Role of Competitive Strategic Responses on Performance of Fast-moving Consumer Goods Manufacturing Firms in Nairobi County, Kenya

George Okumu[1*] and Paul Kariuki[1]

[1]*Jomo Kenyatta University of Agriculture and Technology, Kenya.*

Authors' contributions

This research work was carried out in collaboration between both authors. Author GO designed the study, performed statistical analysis, wrote the protocol, wrote the first draft of the manuscript, edited and made all the corrections. Author PK supervised all the processes involved in preparing the manuscript. Both authors read and approved the final manuscript.

Original Research Article

ABSTRACT

The purpose of this study was to examine the role of competitive strategic responses on performance of fast moving consumer goods manufacturing firms in Nairobi County, Kenya. The study employed descriptive research design. The target population was 258 managers of these firms; from where a sample size of 157 respondents was obtained. Data was gathered using a semi structured questionnaire, administered using drop and pick method. This data was analyse using both qualitative and quantitative approaches where descriptive and inferential statistics were obtained. The study revealed that, each of competitive strategic responses; prospector strategy (p =0.047; β =.159), defender strategy (p =0.022; β =.135), analyzer strategy (p =0.013; β =.224) and reactor strategy ($p < 0.01$; β = .299) has a significant positive influence on performance of fast-moving consumer goods manufacturing firms in Nairobi County. These strategic responses account for 29.82% of change in performance of FMCG manufacturing firm in Nairobi County.

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Corresponding author: E-mail: okumugeo@gmail.com;

1. INTRODUCTION

In the midst of the dynamically changing customers' demands and the increasingly competitive business environment, firms are compelled to improve their market position [1]. Consequently, fast moving consumer goods manufacturing (FMCG) firms are seemingly searching for strategies alongside developing innovative strategies for accomplishing superior performance and sustainable competitive edge [2]. These strategies are for ensuring that the firms gain clear advantage in their markets as well as have the ability to utilize the competitive edge in their favor and for their defense [3]. Notably, increased competition threatens the attractiveness of an industry and reduces the profitability of industry players as it exerts pressure on firms to be proactive. Therefore, firms are supposed to formulate successful strategies and responses that facilitate proactive response to the anticipated changes in the environment [4]. Importantly, choice of the most appropriate competitive strategic response is critical for the survival and success of any company. Empirical literature provides evidence of a strong link between competitive strategic response and performance of organizations [4]; while it also indicates that competitive edge is able to significantly predict the variance in the performance of the organization [5]. More so, it has been established that the competitive strategies applied by FMCG manufacturing firms determine the growth and success of these firms in the dynamically changing competitive industry [6]. It is based on this premise this research examined the role of competitive strategic responses on performance of selected fast moving consumer goods manufacturing firms in Nairobi County, Kenya.

Miles and Snow's [7] attest to the fact that strategic typology comprises the; defenders, prospectors, analyzers, and reactors. Furthermore, Miles and Snow [7] suggest that business level strategies generally fall into one of four categories: prospector, defender, analyzer, and reactor. Piiimrospector is innovative and growth oriented as it searches for new markets and new growth opportunities, and encourages risk taking [8]. A defender protects their current markets, maintains stable growth, and serves current customers [9]. An analyzer maintains current markets and current customer

satisfaction with moderate emphasis on innovation. Reactor has no clear strategy but reacts to changes in the environment and drifts with events [8,9]. This highlight was useful in establishing the key indicators of strategic responses in this study.

1.1 Statement of the Problem

Although the fast-moving consumer goods companies in Kenya contribute significantly to the country's socio-economic development, they have been registering diminishing revenue collection; amid increasingly volatile and changing consumer habits coupled with heightening digital competition [10]. For instance, the revenue growth in the FMCG market has fallen from 5.7% in 2017 to 4.2% in 2018, which was its lowest level since the year 2011. This level of collection is adversely affecting performance of these firms. Although empirical research revealed competitive strategic responses as determinant of performance [11,12,13], there is insignificant evidence of competitive strategic responses as affecting performance of fast-moving goods manufacturing firms in Kenya, a gap locked by this research. This study informed by Miles and Snow unique strategies assessed prospector strategy, defender strategy, analyzer strategy and reactor strategy as strategic response factors affecting of performance of fast-moving consumer goods manufacturing firms in Nairobi County, Kenya.

1.2 Objective of the Study

The objective of this study was to examine the role of competitive strategic responses on performance of fast moving consumer goods manufacturing firms in Nairobi County, Kenya.

