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ADDIS ABABA UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

SCHOOL OF COMMERCE POST GRADUATE PROGRAM

**The effect of competitive strategy on
the performance of bottled water producing
companies in Ethiopia**

A Thesis Proposal Submitted to the school of Graduate Students Of Addis Ababa
University School Of Commerce in Partial Fulfillment of the Requirements for the
Degree of Master of Arts in Marketing Management

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Addis Ababa, Ethiopia

DECLARATION

I hereby, declare that this study entitled “The effect of competitive strategies on the Performance of bottled water producing companies in Ethiopia; is my original work prepared under the guidance of my advisor Temesegen Belayeneh(PhD). This paper is submitted in partial fulfillment of the requirement for the award of Master of Arts Degree in Marketing Management and it has not been previously submitted to any college or university. I also confirm that all the sources of materials used in this study are duly acknowledged.

Name: Sewenet Wondirad

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This is to certify that this thesis entitled as “The effect of competitive strategies on the Performance of bottled water producing companies in Ethiopia.” submitted in partial fulfillment of the requirements for the Degree of Masters in Marketing Management, has done by Sewenet Wondirad is an authentic work carried out by him under our guidance. The theme embedded in this thesis has not been submitted earlier for the award of any degree or diploma in any other university to the best of knowledge.

Approved by Board of Examiners

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Advisor

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Internal Examiner

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External Examiner

LETTER OF CERTIFICATION

This is to certify that Sewenet Wondirad has carried out his research project work under my supervision, on the topic of “The effect of competitive strategies on the Performance of bottled water producing companies in Ethiopia.” This work is original in its nature and it is suitable for Submission in partial fulfillment of the requirement for the award of Master Degree in Marketing Management.

Temesegegn Belayeneh (PhD)

(Advisor)

Signature _____

Date _____

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ABBREVIATIONS AND ACRONYMS

FP Firm Performance

MP Market Performance

SPSS Statistical Package for the Social Sciences

RBV Resource Based View

CLS Cost leadership strategy

DS Differentiation Strategy

FS Focus Strategy

ABSTRACT

This research paper aims to examine the role of porter's generic competitive strategies practices on the performance of bottled water producing companies in Ethiopia: The sample companies cover five top producers of bottled water manufacturing companies in Ethiopia: TOP water, Africa water, Arki water, Aqua addis water and Gold water. For a manufacturing company, the manufacturing function plays a fundamental role in its pursuit of competitiveness. . It is therefore critical to formulate an appropriate competitive strategy that will enable the manufacturing function to contribute to the company's long-term competitiveness. This requires the alignment of the manufacturing strategy with the company's competitive strategy. To address the research objective 176 sampled respondents were selected. To get reliable and sufficient information regarding companies' competitive strategy practices and to easily contact respondents, purposive sampling technique was used, then, to select samples from the population in order to get the required sample size proportional sampling technique has been used. About 176 questionnaires were distributed; from which 152 sample respondents replied appropriately to the questionnaire. Data gathered were analyzed based on these 152 responses using SPSS 26 software package. Descriptive statistics and explanatory research approaches were employed. All outputs were presented using frequency, correlation and multiple linear regressions. The result indicates that cost leader ship strategy, differentiation strategy, and focus strategies were the major influencing strategies that determine and influence their firm performance. Among the strategies, focus strategy was the most statistically significant influencing strategy for their firm performance. The study recommended that the companies have to strive to reduce overall costs, to differentiate their products, to offer customers high-value added products and to increase conformance quality consistently in order to increase their market share and profitability, ultimately to stay viable.

KEY WORDS: Generic competitive strategies, firm performance, cost leader ship strategy,differentiation strategy, focus strategy

CHAPTER ONE

1. INTRODUCTION

This chapter intends to provide a comprehensive understanding, background, statement of the problem, research question, objectives, terminology, significance and scope of the study.

1.1 Background of the Study

Any product that has a massive need has a potential for market, subsequently firms try to satisfy that need/demand, this in turn, creates competition among providers for the same product and market. To overcome this competition firms have to perform in a better way than their rivals.

Drinking water is one of the basic needs of human kind. Hence this need must be satisfied. Here come the questions, who satisfy this need? How this need can be satisfied? Firms established to satisfy certain needs, want and desires in accordance with their objectives. Business organizations try to satisfy the needs wants and desires in a profitable way. With regard to this issue, theorists and empiricists reflected different views. For instance, organizational theory like the contingency school theorists indicated that the performance of a firm rests squarely on the systematic alignment of organizational elements with its operating environment. The proponents of market related view believed that a firm earns a competitive advantage or achieves an above industry average return when it has a better position in the industry relative to its competitors (Ray, 2004; Thompson and Strickland, 2003; Prasad, 1985; and Sutherland, 2004).

Some other researchers also contend that strategy is a means to connect a firm with the environment in which both internal and external aspects were equally important. This implies that, to remain viable, efficient and effective in responding to the dynamic and uncertain business environment, firms must carry out a perpetual audit on the present environment and cast out the future state of the environment and then create actionable strategy. Firms that have not been able to cope and afford the right resources and the right strategy to explore and exploit the opportunities and to neutralize the threats will become poor in their performance (Martin, 2014).

By its very nature, firm performance is a general and wide concept. The issue regarding firm performance is not as simple as, it can be left to scholars and experts in the field of management. It encompasses and determines the survival of small, medium and large firms. So, it needs

practical and knowledge based treatment. There are many variables involved in firm performance outcome. It includes the factors that affect internal and external environment. The internal factors include: production capacity, knowledge and skill of employees, managerial ability, financial resources and so on. The external factors include: competition in the market, income, taste, value of customers, economic, social, technological, legal and political issues. Sometimes these variables can be offset each other, but the overall and coordinated activities can produce the needed success to firms. With this dynamics, firms have to follow, evaluate, monitor and take the necessary measures and have to make the appropriate decisions. Moreover, the growing globalization trend, the expansion of e-commerce and the ever increasing international trade, forces firms to think out of the box and have to be ready to make strategic and tactical moves.

According to a report released by CSA on December, 2017, 0.4% Ethiopian population, 2.4% in urban large towns uses bottled water. The users of bottled water increases significantly year to year following the significant growth of the economy, urbanization and health concern. Twenty five years back there are only few brands of imported bottled waters in Ethiopia, The emergence of “Highland” bottled water followed by other brands with lower prices and good quality forced the imported bottled waters out of shelves. According to EBMA (Ethiopian beverages manufacturing industries association) 2021 report more than 100 manufacturers producing bottled waters exist in Ethiopia. This shows the level of competition and the dynamic environment of the market and thus the need of competitive strategies and marketing capabilities for best firm performance.

Therefore, this study will intend to identify and examine the effect of porter’s generic competitive strategies that affect firm performance, particularly, market and financial performance of bottled water Companies in Ethiopia through analyzing the generic strategies and to come up with findings that enhance firm performance.

1.2 Statement of the Problem

Bottled water manufacturing is relatively a new sector in Ethiopia market owned by private firms but it shows a significant growth year to year. The majority of bottled water in Ethiopia is sourced from natural springs and is considered to be safe and healthy to drink. Furthermore the existing firms made expansions and new entrants are on the verge of entering the industry. Due to this reason, Ethiopia's bottled water sector has become a highly competitive environment. Furthermore, a larger number of competitors provide identical products that are easily duplicated in terms of name, feature, and others (Munyiri, 2014; Ogongo, 2014).

Few years back to establish and produce bottled water needs relatively low initial investment besides it takes a short period of time to install the plant and start production. The products also can be sold easily since the market is unsaturated. Nowadays the increasing number of entrants and the growth production of substitute products like soft drinks and mineral waters make the market competitive. Such stiff competition forces companies to evaluate and improve their performances.

