Differentiation Strategy has effect on financial performance of Bralirwa and this was summarized by a very strong mean of 4.5884 and homogeneity standard deviation of .49476.

Table 4.7: Relationship between Product Differentiation Strategy and financial performance

		Independent Variable	Dependent Variable
Independent Variable	Pearson Correlation	1	.919**
	Sig. (2-tailed)		.000
	N	52	52
Dependent Variable	Pearson Correlation	.919**	1
	Sig. (2-tailed)	.000	
	N	52	52

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

Table 4.7 gave the between Product Differentiation strategy and financial performance of Bralirwa whereby the respondents N is 52 and the significant level is 0.01, the results indicate that independent variable has Positive strong correlation to dependent variable equal to. 919** and the p-value is .000 which is less than 0.01. When p-value is less than significant level, therefore researchers conclude that variables are correlated. This means that there is a significant relationship between product differentiation strategy and financial performance of Bralirwa by 91.9.

2.3 Effect of Cost Leadership Strategy on financial performance of Bralirwa

This section assesses Cost Leadership Strategy in Bralirwa on financial performance of Bralirwa

Table 4.8: An Assessment of Cost Leadership Strategy in Bralirwa

	Mean	Std. Deviation	Comments
Bralirwa have its logistic technology which track its products movement and maintain product security	4.3269	.47367	Strong homogeneity
Bralirwa have modern technology which manufactures goods at a low cost	4.4231	.49887	Strong homogeneity
Bralirwa have enterprise resource planning (ERP) technology which reduce cost	4.4038	.49545	Strong homogeneity
Bralirwa has inventory management technique to reduce organization costs	4.5385	.50338	Strong heterogeneity
Bralirwa have warehouse management system which reduce organization cost	4.4615	.50338	Strong heterogeneity
Bralirwa has customer management system which reduce organization cost	4.4808	.50450	Strong heterogeneity
Overall Summary	**4.4391**	**.49651**	**Strong homogeneity**

The analysis in table 4.8 shows Cost Leadership Strategy in Bralirwa; in assessing whether Bralirwa have its logistic technology which track its products movement and maintain product security, this was seen by a strong mean of 4.3269 and homogeneity standard deviation of .47367. This means that the company has its logistic technology which tracks its products movement and maintains product security. In assessing whether Bralirwa have modern technology which manufactures goods at a low cost, this was seen by a strong mean of 4.4231 and homogeneity standard deviation of .49887. This implies that Bralirwa have modern technology which manufactures goods at a low cost. In assessing whether Bralirwa have enterprise resource planning (ERP) technology which reduce cost, this was seen by a strong mean of 4.4038 and homogeneity standard deviation of .49545. This implies that Bralirwa have enterprise resource planning (ERP) technology which reduce cost.

Furthermore in assessing whether Bralirwa has inventory management technique to reduce organization costs, this was seen by strong mean of 4.5385 and heterogeneity standard deviation of .50338. This implies that the company has inventory management technique to reduce organization costs. In whether the company has warehouse management system which reduces organization cost, this was seen by strong mean of 4.4615 and heterogeneity standard deviation of .50338. This means that the company has warehouse management system which reduces organization cost. Lastly the study assessed whether Bralirwa has customer management system which reduce organization cost, this was showed by strong mean of 4.4808 and heterogeneity standard deviation of .50450. This implies that the company has customer management system which reduce organization cost

Overall Summary: Bralirwa has Cost Leadership Strategy in place and this was agreed by strong mean of 4.4391 and heterogeneity standard deviation of .49651.