2. LITERATURE REVIEW

2.1 Theoretical Review

According to Swanson [14], theories are formulated to express, predict and understand a phenomenon. In many cases theories are used to challenge and extend existing knowledge within the limits of critical bounding assumptions. As such, this study reviewed theories informing it in terms of competitive strategies responses and performance.

The resource-based view (RBV) emphasizes on core competitive resources an organization can employ to achieve superior performance. Such resources should be; valuable, rare, inimitable and non-substitutable [15]. They may be tangible or intangible resources and can be heterogeneous but not perfectly transferable [16]. According to Grant [17] RBV links prospective competitive strategies; as capabilities, to value creation. Hence RBV was important to understand the way value may stem from strategic alignment of resources and competitive strategies. In developing their competitive strategies, the FMCG firms in Kenya may be able to create value for their customers through pay attention to the prospective and existing resources that are within the firm.

The Porter's theory of competitive advantage states that a strategy targets either cost leadership, differentiation or focus. The theory indicates that a firm must only choose one of these three strategies or risk waste of precious resources. According to Lu, Shem and Yam [18], Porter's theory is useful in understanding the competitiveness of organization suggesting that competitive advantage stems from the competitive strategies adopted to deal with strength, weaknesses, opportunities and threats facing an organization. Similarly, Porter [19]) avers that the generic strategy of focus rests on the choice of a narrow competitive scope within an industry. The focuser selects a segment or group of segments in the industry and tailors a strategy to serve them while excluding other strategies. In relation to this study, the manufacturing firms in Kenya can adopt Porter's element of competitive strategies. Similarly, it is notable that most of the FMCG prefer to use analyzer strategy, as element of competitive strategies, to remain competitive in an ever-dynamic business environment. The study will adopt this theory to examine the relationship between analyzer strategy and performance of FMCG manufacturing firms in Kenya.

2.2 Empirical Review

This section contains review of empirical literature from scholars. This research has systematically reviewed empirical studies relating prospector, defender, analyser and reactor strategies as the related to organizational performance [20]. Sollosy [20] demonstrates the enduring value of the Miles and Snow typology and the way the lenses of dynamic capabilities and ambidexterity display the explanatory power of the strategies. While Saraç, Ertan and Yücel [21] indicated that the best predictor of performance is the interaction effect of firm size and firm strategy, Hoang [22] found that the aspiration preference of prospector managers is different from that of defender managers [7]. This is because prospector managers rely solely on social aspirations, whilst defender managers attend to both historical and social aspirations to learn from performance feedback. Ingram et al. [23]) revealed that prospector and analyzer strategies promise slightly higher performance than reactor and defender types. Oyedijo and Akewusola [24] provided a systematic empirical evidence obtained from 34 paint manufacturing SMEs in South-Western Nigeria in support of Miles and Snow's model that prospectors and anxious analyzers perform better than domain defenders and reluctant reactors. A negative performance was found to be associated with a reluctant reactor strategy and this was significant at 0.05 level. The study found out that SMEs compete in different ways, allowing for their classification as prospectors, analyzers, defenders and reactors. The findings in the study by Oyedijo and Akewusola [24] brought additional fresh evidence to dismiss the speculation that Miles and Snows typology is a sequential stage of strategy development in which defender strategies are linked to small firms and prospector strategies to larger firms. Blayney and Blotnicky [25] found that women hotel managers used the defender strategy and men used the analyzer strategy. Despite wide array of empirical research, there were no statistically significant findings on which strategy was best for performance

3. METHODOLOGY

3.1 Research Design

Descriptive research design was employed to explain the role of competitive strategic responses on performance of fast-moving consumer goods manufacturing firms in Nairobi County, Kenya. Saunders, Lewis and Thornhill [26] notes that a descriptive survey seeks to obtain information that describes existing phenomena by asking questions relating to individual perceptions and attitudes.

Table 1. Sample size distribution

Category	Population	Sample (n)
Foods	120	73
Beverages	24	15
Tobacco	15	9
Printing & Media	30	18
Chemicals	45	27
Pharmaceuticals	24	15
Total	258	157

3.2 Target Population

The study purposely concentrated on 51 FMCG, who are registered members of Kenya Association of Manufacturers within Nairobi County. This is because they are the most likely to provide relevant and accurate information needed in this study. The study targeted the 258 top manager of these FMCG firms.

3.3 Sampling

The sample size for this study was calculated using the Yamane Taros formula, Israel [27] where:

$$n = \frac{N}{(1 + N(e)^2)}$$

Where:

n is the sample size
N is the population size
e is the level of confidence, at 95 % ±5.