Few studies have been locally conducted on the topic of firm performance and bottled water producing companies using different methods and areas. International researches mainly conducted in developed countries have little benefits to serve and adopt as a model to a developing countries like Ethiopia, because of the socio-economic gap.

Prior studies mainly focused on factors influencing on firm performance of service sectors and studies conducted on bottled water companies mainly focused on sales performance, customer satisfaction and branding. The significant growth of demand for bottled water and the simultaneous growth of stiff competition make the need for competitive strategies and marketing capabilities for firm performance inevitable.

The researcher noticed few studies have been done regarding the effect of generic competitive strategies on firm performance in manufacturing sector locally. Most previous studies focused on the effect of branding, customer satisfaction and marketing mix on firm performance in the service sector. Therefore, this study will try to identify and examine the factors that affect firm performance using porter's generic competitive strategies this study giving due emphasis on market performance and financial performance rather than overall firm performance. Furthermore, the researcher intend to fill the research gap of other studies by adding new insight

on the factors that affect firm performance and new ways of improving firm performance in the context of Ethiopia manufacturing sector particularly bottled water companies.

1.3 Research Questions

1.3.1 Main Questions

What are the effects of Porter's generic competitive strategies on the performance of bottled water companies in Ethiopia?

1.3.2 Sub Research Questions

1. What is the effect of cost leadership strategy on firm performance of bottled water companies in Ethiopia?
2. What is the effect of differentiation strategy on firm performance of bottled water companies in Ethiopia?
3. What is the effect of focus strategy on firm performance of bottled water companies in Ethiopia?

1.4 Research objectives

The main objective of this study is to identify and examine the effects of Porter's generic competitive strategies on the performance of bottled water companies in Ethiopia.

1.4.1 Specific Objectives

1. To Identify and examine the effect of cost leadership strategy on the performance of bottled water companies in Ethiopia.
2. Identifying the effect of differentiation strategy on the performance of bottled water companies in Ethiopia
3. Identifying the effect of focus strategy on the performance of bottled water companies in Ethiopia.

1.5 Definition of Terms

Conceptual Terms

Competitive Strategies—are those developed plans and techniques for a particular business in consideration of internal and external factors. Porter (1980)

Operational Terms

Firm performance - is the ability of a company to generate outcomes in terms of market performance and financial performance.

Resources – include natural endowments, advanced technology, excellence of knowledge considered as human capital, financial potential, protected patents etc. that could be turned into competitive advantage.

Marketing capabilities – include all activities, process and engagements designed and implemented to perform the marketing activities that enables the firm to outperform the competitors.

Bottled Water Company – a manufacturing company engaged in producing and selling of bottled water in Ethiopia.

1.6 Significance of the paper

The researcher firmly believed this paper has significant information to bottled Water Company's management in Ethiopia on firm performance, allowing them to develop relevant strategies to cope with the ever increasing competition in the industry. Additionally, this study provides insight to all managers in the field of marketing department, and other staff to identify the current essential aspects driving firm performance. As a result of this, they will keep their firm viable and competent to rival companies which produce the same products and substitute products. Furthermore, the study's findings will serve as source of reference for other researchers interested in doing additional research on the effect of generic competitive strategies influencing firm performance in the context of the Ethiopian producers of bottled water and close substitutes.

1.7 Scope of the Study

The study focused on the effect of generic competitive strategies on firm performance of bottledWater Companies in Ethiopia. In fact, there are many factors that influence firm performance. However, this study consideredonly factors related to porter’s generic competitive strategies that affect market performance and financial performance.

Methodologically, the study will employ descriptive and explanatory design. Besides, the study usedquestionnairesto gather the required data from the sampled respondents.

Geographically, this research was conducted on five sample private companies that produce bottled water located in Addis Ababa and oromia region near to Addis including Bureau.

1.8 Organization of the thesis Paper

The thesis paperhasfiveparts. Chapter oneincludes introduction, statement of the problem, research question, objective, significance, scope and definition of terms. Chapter two provide theoretical foundation, empirical evidence followed by a summary of research gaps, conceptual framework and research hypothesis. Third chapter presents the methodology. Chapter four focused on data presentation, analysis and interpretation. The final Chapter gave complete summary of findings, conclusions, and recommendations.

CHAPTER TWO

2 LITERATURE REVIEW

2.1 Introduction

This chapter provides the review of the literature that covers prior studies on the effect of competitive strategy on firms to achieve competitive advantage over rivalries and the development of Competitive strategies (Porter's Generic competitive strategies) and those related factors that affect firm's performance to create sustainable competitive strategies in bottled water manufacturers in Ethiopia. Theoretical and empirical review of selected studies is carried out and the effect of each variable proposed by various authors is explored in this chapter.

2.2 Theoretical Review

Organizations may pursue different strategies in order to compete in the market. Some of the theories of competitive strategy as a tool mentioned by different scholars that believed to bring positive effect on firm's performance will be discussed in this chapter;

2.2.1 Competitive strategies

To examine and recognize every aspect in a market and overall environment is crucial for every firm. To be successful, there is a need to take a closer look on every situation and create a linkage to its environment is essential in order to develop a sound competitive strategy. The industry or industries in which the firm competes are the most important part of the firm's environment, despite the fact that the relevant environment is very broad and includes both social and economic influences. The competitive environment in the field and the alternative strategies available to the firms are strongly influenced by industry structure. Since external factors typically have a great impact on all firms operating in an industry, their relative importance can be best understood by examining how each firm responds to these factors (Porter, 1998). Nowadays, competition grows rapidly almost in every sector; the expansion of free trade enables the giant companies to compete in every corner in the globe. Porter claimed that the competitive forces mostly originated from five well-known areas. Entry, threat of substitution, customer and supplier negotiating power, and competition between present rivals are among them (Porter, 1998).

2.2.2 Porter's Generic competitive strategies

The decision-making process is facilitated by Porter's (1985) model, which also increases the likelihood that a firm could select the right competitive strategy. Porter claims that a business firm must employ one of the pure generic strategies to change the structure of the market and earn above industry average profits. Business firms need to sort themselves into either low cost leadership or differentiation strategies to achieve sustainable competitive advantage. Any attempt to use an integrated low cost leadership and differentiation strategy may generate no or temporary competitive advantage. This situation is basically considered as a "stuck in the middle" of the competitive market place as cutting costs often entails cutting added features or services.

2.2.3 Differentiation strategy

This strategy entails accomplishing something uniquely and having it be valued by customers enough to justify a price premium (Johnson et al., 2011). The focus may be on a company's reputation, proprietary technology, unique features, better customer handling, robust delivery network, or other factors that can be industry-specific. A bigger profit margin than the industry standard resulted from product or service distinctiveness or both (Porter, 1985). In order to build their competitive edge, the distinguishing business will spend more money (Porter, 1996). The rise in sales revenue must be sufficient to cover these additional expenses.

2.2.4 Cost Leadership strategy

Production costs take the lion share of a firm's cash flow that are engaged in production of goods. Large-scale markets are the focus of cost leadership strategy, which calls for "aggressively building productive scale facilities, lowering rates, controlling tight costs, avoiding marginal customers, and minimizing other costs" (Hunger, 2003). This strategy requires a continuous pursuit of cost reductions, absolute control, and cost minimization in areas like research and growth, sales force, and advertising (Porter, 1980). The cost leadership strategy enables the firm to provide high-value benefits to customers while managing expenses and increases sales revenue which in turn increases market share and profitability.

2.2.5 Focus strategy

By tailoring its products and services to the needs of that particular segment to the exclusion of those of other segments, this strategy targets a small portion of a market that is not adequately served by cost leadership or differentiation strategies (Johnson et al., 2011). Focus strategies are more persuasive when the business can identify and nurture the specific interests of its customers and when this niche market is untapped by competitors (David, 2000). When companies that adopt broad cost leadership or differentiation strategy are not interested in a certain market, small and medium firms focus and enjoy the opportunity to provide goods and services by setting relatively higher prices that would not attract rivals.