Table 4.9: Effect of Cost Leadership Strategy on financial performance of Bralirwa

	Mean	Std. Deviation	Comments
Cost leadership strategy has increased Bralirwa's liquidity	4.4038	.49545	Strong homogeneity
Cost leadership strategy has increased Bralirwa return on investment	4.4423	.50151	Strong heterogeneity
Cost leadership strategy has increased Bralirwa's returns on asset	4.4423	.50151	Strong heterogeneity
Cost leadership strategy has increased Bralirwa's profitability	4.5385	.50338	Very Strong heterogeneity
Overall Comments	**4.4384**	**.49761**	**Strong homogeneity**

Table 4.9 analyses the Effect of Cost Leadership Strategy on financial performance of Bralirwa. The research analyzed whether Cost leadership strategy has increased Bralirwa's liquidity, this was showed by strong mean of 4.4038 and

homogeneity standard deviation of.49545. This implies that Cost leadership strategy has increased Bralirwa's liquidity. In assessing whether Cost leadership strategy has increased Bralirwa return on investment, this was showed by strong mean of 4.4423 and heterogeneity standard deviation of .50151. This implies that Cost leadership strategy has increased Bralirwa return on investment. Furthermore the report analyzed whether Cost leadership strategy has increased Bralirwa's returns on asset, this was showed by strong mean of 4.4423 and heterogeneity standard deviation of .50151. This implies that Cost leadership strategy has increased Bralirwa's returns on asset and lastly in analyzing whether Cost leadership strategy has increased Bralirwa's profitability, this was showed by very strong mean of 4.5385 and heterogeneity standard deviation of .50338. This implies that whether Cost leadership strategy has increased Bralirwa's profitability.

Overall comments: The analysis shows that Cost Leadership Strategy has effects on financial performance of Bralirwa as showed by strong mean of 4.4384 and heterogeneity standard deviation of .49761.

Table 4.10: Relationship between Cost Leadership Strategy on financial performance

		Independent Variable1	Dependent Variable1
Independent Variable1	Pearson Correlation	1	.928**
	Sig. (2-tailed)		.000
	N	52	52
Dependent Variable1	Pearson Correlation	.928**	1
	Sig. (2-tailed)	.000	
	N	52	52

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

Table 4.10 gave the between cost leadership strategy and financial performance of Bralirwa whereby the respondents N is 52 and the significant level is 0.01, the results indicate that independent variable has Positive strong correlation to dependent variable equal to. 92.8** and the p-value is .000 which is less than 0.01. When p-value is less than significant level, therefore researchers conclude that variables are correlated. This means that there is a significant relationship between Cost leadership strategy and financial performance of Bralirwa by 92.8.

2.4 Business focus strategy and financial performance of Bralirwa

This section analyses business focus strategy and financial performance of Bralirwa

Table 4.11: Descriptive Statistics on Business focus strategy in Bralirwa

	Mean	Std. Deviation	Comments
Bralirwa have spread its products across the country	4.7885	.41238	Very Strong homogeneity
Bralirwa have entered into franchise which other companies	4.6923	.46604	Very Strong homogeneity
Bralirwa have open its products to international market	4.5769	.49887	Very Strong homogeneity
Bralirwa have introduced different products according to its different customers	4.7500	.43724	Very Strong homogeneity
Overall Comments	**4.7019**	**.45363**	**Very Strong homogeneity**

In ascertaining whether Bralirwa spread its products across the country, this was shown by a very strong mean of 4.7885 and homogeneity standard deviation of .41238. This implies that Bralirwa products are across the country. The researcher also analyzed whether Bralirwa have entered into franchise which other companies, this was shown by a very strong mean of 4.6923 and homogeneity standard deviation of.46604. This implies that Bralirwa have entered into franchise which other companies like Heineken and Coco cola limited. Furthermore the research also established whether Bralirwa have opened its products to international market, this was shown by a very strong mean of 4.5769 and homogeneity standard deviation of .49887. This implies that Bralirwa products are sold internationally. Lastly, in ascertaining whether Bralirwa have introduced different product according to its different customers, this was shown by a very strong mean of 4.7500 and homogeneity standard deviation of .43724.

In summary the analysis shows that Bralirwa have business focus strategy which was witnessed by an overall very strong mean of 4.7019 and homogeneity standard deviation of .45363.