Hence: $n = \frac{258}{(1+258(0.05)^2)}$ = 156.84 = 157 respondents

To determine the sample size of each category of FMCG firms, proportionate stratified sampling was used to produce Table 1.

3.4 Data Collection Instrument

This study used semi-structured questionnaire to obtain information from the respondents. This questionnaire required the study respondents to provide a response in their own words and also allow them to select an answer from a given set of choices [27]. The questionnaire was administered using drop and pick approach.

3.5 Pre-testing Research Tool

The research instrument was pre-tested as for validity and reliability [26]

The instrument's validity was tested by two expert (supervisor and expert in strategic management) using content validity [27]. The supervisor and expert in strategic management reviewed the questionnaire to give their opinions on its suitability to capture what was intended. Reviews were incorporated in the questionnaire as recommended by the reviewers.

The study tested the questionnaires for reliability using Cronbach's alpha approach to yield Cronbach's alpha coefficient [27]. In social science the tool is reliable when Cronbach's alpha equals to or is greater than 0.7 [27].

3.6 Data Analysis

The study collected quantitative and qualitative data. While quantitative data was analysed using thematic analysis to produce narratives, quantitative data was analyzed using statistical package for social science (SPSS) version 24 and Excel to yield descriptive statistics as well as regression and correlation statistics. In order to analyze the relationship between the independent variables and the dependent variable, the study used Multiple regression analysis (MRA) at 5% level of significance.

4. RESULTS AND DISCUSSIONS

4.1 Analysis Background Information

The respondents provided showed the; highest education level they had attained, the time they had been in their organizations', and the period the organization had been in existence. Majority of them, 79(61.72%) indicated that they had university undergraduate degrees (Bachelor's degree) as the highest education level they had attained while 28 (21.88%) indicated that the highest education level they had attained was a master's degree while 17 (13.28%) showed that they had diplomas and 4 (3.13%) had doctoral degrees (PhD) as highest education level they had attained. Thus, most of the senior managers among FMCG in Nairobi County had Bachelor's

degree as highest education level they had attained.

According to the results, most of the respondents, 45 (35.16%) indicated that they had been in their organizations' for between six (6) and 10 years. While 3(30.47%) showed that the time they had been in their organization was between 11 and 15 years, 17 (13.28%) indicated that they had been in their organizations for a period not exceeding five (5) years and 13(10.16%) indicated that the time they had been in their organization was between 21 and 25 years. As 7(5.47%) showed the time they had been in their organization was between 16 and 20 years, another 7(5.47%) showed that they had been in their organizations' for over 25 years.

On time the organization had been in existence, most of the respondents, 29 (22.66%) showed that the organization had been in existence for between 41 and 50 years. As 11 (20.31%) showed that their organization had been in existence for between 31 and 40 years, another 11 (20.31%) indicated that the organization had been in existence for between 11 and 20 years while 9 (7.03%) showed that their organization had been in existence for over 50 years.

4.2 Descriptive Analysis

The study analyzed quantitative data using quantitative approach, while guided by the objectives, to obtain descriptive statistics. These statistics were important for explaining the properties of the variables as well as describing effects of independent variables (IVs) on the dependent variable (DV). This data was collected on a 5 point Likert Scale; 5 = Very Great extent, 4 = Great extent, 3 = Moderate extent, 2 = Little extent and 1 = Not at all. The study obtained Mean (M) and standard deviation (SD) for each indicator of the IVs or the DV. Since these statistics are continuous, the study transformed the results into continuous from using the statistics; above 4.2 to 5 = Very Great extent, above 3.4 to 4.2 = Great extent, above 2.6 to 3.4

= Moderate extent, above 1.8 to 2.6 = Little extent and 1 to 1.8 = Not at all."

4.2.1 Influence of prospector strategy on performance of FMCG manufacturing firms

The study assessed objective 1 which was to examine the role of prospector strategy on performance of fast-moving consumer goods manufacturing firms in Nairobi County, Kenya to obtain results in Table 2.