2.2.6 Critiques on the Generic Strategies

Even if Porter's generic strategy has many advantages and pioneer to be seen as a feasible theory, it cannot escape from many criticisms. Most of the time, the criticism came from the point that Porter's view of choosing only one strategy and working on it. Wright questioned the usefulness of these strategies, claiming that these strategies are out dated and they do not match empirical reality and that there is no evidence to support them. (Wright, 1987).

2.2.7 Competitive Advantage

A firm can achieve its sustained competitive advantage, according to Barney, by putting an emphasis on strategies that would take advantage of its internal strengths while reducing external threats and internal weaknesses (Barney, 1991).

For any firm, gaining a competitive advantage is crucial. A product or service with a competitive environment can win and maintain its better position if and only if customers value its offerings more than equivalent products from a company's rivals. Competitive advantages are frequently temporary since rivals frequently try to replicate them. Organizations must constantly create new competitive advantages if they want to stay ahead of the competition.

2.2.8 Critiques on competitive Advantage

Having a competitive advantage has a great advantage to win a competition. However, implementing these advantages properly, is another thing and it requires better knowledge and one has to know any advantage cannot continue permanently in this dynamic environment. Cost

leadership and differentiation cannot be taken for granted as drivers of competitiveness, according to Barney. Governmental, near-monopoly businesses might generate significant profits without utilizing either Porter's method, in his opinion, because they receive ongoing assistance from the government (Barney, 1991). Additionally, McGrath contends that a competitive advantage by its nature cannot be long-lasting but rather temporary (McGrath, 2013).

2.2.9 Resource based theory

As the name implies resource based theory heavily relies on having or controlling resources. Nonetheless, whatever resources you have without sound competitive strategy and efficient and effective implementation, you cannot benefit from the resources. Rather, you may take the curse of your own resources. Nigeria, Democratic republic of Congo, Somalia and most developing countries have ample natural resources, but they don't use their resources properly, consequently, they suffer in severe poverty.

According to the resource-based approach, a firm's resources must be used effectively and efficiently in order to gain a competitive advantage. The hypothesis, according to Porter (1985), emphasizes a firm's resources as a determining factor of a firm's competitiveness in the industry. A company's resources are divided into three categories: firm capital, physical capital, and human capital. The hypothesis is predicated on the idea that a firm's resources are heterogeneous and immovable. Such a presumption serves as the foundation for resources that provide businesses a competitive edge. According to Barney, a company must obtain and maintain valuable, rare, inimitable, and non-substitutable (VRIN) assets if it wants to achieve a state of sustainable competitive advantage (SCA).

2.2.10 Critiques on the Resource based view theory

Many scholars criticize this theory mentioning relying on resources is a tough thing and hard to get resources that are sustainable for a long period. To mention a few, RBV lacks adequate managerial styles or 'operational validity' (Priem & Butler, 2001). This theory only concerned to obtain VRIN resources but it is silent on how it should be done (Connor, 2002). Nonetheless, the benefit of resources and the embedded theory RBV is unquestionable, countries in the middle east including Saudi Arabia and United Arab Emirates can register a huge development by using their natural resources only within few decades.

2.2.11 Firm performance

Every organization needs better performance in order to survive; this requires strategic direction and detailed plans of all resources. The term firm performance seems a broad and general concept because there are many inter dependent variables for a firm success or failure. Even if it does not give the whole picture about firm performance, for the purpose of this study, the researcher used Richard definition According to Richard (2009), there are three key components to firm performance: one, market performance (sales, market share, etc.); two, financial performance (profits, return on assets, return on investment, etc.); and three, shareholder return (total shareholder return, economic value created, etc.).

The performance of business organizations could be measured on the above Richard definition; hence, growth in sales revenue and the expansion of market share in terms of number of potential customers and geographical coverage, increment of profit are positive signs of firm performance.

2.3 Empirical Review

Many studies evidenced the importance of using the generic strategies for an effective performance. According to a study conducted by Loise Njoki Karanja (2016) on “competitive strategies adopted by HIGHLAND MINERAL WATER COMPANY in Kenya” By using differentiation strategies which include; developing and up grading new products and services, training of marketing staffs can increase market share and profitability. by using focus strategies like quality customer service, conformance of quality of products and services, enhancing operational efficiency, training of staffs, showed positive and significant relation on performance.

According to a study conducted by Tuva Juliet Nuru (2015) on “The influence of differentiation strategy on performance of water bottling companies in Mombasa County, Kenya” differentiation strategy if adopted in water bottling companies affects their performance. The study concludes that there was increased sales performance, increased net profit and increased number of clients served all as a result of differentiation strategy. The study further concludes that most companies focus on product differentiation strategy more than service differentiation strategy.

Another study conducted by Yitebarek Taye Bahiru (2021) on “The influence of competitive strategies on star rated hotel performance in case of Addis Ababa, Ethiopia” found that cost leadership strategies play a significant role in enhancing competitiveness of star rated hotel performances in Addis Ababa, Ethiopia, by operating efficiently and offering innovative goods and services. The study also indicates that differentiation strategies have a high relationship with performance because they provide distinctive products and services with variety, as well as a unique image in the minds of customers, but they still require marketing practice.

2.4 Research Gap

Several researches have been conducted to identify and examine the factors that affect firm performance nevertheless, due to the multidimensionality of the concept and apart from market competition the fact that many variables like productivity, technology, finance, skills and government law policies and regulations and other many variables have significant effect on firm performance the researcher of this study narrow the concept of firm performance only to market performance and financial performance. Few researches were conducted in the context of Ethiopian bottled water manufacturing sector. This study, thus, investigates the firm performance implications of porter’s generic competitive strategies and it intend to add some insight to the existing literature on the methodological, conceptual and knowledge gap by offering further empirical information on the factors that affect firm performance

2.5 Conceptual framework

The conceptual framework below creates a clear view of relationships among variables. In the above-mentioned section, there are many factors that affect firm performance. Here, the researcher only examines the effects of market performance and financial performance. Accordingly, the dependent variable is firm performance of bottled water producing companies, which is the variable of major interest, and the variance is attempted to be explained by the three independent factors cost leadership, differentiation and focus strategies and all are given due consideration. All variables in this research were taken from different articles.