Table 4.12: An Assessment of Business focus strategy on financial performance of Bralirwa

	Mean	Std. Deviation	Comments
Business focus strategy has increased Bralirwa's liquidity	4.6923	.46604	Very Strong homogeneity
Business focus strategy has increased Bralirwa return on investment	4.6346	.48624	Very Strong homogeneity
Business focus strategy has increased Bralirwa's returns on asset	4.6154	.49125	Very Strong homogeneity
Business focus strategy has increased Bralirwa's profitability	4.7308	.44789	Very Strong homogeneity
Overall Comments	**4.6682**	**.47285**	**Very Strong homogeneity**

In analyzing the effects of Business focus strategy on financial performance of Bralirwa, this was done by analyzing different sub construct. The research wanted to find out if Business focus strategy has increased Bralirwa's liquidity; this was shown by a very strong mean of 4.6923 and homogeneity standard deviation of.46604. This implies that Business focus strategy has increased Bralirwa's liquidity. In ascertaining whether Business focus strategy has increased Bralirwa return on investment, the findings was shown by a very strong mean of 4.6346 and homogeneity standard deviation of .48624. This implies that Business focus strategy has increased Bralirwa return on investment. Furthermore the researcher wanted to find out if Business focus strategy has increased Bralirwa's returns on asset; this was seen by very strong mean of 4.6154 and homogeneity standard deviation of .49125. This implies that Business focus strategy has increased Bralirwa's returns on asset. Lastly the study established if Business focus strategy has increased Bralirwa's profitability, this was seen by a very strong mean of 4.7308 and homogeneity standard deviation of .44789.

Overall summary: The analysis shows that Business focus strategy has effects on financial performance of Bralirwa, this was seen by an overall very strong mean of 4.6682 and Very Strong homogeneity of .47285.

Table 4.13: Relationship between Business focus strategy and financial performance

		Independent Variable2	Dependent Variable2
Independent Variable2	Pearson Correlation	1	.876**
	Sig. (2-tailed)		.000
	N	52	52
Dependent Variable2	Pearson Correlation	.876**	1
	Sig. (2-tailed)	.000	
	N	52	52

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

Table 4.13 gave the between Business focus strategy and financial performance of Bralirwa whereby the respondents N is 52 and the significant level is 0.01, the results indicate that independent variable has Positive high correlation to dependent variable equal to. 876** and the p-value is .000 which is less than 0.01. When p-value is less than significant level, therefore researchers conclude that variables are correlated. This means that there is a significant relationship between Business focus strategy and financial performance of Bralirwa by 87.6.

2.5 Relationship between competitive strategy and financial performance

This section summarizes the relationship between competitive strategy and financial performance

Table 4.14: Relationship between Business focus strategy and financial performance

		Independent Variable2	Dependent Variable2
Independent Variable2	Pearson Correlation	1	.907**
	Sig. (2-tailed)		.000
	N	52	52
Dependent Variable2	Pearson Correlation	.907**	1
	Sig. (2-tailed)	.000	

N	52	52

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

Table 4.14 established relationship between competitive strategy and financial performance of Bralirwa whereby the respondents N is 52 and the significant level is 0.01, the results indicate that independent variable has Positive high correlation to dependent variable equal to. 907** and the p-value is .000 which is less than 0.01. When p-value is less than significant level, therefore researchers conclude that variables are correlated. This means that there is a significant relationship between competitive strategy and financial performance of Bralirwa by 90.7.

5. SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction:

This chapter presents the summary of the findings of the study for the previous four chapters. This chapter also includes conclusions, recommendations for the study.

5.1 Summary of findings:

This section provides summary on product differentiation strategy, cost leadership strategy and business focus strategy on financial performance of Bralirwa.

5.1.1 Effects of product differentiation strategy on Financial Performance of Bralirwa:

In the findings, it was established that Bralirwa differentiate its products according to different customers. The company design products in different shapes, sizes and colors which are attractive to customers. The report further indicate that Bralirwa design products according to different prices, in order to accommodate all the social classes. The company also uses appropriate attractive information and company packs products in recommended containers which favors environment. The strategy has improved on company return on investment, profitability, and liquidity and return asset. Table 4.7 gave the relationship between product differentiation Strategy and financial performance of Bralirwa, out of 52 respondents and the significant level is 0.01, the results indicate that independent variable has Positive strong correlation to dependent variable equal to. 919** and the p-value is .000 which is less than 0.01. When p-value is less than significant level, therefore researchers conclude that variables are correlated. This means that there is a significant relationship between product differentiation strategy and financial performance of Bralirwa by 91.9.