The results in Table 2 shows that on average, the effect of prospector strategy on performance of FMCG firms was indicated as being moderate (M = 3.25; SD = 1.00). at the same time, the respondents showed that practice of innovation to moderately enhanced sales (M = 3.13; SD = 1.00). As principle of internal locus of control and applying it in the training programs was shown as moderately enhancing performance of FMCG firms (M = 3.17; SD = 1.03), continually redefining the products and service priorities was indicated as moderately increased profits affected performance of FMCG firms (M = 3.34; SD = 1.01) and searching of new opportunities to increase profits as moderately affecting performance of FMCG firms (M = 3.34; SD = 0.96). This agrees to the study by Ingram et al., (2016) who suggested that prospector strategy affect performance. Accordingly, the firms use prospector strategy by maintaining stable products and service priorities, focusing on the core activities, paying attention to new opportunity for products delivery, and supporting change provision only when under pressure from external agencies. This agrees to Hoang and Lima (2016) found out that underperforming prospector firms take greater risk when their performance falls further below their aspiration level. These findings are largely consistent with other predictions and suggest that firms with distinct strategic orientations exert different organizational risk-taking behavior in response to performance feedback.

Table 2. Analysis by prospector strategy and performance

Prospector Strategy	M	SD
Practice of innovation to enhance sales	3.13	1.00
Principle of internal locus of control and applying it in the training programs	3.17	1.03
Continually redefine the products and service priorities to increase profits	3.34	1.01
Searching of new opportunities to increase profits	3.34	0.96
Overall Prospector Strategy	3.25	1.00

Source: Research data (2020)

4.2.2 Influence of defender strategy on performance of FMCG manufacturing firms

The second objective was to establish the role of defender strategy on performance of fast-moving consumer goods manufacturing firms in Nairobi County, Kenya. The study assessed this objective to obtain results in Table3.

According Table 3, the respondents showed that the effect of defender strategy on performance of FMCG firms was moderate (M = 3.24; SD = 1.10). They showed that maintaining stable products and service priorities increase profits moderately performance of FMCG firms (M = 3.05; SD = 1.08) while focusing on the core activities to increase profits also moderately performance of FMCG firms (M = 3.33; SD = 1.13). As paying attention to new opportunity for products delivery increase profits moderately performance of FMCG firms (M = 3.28; SD = 1.14), supporting change provision only when under pressure from external agencies to increase in profits moderately affects performance of FMCG firms (M = 3.30; SD = 1.06). This is agreement with the study by Hoang [22] that underperforming defender firms take greater risk when their performance falls further below their aspiration level, agreeing to the findings in this study. In their study, Oyedijo and Akewusola [24] revealed that defender strategies are linked to small firms Thus, defender strategy should have a low significant effect on performance of FMCG firms in Nairobi County. However, defender strategy had a moderate effect on performance of FMCG firms in this study. In the defender strategy, profitability levels are the fundamental basis of sustainable competitive advantage. When the firms are seeking to succeed in their businesses, they adopt generic defender strategy for enhancing relative position of a firm within its industry.

4.2.3 Influence of analyser strategy on performance

The study assessed the third objective, to determine the role of analyzer strategy on performance of fast-moving consumer goods manufacturing firms in Nairobi County, Kenya and obtained results captured in Table 4.

In Table 4, it is shown that analyzer strategy moderately affected performance of FMCG Firms (M = 3.28; SD = 0.94). While the respondents indicated that the level to which strategy was based on formal analysis of the products to increase sales was moderate affecting performance of FMCG firms (M = 3.16; SD = 0.98), they indicated that the firm assess to alternative strategies to increase profits moderately performance of FMCG firms (M = 3.34; SD = 0.92) and that the level at which the firm targeted on products to specifically identified customers to increase profits was moderate affecting performance of FMCG firms too (M = 3.35; SD = 0.96). They showed that strategy performance of FMCG firms was moderately affected by making strategies on-going basis to enhance profits (M = 3.26; SD = 0.92). In fact, Ingram et al. [23]) found that revealed the existence of clear strategy had strong relationships with organizational performance such that analyzer strategy promised improved performance. When relating gender to the strategy, Blayney and Blotnicky [25] found that men hotel managers used the analyzer strategy.

Table 3. Analysis by Defender Strategy and Performance of FMCG Firms

Defender strategy	M	SD
Maintain stable products and service priorities in order to increase profits	3.05	1.08
Focusing on the core activities to increase profits	3.33	1.13
Attention to new opportunity for products delivery to increase profits	3.28	1.14
Supporting change provision only when under pressure from external agencies to increase profits	3.30	1.06
Overall Defender Strategy	3.24	1.10

Source: Research data (2020)

Table 4. Analysis by analyser strategy and performance of FMCG firms

Analyzer strategy	M	SD
strategy is based on formal analysis of the products to increase sales	3.16	0.98
assess alternative strategies to increase profits	3.34	0.92
targets on products to specifically identified customers to increase profits	3.35	0.96
strategy made on an on-going basis to enhance profits	3.26	0.92
Overall Analyzer Strategy	3.28	0.94

Source: Research Data (2020)

4.2.4 Influence of reactor strategy on performance

Objective 4 was to examine the role of reactor strategy on performance of fast-moving consumer goods manufacturing firms in Nairobi County, Kenya. On assessing this objective, the study obtained results in Table 5.