Independent Variables

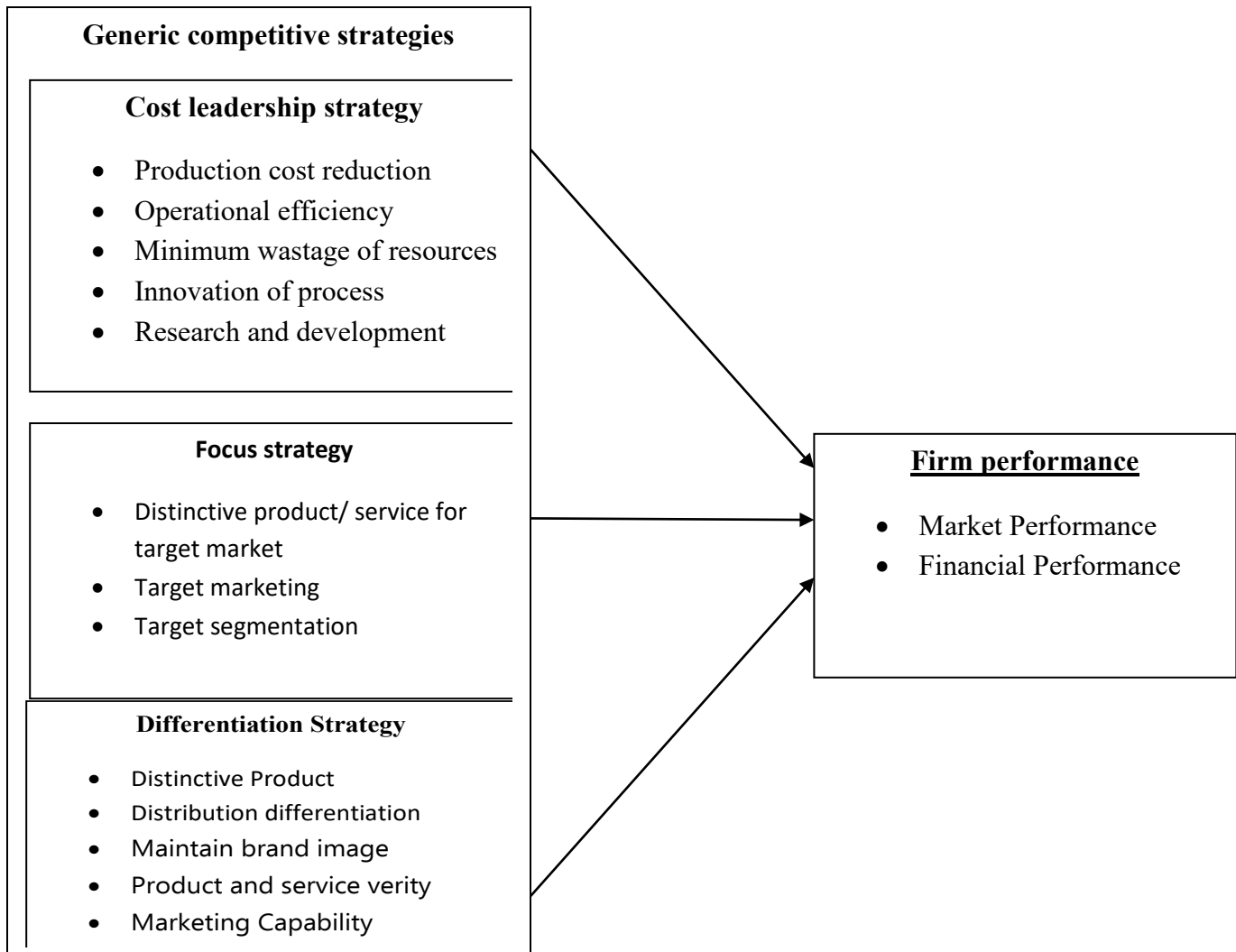


Figure 2.1 Conceptual Framework of the Study

Source, adapted from Porter, 1985

2.6 Hypotheses

H1. There is a positive and significant effect of cost leadership strategy on firm performance of bottled water producing companies in Ethiopia.

H2. There is a positive and significant effect of differentiation strategy on firm performance of bottled water producing companies in Ethiopia.

H3. There is a positive and significant effect of focus strategy on firm performance of bottled water producing companies in Ethiopia.

CHAPTER THREE

3 METHODOLOGY

3.1 Research Approach and design

This chapter intended to describe the approach, methodology, techniques and procedures followed to collect process and analyze the data. The researcher used an explanatory design; it is a preferable design because it consists of both exploratory and descriptive methods. The design helped to examine causes and effects of the variables at hand. It is also suitable to clearly show the effects of porter's generic competitive strategies on the performance of bottled water producing companies in Ethiopia.

3.2 Sampling Technique

The target population was employees of the selected companies that carried out the marketing and production activities including TOP, Africa water, Arki water, Aqua addis water and Gold water producing companies. These companies are selected from Dureti Business intelligence web site entitled "Top 10 Bottled water brands in Ethiopia" 2021 Report. By relying on this report and by using purposive sampling technique the researcher has selected five companies around Addis to be the population of the study. The population of interest for the study are companies' staff including Top management, Heads of marketing department, production department, logistic department, senior staffs and experts of selected bottled water companies located around Addis Ababa. Thus, the respondents could give knowledge based responses regarding strategical issues, plans, implementations and other related questions.

Table 3.1 Population of the study

company	Marketing & sales(number of employees)	Production(number of employees)
Top water	50	25
Africa water	48	20
Arki water	40	23
Aqua addis water	35	22
Gold water	43	18
Total	208	108

Source: TOP beverages industry, S.S group, SBG industry plc, Gold water bottling and non-alcoholic beverage industry and ASKU PLC (2023)

Subsequently, the total population was 316 employees of Top, Africa water, Arki water, Aqua addis water and Gold water producing companies.

3.3 Sample Size Determination

Sample size was drawn from the population, by using Yamane’s (1967) formula

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

Assuming: N= the population size,

n = sample size

at 95% confidence level, and e = ±5%

$$n = \frac{316}{1+316(0.05)^2}$$

$$n = 176$$

To get sample size, proportional sampling technique was used to select samples from the population and the following samples were drawn from the five companies

Table 3.2 Sample size determination

company	Marketing & sales (number of employees)	production (number of employees)
Top water	32	9
Africa water	30	7
Arki water	26	8
Aqua addis water	23	8
Gold water	27	6
Total samples	138	38

Accordingly, 176 sample size was drawn from the population

Source: Own research survey, 2023

3.4 Procedures in collecting data

First hand data were collected by giving questionnaires to 176 staffs of the selected bottled water producing companies. The questionnaires had two parts. Part one: consist of questions regarding general information of the respondents, part two comprised of questions measured on a Likert scale and it focused on the respondents' opinion on what are their competitive strategies and how they implement them in their respective companies and their effects on their firm performance. Additionally, secondary data were taken from web sites. On top of that the researcher interviewed selected respondents for clarification.

3.5 Data Analysis and presentation

The collected data from the sampled companies were cleaned, coded and analyzed by using SPSS version 26. To come up with the quantitative meaning of the data, relationships and predictions among variables were determined by using correlations and regression techniques. A descriptive analysis was used to analyze the responses and Pearson correlation coefficient used to determine the relationship. In addition figures, tables, and graphs were used to easily show the outcomes. Moreover, inferential statistics were used to reflect the outcome of the analysis to population.

3.6 Reliability and Validity Tests

3.6.1 Reliability

According to Kothari (2004), reliability is all about consistency, the accuracy and precision of the measurement technique. Cronbach's alpha coefficient is the common instrument to determine reliability in general cronbach alpha greater than 0.7 is considered as adequate to determine reliability.

Table 3. 3 Reliability Test

Variables	No. of Item in the Scale	Cronbach's Alpha Result
Cost leadership strategy	8	.892
Differentiation strategy	8	.822
Focus strategy	5	.842
Firm Performance	3	.773
Overall Reliability	24	.910

Source: Own research, 2023

As indicated in table 3.3, the reliability coefficients of all variables results have Cronbach's alpha value above 0.70 and are reliable.

3.6.2 Validity

The degree to which a data collection method or approaches accurately measure what they were intended to measure is known as validity. To ensure the study's validity: Data was gathered from respondents with industry knowledge and experience as well as from dependable sources. The adviser and other colleagues also tested and reviewed this work to determine its clarity. The Cronbach's alpha was used to gauge the instrument's reliability (structured questionnaire).

3.7 Ethical considerations

For any research project, ethics is the first and fundamental issue that must be respected. There is a need to conduct research work with honesty and integrity. The fundamental tenet of ethical research is to uphold and defend the rights and human dignity of every respondent. In this regard, the researcher will guarantee that the information provided by the respondents will be kept private and used only for the purposes of the study. Prior to data collection, the study's ethical considerations were taken into account, and effective communication with the employees of a few chosen bottled water companies was conducted.

CHAPTER FOUR

4. ANALYSIS, INTERPRETATIONS AND DISCUSSIONS

This chapter presents a detailed analysis of the data, interpretation of the results and discussions regarding the results. There is a need to interpret quantitative results to meaningful concepts in order to reach conclusion based on the research findings. Thus, the effects of generic strategies on performance of the selected five bottled water producing companies conducted in this manner. To strength the research main concept, both descriptive and inferential statistics were utilized. In the descriptive statistics, mean scores and standard deviation were applied, likewise in inferential statistics; correlation and multiple linear regressions were used. With the aid of the SPSS 26, the data were analyzed. Out of 176 questionnaires issued to five bottled water producing companies, 152 were returned and purposefully selected.