5.1.2 Effects of Cost leadership strategy on Financial Performance of Bralirwa:

The analysis shows Bralirwa have its logistic technology which track its products movement and maintain product security, Bralirwa have modern technology which manufactures goods at a low cost and the company has enterprise resource planning (ERP) technology which reduces cost. Furthermore in assessing whether Bralirwa has inventory management technique to reduce organization costs, finding shows that the company has inventory management technique to reduce organization costs, the company has warehouse management system which reduces organization cost and lastly the company has customer management system which reduces organization cost. Cost leadership strategy improved return on investment, profitability, return on asset, and liquidity. Table 4.10 gave the relationship between Cost leadership strategy and financial performance of Bralirwa, out of 52 respondents, where the significant level is 0.01, the results indicate that independent variable has Positive strong correlation to dependent variable equal to. 92.8** and the p-value is .000 which is less than 0.01. When p-value is less than significant level, therefore researchers conclude that variables are correlated. This means that there is a significant relationship between Cost leadership strategy and financial performance of Bralirwa by 92.8.

5.1.3 Effects of Business focus strategy on Financial Performance of Bralirwa:

The findings shows that Bralirwa spread its products across the country, the company have entered into franchise which other companies like Heineken and Coco cola limited. Furthermore the research also established whether Bralirwa have opened its products to international market and lastly, in ascertaining whether Bralirwa have introduced different product according to its different customers, finding shows that the company introduced different product according to its different customers. Business focus strategy has improved the company return on investment, profitability, return on asset and liquidity. Table 4.13 gave the between Business focus strategy and financial performance of Bralirwa whereby the respondents N is 52 and the significant level is 0.01, the results indicate that independent variable has Positive high correlation to dependent variable equal to. 876** and the p-value is .000 which is less than 0.01. When p-value is less than significant level, therefore researchers conclude that variables are correlated. This means that there is a significant relationship between Business focus strategy and financial performance of Bralirwa by 87.6.

5.2 Conclusion:

In conclusion it can be stated that Bralirwa has different competitive strategies like product differentiation strategy which make it differentiate its products according to different customers, design products in different shapes, sizes and colors which are attractive to customers, design products according to different prices, in order to accommodate all the social classes and attractive information. Cost leadership strategy which consist of logistic technology which track its products movement and maintain product security, manufactures goods at a low cost, enterprise resource planning (ERP) technology which reduces cost, inventory management technique to reduce organization costs, and lastly the company has customer management system which reduces organization cost. Business focus strategy which consist of spreading products across the country, entering into franchise which other companies like Heineken and Coco-cola limited, opening its products to international market and lastly, introducing different product according to its different customers. These strategies have improved on Bralirwa Ltd return on investment, profitability, and liquidity and return asset. Table 4.14 gave the between competitive strategy and financial performance of Bralirwa whereby the respondents N is 52 and the significant level is 0.01, the results indicate that independent variable has Positive high correlation to dependent variable equal to. 907^{**} and the p-value is .000 which is less than 0.01. When p-value is less than significant level, therefore researchers conclude that variables are correlated. This means that there is a significant relationship between competitive strategy and financial performance of Bralirwa by 90.7.

5.3 Recommendations:

The researcher has observed the following recommendations to be implemented;

i. The company should further expand on their products internationally so that they can be able to enjoy competitive advantage both locally, regionally and internationally.

ii. The company should be able to employ up todate technology in their manufacturing plant in order to produce standard products and be able to reduce cost effectively.

iii. The company should employ qualified personnel to manage the emerging technology with constant training on how to use the technology.

iv. The company should be able to conduct extensive market survey in order to be able expand on their products accordingly.

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