Table 5 results show the respondents indicating that reactor strategy moderately affected performance of FMCG manufacturing firms in Nairobi County (M = 3.19   1.12).   They showed that the firms employed discernible strategy when seeking to enhance competitiveness which moderately affected performance of FMCG manufacturing firms in Nairobi County (M = 3.11; SD = 1.15) as they employed discernible approach to implementing strategies on product area for the purpose of enhancing increased sales which moderately affected performance of FMCG manufacturing firms in Nairobi County. The consistent response to external pressure for increasing competitiveness was moderately affecting affected performance of FMCG manufacturing firms in Nairobi County (M = 3.26; SD = 1.10) while internal pressure to create or develop strategy and therefore increase sales moderately affected performance of FMCG manufacturing firms in Nairobi County (M = 3.18; SD = 1.10). They showed staffs input considered when making decisions directly affecting sales moderately affected performance of FMCG manufacturing firms in Nairobi County (M = 3.27;

SD = 1.16). The findings in this study agree to that by Ingram et al. [23]) which found that reactor strategy leads to higher performance. However, Ingram et al. [23] could not indicate the level of the influence which was ascertained in this study. On contrary.in their study, Oyedijo and Akewusola [24] found that reactor strategies lead to negative performance.

4.5.5 Performance FMCG manufacturing firms

The study assessed status of performance FMCG manufacturing firms in Nairobi and obtained results in Table 6.

These results show that the respondents indicated a moderate average performance of FMCG firms in Nairobi County. They showed that the level of operating costs on competitive advantage was moderate (M = 3.07; SD = 0.92) as the increased its returns by expanding to new markets was also moderate (M = 3.12; SD = 0.97) and diversification into other markets so as to increase profits was moderate too (M = 3.25; SD = 0.99). While they showed they moderately increased their number of outlets which had a moderate improvement of return on investment (M = 3.18; SD = 0.95), they showed that their organization did not always go mergers or acquisitions to increase performance (M = 3.33; SD = 0.97) and rarely had price cuts to grow the market share (M = 3.09; SD = 1.03). The study found that the average performance of FMCG firms in Nairobi County was moderate as indicated by moderate operating costs for

Table 5. Analysis by reactor strategy on performance of FMCG

Reactor strategy	M	SD
Employ discernible strategy to enhance competitiveness	3.11	1.15
Discernible approach to implementing strategies on product area to increase sales	3.15	1.10
Consistent response to external pressure to increase our competitiveness	3.26	1.10
Internal pressure to create or develop strategy to increase sales	3.18	1.10
Staffs input into decisions directly affecting sales	3.27	1.16
Overall Reactor Strategy	3.19	1.12

Source: Research Data (2020)

Table 6. Analysis by performance of FMCG

Performance of FMCG	M	SD
Operating costs effect on competitive advantage	3.07	0.92
Increased its returns by expanding to new markets	3.12	0.97
Diversifying into other markets increase profits	3.25	0.99
Increasing the number of outlets and improved return on investment	3.18	0.95
Mergers or acquisitions to increase performance	3.33	0.97
Price cuts grow the market share	3.09	1.03
Overall Performance of FMCG	3.17	0.97

Source: Research Data (2020)

ensuring competitive advantage, average increased in returns on expanding to new markets and limited diversification into other markets so as to increase profits. Empirical research such as by Hoang [22] has come in support of this assertion. The findings on the effect of prospector strategy on performance of FMCG are largely consistent with the predictions in previous studies [7,22]. According to the study by Ingram et al. [23]) there existence of "clear" strategic types in majority of companies which have strong relationships with organizational performance; suggesting that prospector strategy promises higher performance. That is confirmation that prospector strategy effect on performance of FMCG firms is positive.

4.6 Inferential Analysis

The study sought to establish whether the IVs; prospector strategy, defender strategy, analyzer strategy, and reactor strategy are good estimators of DV, Performance of FMCG manufacturing firms in Nairobi County, Kenya using inferential analysis.

4.6.1 Correlation analysis

Correlation analysis was performed to establish presence of relationship between the DV and each IVs, using Pearson's product method (PPM) at 5% (0.05) level of significance and the results presented in Table 7.