4.1 Demographic issues

The demographic characteristics summarized below

4.1.1 Gender composition

Table4. 1 gender composition of the respondents

Gender	Frequency	per cent	Valid Per cent	Cumulative
Male	113	74.3	74.3	74.3
Female	39	25.7	25.7	100
Total	152	100.0	100.0	

Source: Owns survey, 2023

As it can be seen in the above table almost male respondents tripled female respondents, this implies female participation in tactical and strategically positions are very low in bottled water producing companies in Ethiopia.

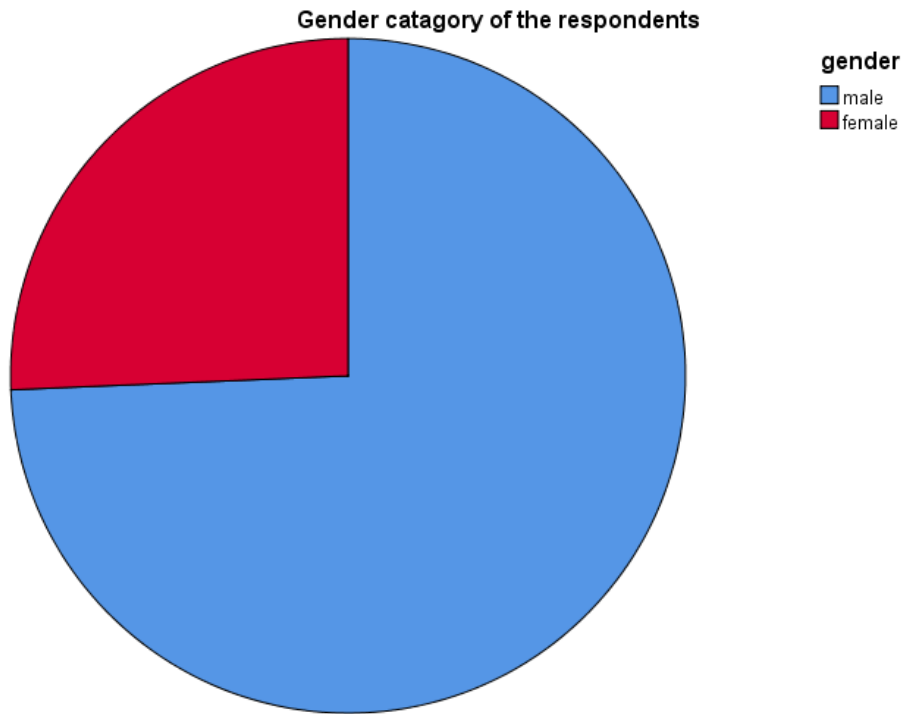


Figure 4. 1 Gender category of respondents

Source: Own research survey, 2023

Table 4.2 Age of the Respondents

Age	Frequency	per cent	Valid percent	Cumulative
25-35 years	67	44.1	44.1	44.1
36-45 years	37	24.3	24.3	68.4
46-55 years	32	21.1	21.1	89.5
>56 years	16	10.5	10.5	100
Total	152	100	100	

Source: Researcher's survey, 2023

The researcher tried to balance homogenous and heterogeneous groups by inducing age brackets of 10 years, and most of the respondents were aged between 25-35 years, contributing 44.1%, while 24.3% were aged 36-45 years, and 21.1% were aged 45-55 years, the rest 10.5% were aged greater than 56 years. This implies the category is representative of the whole worker, this enhances the possibility of getting balanced and accurate responses.

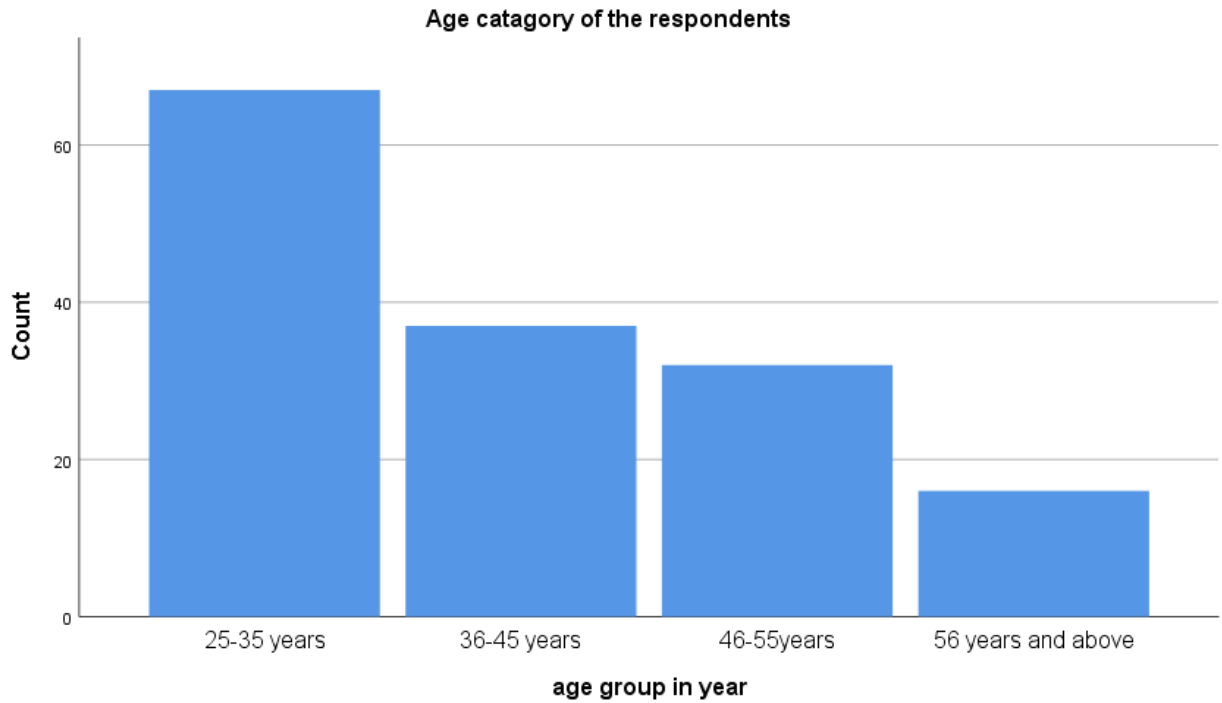


Figure 4. 2 Age category of respondents

Source: Own research survey, 2023

4.1.2 Education back ground of respondents

Education	Frequency	Percent	Valid Percent	Cumulative
Diploma	54	35.5	35.5	35.5
Degree	75	49.3	49.3	84.9
Masters	23	15.1	15.1	100
Others	0	0	0	
Total	152	100	100	

Table 4.3 Education level of the Respondents

Source: Own research, 2023

Regarding, the education background of the respondents, about half of the respondents had a bachelor's degree, while 15.1% had a master's degree; the rest 35.5% had a diploma. This implies the respondents have adequate knowledge about the generic strategies.

4.1.3 Working experience of the respondents

Education	< 5 yrs.	6-10 yrs.	11-15 yrs.	16-20 yrs.	21 yrs. &above	Total
Diploma	18	15	16	2	3	54
	11.8%	9.8%	10.6%	1.4%	1.9%	35.5%
Degree	23	24	15	9	4	75
	15.2%	15.7%	9.8%	5.9%	2.7%	49.3%
Masters	8	6	5	3	1	23
	5.3%	3.9%	3.3%	1.9%	0.7%	15.1%
Others	0	0	0	0	0	0
Total	49	45	36	14	8	152
	32.3%	29.4%	23.7%	9.2%	5.4%	100%

Table 4.4 Experience of respondents

Source: Own research, 2023

Experience has a lot to do in this sector, regarding the experience of the respondents, as it can be seen in the above table more than half of the respondents have six to fifteen years' experience in the field. This can help to respond the questionnaires properly and expertly.