These results show that each of the IV; prospector strategy (p-value = 0.001), defender strategy (p-value = 0.035), analyzer strategy (p-value = 0.000), and reactor strategy (p-value = 0.000), was significantly related to performance of FMCG manufacturing firms in Nairobi County; since the p-value for each relationship was less than 0.05. It is further shown that while each of prospector strategy (p-value = 0.001; r = 0.299), and defender strategy (p-value = 0.035; r = 0.197) had low significant relationship with performance of FMCG manufacturing firms in Nairobi County (since the correlation coefficient (r) was below 0.3), analyzer strategy (p-value = 0.000; r = 0.324), and reactor strategy (p-value = 0.000; r = 0.451) had significant moderate relationship with performance of FMCG manufacturing firms in Nairobi County since the correlation coefficient (r) was between 0.3 and 0.6.

4.6.2 Regression analysis

The study regressed all the IV's; prospector strategy, defender strategy, analyzer strategy,

and reactor strategy, against the DV; Performance of FMCG in Nairobi County, Kenya to estimate the study model;

$$Y_i = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon, \qquad (i)$$

Where, Y_i= Performance of FMCG;
β_0= constant (coefficient of intercept),
X_1= Prospector Strategy;
X_2= Defender Strategy;
X_3= Analyzer Strategy;
X_4= Reactor Strategy;
ε = Error term;
$\beta_1 \ldots \beta_4$= Regression coefficient of four variables.

The results are captured in Table 9.

The results (T= 2.010; p-value= 0.047) show the p-value as being 0.047 which is less than 0.05; meaning that at α = 0.05, prospector strategy has a significant effect on performance of FMCG manufacturing firm in Nairobi County and there is sufficient evidence that prospector strategy is a useful estimator of performance of FMCG manufacturing firm in Nairobi County. Considering that the number of records were 128, the degree of freedom = 128-1 = 127. So, T-critical (127) = 1.657 while in these results, t(127) = 2.010, p = .047. Since, t(127) = 2.010 is greater than T-critical (127) then there is greater evidence that prospector strategy predicts performance of FMCG manufacturing firms in Nairobi County.

According to the results, (T= 2.327; p-value = 0.022), the p-value is less than 0.05; which implies that there exists a significant relationship between defender strategy and performance of FMCG manufacturing firm in Nairobi County. At 5% significance level there is sufficient evidence that the defender strategy are useful estimators of performance of FMCG manufacturing firm in Nairobi County. More so, T-critical (127) = 1.657 t(127) = 2.327, p = .022 where t(127) > T-critical (127) to imply that there is greater evidence that defender strategy can estimate performance of FMCG manufacturing firms in Nairobi County.

From the results, (T= 2.510; p-value= 0.013), the p-value is less than 0.05; an indication that there is a significant relationship between analyzer strategy and revenue collection performance. Therefore, at α = 0.05, there is enough evidence that the analyzer strategy is a useful estimator of performance of FMCG manufacturing firm in Nairobi County. Furthermore, T-critical (127) = 1.657 while t(127) = 2.510, p = .013 to imply t(127) > T-critical (127) hence adequate

Table 7. Correlation analysis statistics

		Performance of FMCG firms	Prospector Strategy	Defender Strategy	Analyzer Strategy	Reactor Strategy
Performance of FMCG firms	Pearson Correlation	1	.299[**]	.187[*]	.324[**]	.451[**]
	Sig. (2-tailed)		.001	.035	.000	.000
	N	128	128	128	128	128
Prospector Strategy	Pearson Correlation	.299[**]	1	-.048	.403[**]	.159
	Sig. (2-tailed)	.001		.592	.000	.073
	N	128	128	128	128	128
Defender Strategy	Pearson Correlation	.187[*]	-.048	1	-.031	.071
	Sig. (2-tailed)	.035	.592		.732	.427
	N	128	128	128	128	128
Analyzer Strategy	Pearson Correlation	.324[**]	.403[**]	-.031	1	.152
	Sig. (2-tailed)	.000	.000	.732		.087
	N	128	128	128	128	128
Reactor Strategy	Pearson Correlation	.451[**]	.159	.071	.152	1
	Sig. (2-tailed)	.000	.073	.427	.087	
	N	128	128	128	128	128

**. Correlation is significant at the 0.01 level (2-tailed); *. Correlation is significant at the 0.05 level (2-tailed); Source: Research Data (2020)

Table 8. Regression results on

	Coefficients[a]				
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.525	.384		1.367	.174
Prospector Strategy	.159	.079	.164	2.010	.047
Defender Strategy	.135	.058	.174	2.327	.022
Analyzer Strategy	.224	.089	.205	2.510	.013
Reactor Strategy	.299	.060	.382	5.028	.000

a. Dependent Variable: Performance of FMCG firms; Source: Research Data (2020)

evidence that defender strategy can estimate performance of FMCG manufacturing firms in Nairobi County.