4.2 Descriptive analysis

Here, the researcher tried to put the descriptive analysis by analyzing the mean scores and standard deviations of the responses of the questionnaires about the generic strategies and their effects on the firm performance of bottled water producing companies in Ethiopia.

The researcher used a frequency table with mean and standard deviation. The mean indicates the level of agreement whereas; the standard deviation shows the dispersion of values from the mean.

4.2.1 Cost leadership strategy of bottled water producing companies in Ethiopia

From the mean scores analysis below in the table, the study found that the majority of the respondents agreed they strived to reduce costs of production, delivery of goods and overall selling costs as much as possible. The result of the analysis also showed the same implication. The responses revealed the company's effort to increase their efficiencies of operation shown by mean of 3.34, their effort to reduce wastage and defects of resources indicated by mean of 3.5, offering lower costs of goods and services to customers shown by mean of 3.33, their attempt to deliver goods and services promptly shown by mean of 3.56, the companies also due emphasis in research and development shown by a mean of 4.09, their effort to develop a research center that enables them introducing new production and production systems indicated by a mean of 4.10, likewise, the development of value chain analysis shown by a mean of 4.24 and finally their engagement to keep their work operations end to end work flow shown by a mean of 3.66. The above findings are supported by a standard deviations as shown in the table which indicate a small spread of data around the mean.

Table 4.5 Descriptive statistics result of Cost leadership strategy

Valid	5	4	3	2	1	Mean	Std. d
Our organization operations are	41	35	30	26	20	3.34	1.381
Very efficient to reduce costs.	(27%)	(23)	(19.7)	(17.1)	(13.2)		
Our organization operates to							
reduce wastage of resources	38	47	35	17	15	3.5	1.255
	(25)	(30.9)	(23)	(11.2)	(9.9)		
We offer lower cost of	43	34	25	30	20	3.33	1.408
goods and services to customers	(28.3)	(22.4)	(16.4)	(19.7)	(13.2)		
than competitors							
Delivery of innovated	53	37	21	24	17	3.56	1.394
goods and services better	(34.9)	(24.3)	(13.8)	(15.8)	(11.2)		
than competitors.							
We Invest in research	46	81	19	5	1	4.09	.784
and development	(30.3)	(53.3)	(12.5)	(3.3)	(0.7)		
The research Centre new way	55	63	29	4	1	4.10	.844
of offering goods and services	(36.2)	(41.4)	(19.1)	(2.6)	(0.7)		
Our organization Develop	82	35	25	10	0	4.24	.956
Value chain analysis	(53.9)	(23)	(16.4)	(6.6)			
Our organization work operation	40	45	48	14	5	3.66	1.067
keeps End to End work flow	(26.3)	(29.6)	(31.6)	(9.2)	(3.3)		

Key: 1 – Strongly Disagree, 2 –Disagree, 3 – Undecided, 4 –Agree, 5 – Strongly agree.

Source: Research’s survey, 2023

4.2.2 Differentiation strategy of bottled water manufacturing companies

The study also helped to know the level of agreement on various questions related to differentiation strategies adopted by bottled water producing companies. From the findings, the majority of the respondents strongly agreed and agreed they began to recognize the benefits of differentiation strategy. The result of the analysis also showed the same implication. As indicated in the table, the companies tried to offer unique goods and services to their customers shown by a mean of 3.73, they got testimonies from quality award institutions domestically indicated by a mean of 3.68, their effort to recruit and train experienced sales and customer services shown by a mean of 3.88, likewise, their effort to create strong unique image in the mind of customers shown by a mean of 3.88, their attempt to build strong reputation supported by a mean of 4.00, their effort to provide wide variety of goods and services shown by a mean of 3.78, the companies effort to adopt and implement the generic strategies indicated by a mean of 3.82 and finally, their effort to use the marketing mix elements so as to enhance, maintain and attract customers indicated by a mean of 3.89. These findings also supported by a standard deviation shown in the table below accordingly.

Table 4.6 Descriptive statistics results of differentiation strategy

Valid	5	4	3	2	1	Mean	Std. d
Our organization offer unique goods and services to their clients than competitors	42 (27.6%)	58 (38.2)	30 (19.7)	13 (8.6)	9 (5.9)	3.73	1.133
We have testimonies from various Quality award institutions for best quality	41 (27)	50 (32.9)	40 (26.3)	13 (8.6)	8 (5.3)	3.68	1.119
Our organization has an experienced sales and customer	35 (23)	84 (55.3)	20 (13.2)	5 (3.3)	8 (5.3)	3.88	.979
Our organization create unique image in the mind of customers	27 (17.8)	95 (62.5)	20 (13.2)	4 (2.6)	6 (3.9)	3.88	.871
Our organization strives to Build strong reputation within the industry.	46 (30.3)	69 (45.4)	28 (18.4)	9 (5.9)	0	4.00	.854
Our organization provides wide Variety of goods and services to the client than competitors.	38 (25)	65 (42.7)	33 (21.7)	10 (6.6)	6 (3.9)	3.78	1.022
Our organization implements Competitive marketing strategies practice like cost leadership focus, and differentiation	36 (23.7)	56 (36.8)	37 (24.3)	9 (5.9)	14 (9.2)	3.6	1.181
Our organization uses all the 4 P'S marketing mix elements in order to enhance, maintain and attract customers.	32 (21.1)	79 (52)	33 (21.7)	8 (5.3)	0	3.89	.794

Source: Own research, 2023

4.2.3 Focus strategy of bottled water manufacturing companies

The study also sought to realize the opinions of the respondents whether focus strategy helped in their firm performance by issuing five questions, the response confirmed positive and significant results were achieved. The results of the analysis showed the same implications. According to

results in the table below:the companies effort to search untapped narrow market segment indicated by a mean of 3.82 ,on the other hand their attempt to develop unique products and services for narrow segment shown by a mean of 3.75,setting high price for unique product and services indicated by a mean of 3.78,their involvement in training of their respective employees to enhance performance shown by a mean of 3.68, likewise, encouraging their employees to serve politely to customers got a mean of 3.88.These finding also supported by a standard deviations shown in the table below accordingly.

Table 4.7 Descriptive statistics of Focus strategy

Valid	5	4	3	2	1	Mean	std. d
Searching untapped narrow market segment	35 (23%)	64 (42.1)	45 (29.6)	7	1	3.82	.862
Developing unique product and service for narrow segment	47 (30.9)	48 (31.6)	34 (22.4)	18 (11.8)	5	3.75	1.117
High price for unique product and service	35 (23)	59 (38.8)	48 (31.6)	9 (5.9)	1 (0.7)	3.78	.893
Training of employees to increase their performances	36 (23.7)	57 (37.5)	40 (26.3)	13 (8.6)	6 (3.9)	3.68	1.005
Employees ' politeness and impressions to customers	44 (28.9)	63 (41.4)	33 (21.7)	6 (3.9)	6 (3.9)	3.88	1.005

Source: Own research, 2023

4.2.4 Firm performances of bottled water companies

Table 4.8 Descriptive statistics of Firm performances

Valid	much Better(5)	Better(4)	moderate (3)	Worse (2)	much Worse(1)	Mean	Std. d
Sales performances	43 (28.3)	55 (36.2)	40 (26.3)	7 (4.6)	7 4.6	3.79	1.052
Reduction of costs	51 (33.6)	49 (32.2)	39 (25.7)	4 (2.6)	9 5.9	3.85	1.102
Increasing market share	58 (38.2)	64 (42.1)	20 (13.2)	8 (5.3)	2 (1.3)	4.78	.915

Key: 1–Much Worse, 2–Worse, 3–Moderate extent, 4–Better, 5–Much Better

Source: Own research, 2023

Firm performance mean scores: the study also examined the responses whether those generic strategies reflected on their respective firm performance, the results of the findings are as follows, regarding sales performance, the respondents assured sales revenue increased significantly and it indicated by a mean of 3.79, reduction of costs shown by a mean of 3.85, the most increasing factor showed in increasing their market share by a mean of 4.78. These findings also supported by the standard deviations accordingly.