Based on these results, (T= 5.028; p-value= 0.000), the p-value is less than 0.05 means that there is a significant relationship between reactor strategy and revenue collection performance and at α = 0.05, there is enough evidence that the reactor strategy is a useful estimator of performance of FMCG manufacturing firm in Nairobi County. That T-critical (127) = 1.657 and t(127) = 5.028, p = .047 then t(127) > T-critical (127) indicating that there is significant evidence that defender strategy can estimate performance of FMCG manufacturing firms in Nairobi County.

Accordingly, the prospector strategy, defender strategy, analyzer strategy, and reactor strategy have significant positive effect on performance of FMCG manufacturing firms in Nairobi County, Kenya and are therefore suitable estimators of on performance of FMCG manufacturing firms in Nairobi County, Kenya. Based on the results, reactor strategy(β=0.299) has the most significant effect followed by analyzer strategy (β= 224), then prospector strategy (β=0.159) and lastly defender strategy (β= 0.135).

The results in Tables are used to obtain linear regression equation;

Performance of FMCG manufacturing firms in Nairobi County ($\hat{Y}$) = 0.525cons + 0.159 prospector strategy (X_1) + 0.135 defender strategy (X_2) + 0.224 analyzer strategy (X_3)+ 0.229 reactor strategy (X_4)

Table 9. Model summary

Model Summary[b]			
R	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
.566[a]	.3203	.2982	.64242

a. Predictors: (Constant), Reactor Strategy, Defender Strategy, Analyzer Strategy, Prospector Strategy; b. Dependent Variable: Performance of FMCG Source: Research Data (2020)

Table 10. ANOVA

ANOVA[a]					
	Sum of Squares	**df**	**Mean Square**	**F**	**Sig.**
Regression	23.919	4	5.980	14.489	.000[b]
Residual	50.763	123	.413		
Total	74.682	127			

a. Dependent Variable: Performance of FMCG, b. Predictors: (Constant), Reactor Strategy, Defender Strategy, Analyzer Strategy, Prospector Strategy; Source: Research Data (2020)

Thus, performance of FMCG manufacturing firms in Nairobi County increases by 0.525 units regardless of whether the competitive strategic responses explanatory variables are present or not. The fitted model also shows the impact the exploratory variables of competitive strategic responses have on the performance of FMCG manufacturing firms in Nairobi County. One unit change in the prospector strategy (X1) leads to a rate of 0.159 unit change in the performance of FMCG manufacturing firms in Nairobi County in the same direction. One unit change in defender strategy (X2) leads to a rate of 0.135 unit change in the performance of FMCG manufacturing firms in Nairobi County in the same direction and finally, a one unit increase in analyzer strategy (X3) leads to a rate of 0.224 unit change in the performance of FMCG manufacturing firms in Nairobi County, and a one unit increase in reactor strategy (X4) leads to a 0.229 unit increase in the performance of FMCG manufacturing firms in Nairobi County and vice versa.

It is shown in the results show that each of; prospector strategy, defender strategy, analyzer strategy, and reactor strategy had positive coefficients, which means that they were all directly proportional to performance of FMCG manufacturing firm in Nairobi County. This means that an increase in any of IVs; prospector strategy, defender strategy, analyzer strategy, and reactor strategy would lead to an increase in performance of FMCG manufacturing firms in Nairobi County and any decrease in any of them will have an opposite effect on performance of FMCG manufacturing firm in Nairobi County.

According to the results in Table 9, the coefficient of determination (Adjusted R^2) of 0.2982, imply that 29.82% of change in performance of FMCG

manufacturing firms in Nairobi County is explained by prospector strategy, defender strategy, analyzer strategy and reactor strategy.

The Analysis of Variance (ANOVA) statistics was to establish whether the beta value; $\beta_1 = \beta_2 = \beta_3 = \beta_4 = 0$ (i.e., the coefficients of the IVs are all zero) or at least one $\beta_i \neq 0$ (which implies a significant model in estimating performance of FMCG manufacturing firm in Nairobi County). The results are captured in Table 10.