4.3 Inferential statistics Analysis Result

4.3.1 Pearson coefficient correlation analysis

Table 4.3.1 below indicates Pearson correlation coefficient matrix between generic porter's strategies and firm performance of bottled water producing companies. According to the table there is a significant and positive relationship. All independent variables (cost leader ship strategy 0.697, differentiation strategy 0.723 and focus strategy 0.809) with firm performance fall in the range 0.68-0.89 which is taken as high correlation. Among the strategies, focus strategy was found to have the strongest positive relationship with firm performance of the sampled companies. Based upon the analysis of the result we can conclude cost leader ship, differentiation and focus strategies had significant and positive correlation with firm performance

Correlations

		Mean_CLS	Mean_DS	Mean_FS	Mean_FP
Mean_CLS	Pearson Correlation	1	.737**	.679**	.697**
	Sig. (2-tailed)		.000	.000	.000
	N	152	152	152	152
Mean_DS	Pearson Correlation	.737**	1	.723**	.723**
	Sig. (2-tailed)	.000		.000	.000
	N	152	152	152	152
Mean_FS	Pearson Correlation	.679**	.723**	1	.809**
	Sig. (2-tailed)	.000	.000		.000
	N	152	152	152	152
Mean_FP	Pearson Correlation	.697**	.723**	.809**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	152	152	152	152

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

Source: SPSS output, 2023

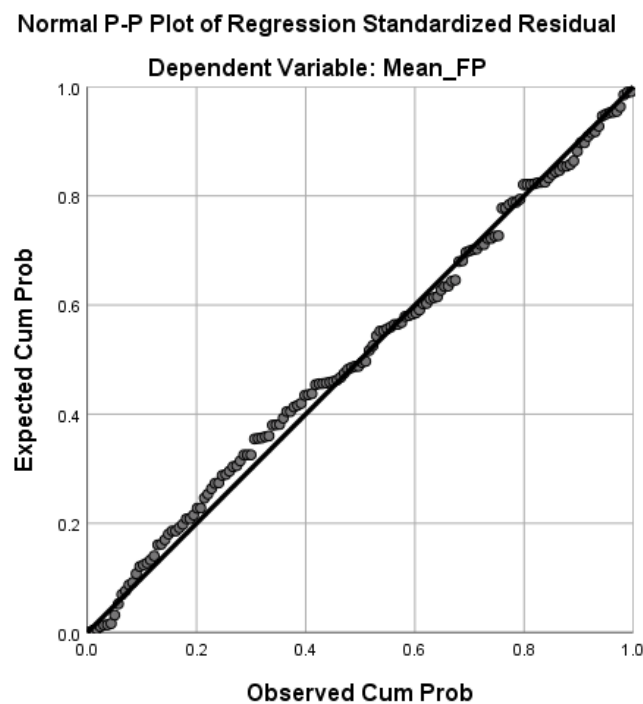
4.4 Preliminary Tests

It is a wise move to take some tests, before directly go to the regression analysis, these tests are as follows

4.4.1 Linearitytest

Could indicate the change in the dependent variable has significant relation to the change in the independent variables. As it can be seen in the figure below, the lines are somehow goes in line with each other; this showed the linear relationship between the variables.

Figure 4.3 Linearity test.



Source: SPSS output, 2023

4.4.2 Normality test

It is more realistic, if data of variables to be distributed normally. Normality test can be easily detected by simply looking at the histogram. The right one looks more or less bell – shaped.

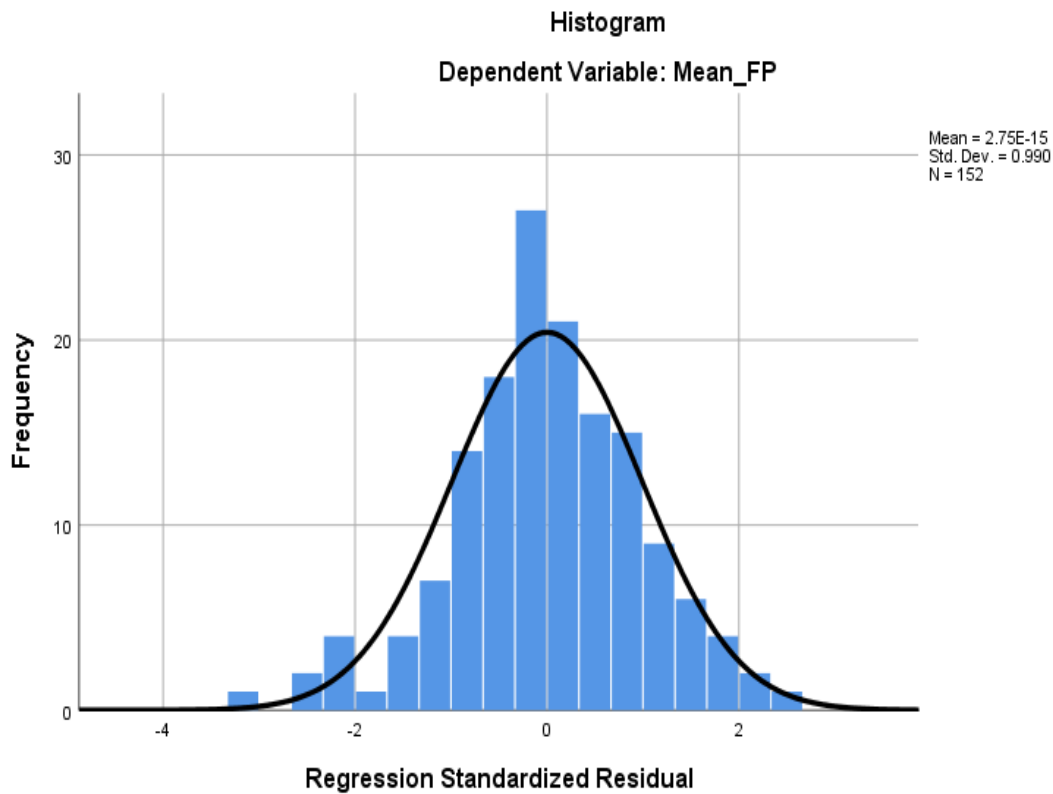


Figure 4. 4Histogram

Source: SPSS output, 2023

4.4.3 Multi – collinearity test

As it can be seen in the above correlation matrix table, there were no exact data correlations among the independent variables. Thus, there is no question about multi – collinearity.

4.4.4 Homoscedasticity Test

As it can be seen in the below figure residuals are evenly scattered, this indicate the fairly presence of equality of variance.