The results show that in (F= 14.489, P-value= 0.000), p-value = 0.000 which is less than p-value < 0.05. Since p-value < 0.05, then at 5% significance level (α = 0.05), there is enough evidence to conclude that at least one of the; prospector strategy, defender strategy, analyzer strategy, and reactor strategy is useful explaining performance of FMCG manufacturing firm in Nairobi County. Also, according to the results, ($F_{4,123}$ = 14.489, p < .001), there is sufficient evidence to conclude that the model is significant since ($F_{4,123}$ = 14.489) is greater than (F-critical$_{4,123}$ = 2.445). Since F-test is significant, then R-squared does not equal zero and the correlation between the model and dependent variable is statistically significant

5. CONCLUSIONS and RECOMMENDA-TIONS

5.1 Conclusions

The study revealed that there was moderate performance of FMCG firms in Nairobi County characterized by; inadequate operating costs for ensuring competitive advantage, relaxed aggressively expanding to new markets and optimism on diversification into other markets, not vigorously venturing into increasing outlets,

reluctance to rethink on mergers or acquisitions as an appropriate strategy for increasing performance, laxity in initiating price cuts as strategy to grow the market share.

In conclusion, the study states that, at 5% significance level, prospect strategy has low significant and positively effect on performance of FMCG firms in Nairobi County through deployment of valuable, rare, inimitable and non-substitutable (VRIN) resources. These resource drive superior competitive advantage resulting in improved firm performance. The key concerns in prospect strategy in improving performance of FMCG firms in Nairobi County are; application of principle of internal locus of control and applying it in training programs, continually redefining the products/service priorities while at the same time searching of new opportunities.

The study concludes that defender strategy has a low significant and positive effect on performance of FMCG firms in Nairobi County. It is fundamental basis of sustainable competitive advantage that firm should make profitability for business while at the same time defending performance. The strategy focuses on; maintaining stable products and service priorities, focusing on the core activities, paying attention to new opportunity for products delivery, and supporting change provision only when under pressure from external agencies.

The study concludes that analyzer strategy moderately and significantly affects performance of FMCG Firms in Nairobi County. This is while focusing on the formal analysis of the products of seeking to increase sales, assessing alternative strategies when strategizing to increase profit margin, targeting on products to specifically identify customers and hence increase profits and ensuring that the strategy is on an on-going basis when seeking to enhance their profits. It ensures that the firm achieves its expected performance.

The study concludes that reactor strategy positively and significantly affects performance of FMCG manufacturing firms in Nairobi County. This indicated by; employing discernible strategy when seeking, utilizing discernible approach to implementing strategies on product area, consistent response to external pressure, internal pressure to create or develop strategy.

5.4 Recommendations

The study recommends that FMCG firms should seek to secure and protect their market niches

while maintaining internal focus. This should be based on; cost efficiency, price, service delivery and quality and through offering limited products or services compared to other competitors. The firms should possess high levels of; market linking, marketing, and production capabilities while focusing extensively on process improvements, resource efficiency and cost-cutting.

There is need to adopt new products and exploit market opportunities while concentrating on those products that have demonstrated successful return. There is need to enter into environments that provides moderate levels of managerial discretion. Environments with moderate levels of discretion are acceptable for specific range of actions and are tolerable for some strategic change for improving performance of firms.

The firms need to achieve a competitive advantage through a clear and concise connection between structure and strategy. There is need to have a coherent plan to compete in the industry or mechanisms and processes to adapt to the market. There should be a specific strategy which does not contradict between the chosen strategy and organizational structure while enhancing adaption to the new competitive environment.

5.4.1 Recommendations for future research

Since the consumers' preferences and tastes are changing, a study on other factors affecting consumer preferences on FMCG manufacturing firms' products can be conducted. This will present solutions to many challenges facing the FMCG manufacturing firms products based on the price fetched by Kenyan FMCG in the global market. A study can be conducted on strategic inertia because Kenyan FMCG manufacturing firms tend to be comfortable with the status quo. There is need to undertake similar research in the other counties in order to generalize the study findings.

CONSENT

As per international standard or university standard, respondents' written consent has been collected and preserved by the author(s).

ETHICAL APPROVAL

The study was approved by the research committee of Jomo Kenyatta University of

Agriculture and Technology, permitted by the Kenyan National Council of Science and Technology (NACOSTI), the national research ethics committee and it was performed in accordance with the ethical standards as laid down in the 1964 Declaration of Helsinki and its later amendments or comparable ethical standards.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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