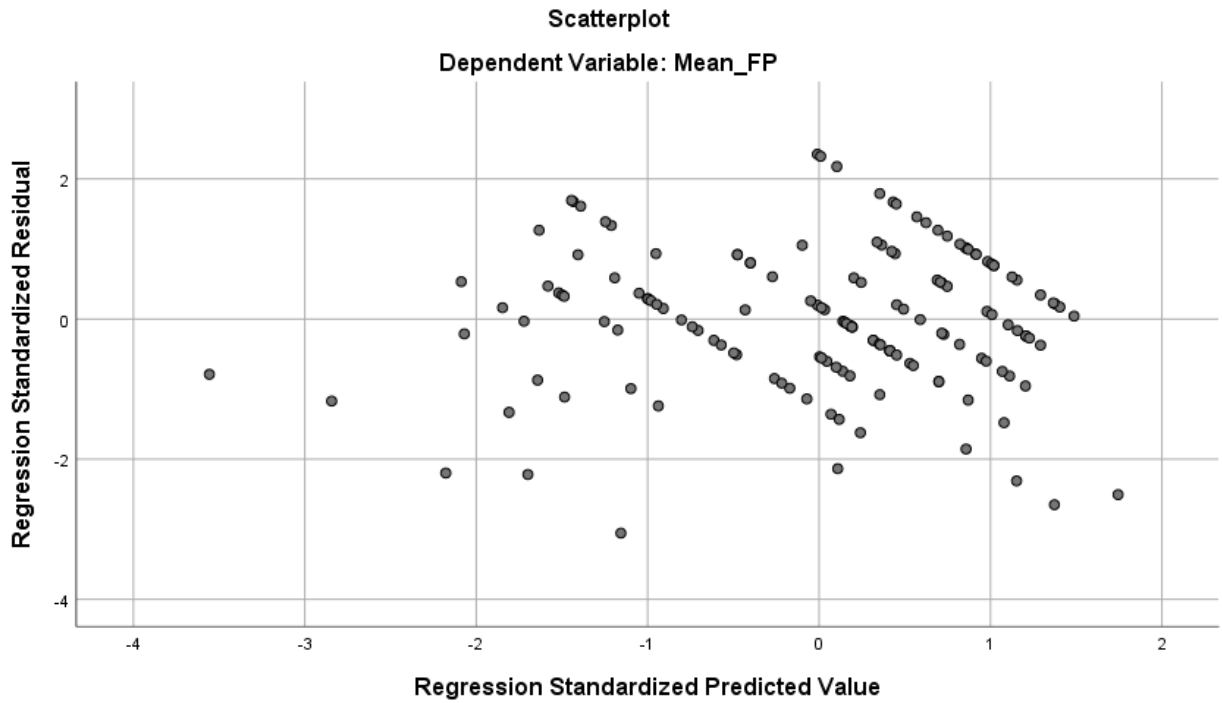


Figure 4. 5 Homoscedasticity test

Source: SPSS output, 2023

4.4.5 Autocorrelation Test

Finally, the residuals in the data have to be free from each other. Scatter plots of diagrams also let us know, if there are auto correlations. So there is no significant autocorrelation.

After conducting the above mentioned tests, the researcher concluded that one can apply the regression analysis.

4.5 Multiple regression analysis

A multiple regression analysis was used to determine the relationship between the generic competitive strategies practices on the performance of bottled producing companies in Ethiopia.

Figure 4.6 Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.841 ^a	.708	.702	.4646

a. Predictors: (Constant), Mean FS, DS, CLS

b. Dependent variable: Firm performance

Source: SPSS output, 2023

Table 4.6 above shows two important elements, thus R, and R². From this table, R shows a significant positive relationship of 0.841 which is 84.1%. The R² value = 0.708 meaning 70.8% of the variance in the model can be predicted using the independent variables or in simple words 70.8% of firm performance is explained by the constructed independent variables. However, the remaining 29.2% changes in firm Performance in bottled water manufacturing companies is caused by other competitive strategies that are not included in the model

4.5.1 ANOVA Analysis Result

Table4. 9 ANOVA Analysis result

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	77.494	3	25.831	119.657	.000 ^b
	Residual	31.950	148	.216		
	Total	109.444	151			

a. Dependent Variable: FP

b. Predictors: (Constant), Mean FS, DS, CLS

Source: SPSS output,2023

From the ANOVA test in table 4.9as it can be seen in the table Sig. value 0.05 is greater than the calculated sig. value of .000. This shows the statistically significant relationships between the three independent variables andfirmperformance at 5% significance level.

4.5.2 Regression Coefficient Analysis

Table4.10 Regression Coefficient Analysis of the model

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.054	.222		.241	.810		
	Mean_CLS	.181	.067	.186	2.688	.008	.412	2.427
	Mean_DS	.245	.094	.193	2.622	.010	.365	2.742
	Mean_FS	.596	.074	.543	8.026	.000	.431	2.321

a. Dependent Variable: Mean_FP

.Source: Own research,2023

In the above table 4.10 coefficients indicated how much the dependent variable varies with an independent variable, when all other independent variables are held constant. The Beta coefficients indicated how and to what extent the independent variables influence the dependent variable. Accordingly, the result of coefficient value of regression analysis indicated the highest determinant generic competitive strategy practices which influence their firm performance is Focus strategy (at Beta value=0.543), followed by differentiation strategy (Beta=0.193) and cost leader ship strategy (Beta=0.186). Thus, from the finding all strategies have positive and statistically significant influence on firm performance because the p (sig) value in correlation table is less than $\alpha=.05$ level. Among the selected strategies one can infer that Focus strategy has the most statistically significant competitive strategy practices influencing the selected bottled water manufacturing companies' firm Performance.

4.5.3 Regression Equation

According to the analysis, the regression equation becomes:

$$FP = 0.054 + 0.181X_1 + 0.245X_2 + 0.596X_3$$

Where, X_1 = Cost leader ship, X_2 = Differentiation, X_3 = Focus strategies, FP = Firm performance

Using the above equation, one can see 18.1% of increment on firm performance came as a result of cost leader ship strategy, likewise, 24.5% of increment came as a result of differentiation strategy, and the most dominant factor 59.6% of increment of bottled water producing companies in Ethiopia came as a result of focus strategy.

4.6 Hypothesis testing

According to multiple regression analysis results, we can test the hypothesis.

4.6.1 Cost leader ship Strategy

H1: cost leader ship strategy has a positive and significant effect on firm performance.

As indicated in table 4.5.2 the result showed that cost leader ship strategy has a Beta of 0.186 and p-value of 0.008. Keeping other variables constant, cost leader ship strategy was found to

have a significant and positive effect on the performance of bottled water producing companies. Thus, the researcher accepted H1 Hypothesis. This finding also got acceptance by Ayu Mandasari Nasution, Fery Permadih, Yaumil Khairoh(2021) studying Porter's Generic Strategies in Indonesia. The study revealed that there is a significant impact on cutting costs and reducing expenses and achieving economies of scale.

4.6.2 Differentiation Strategy

H2: Differentiation Strategy has a positive and significant effect on Firm performance.

As it can be seen in table 4.5.2 the result showed that Differentiation strategy has a Beta of 0.193 and p-value of 0.010. Keeping other variables constant, Differentiation strategy was found to have a significant positive effect on firm performance. Thus, the researcher accepted H2 hypothesis. This finding is also got acceptance by Tuva Juliet Nuru (2015) in his study, the Influence of Differentiation strategy which referred to bottling companies in Kenya. The study revealed, by applying this strategy profitability and market share showed meaningful increments.

4.6.3 Focus Strategy

H3: Focus strategy has a positive and significant effect on firm performance.

As it can be seen in table 4.5.2 the result showed that focus strategy has a Beta of 0.543 and p-value of 0.000. Keeping other variables constant, focus strategy was found to have a significant positive effect on firm performance. Thus, the researcher accepted H3 Hypothesis. This finding is also got acceptance by Amira Yusuf, and his colleagues(2015) a case study of Somali land beverage industry (SBI). The study also concluded that market focus affected performance of the SBI through various aspects such as segmentation and it increased profit and market share significantly.

4.7 Summary results

Table 4. 11 Summary result of testing the Hypothesis

H1: cost leadership strategy has a positive and significant effect on firm performance.	Accepted
H2: Differentiation Strategy has a positive and significant effect on Firm performance.	Accepted
H3: Focus strategy has a positive and significant effect on firm performance.	Accepted

CHAPTER FIVE

5 SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary of the study

The aim of this research is to examine what strategies bottled water producing companies in Ethiopia implement and whether the sampled companies adopt Porter's generic strategies and their effect on firm performance. The study found that all bottled producing firms in Ethiopia are privately owned and established within the last three decades. Their management style and their marketing strategies lack professional direction and are concentrated around Addis, nonetheless, they became aware of the inevitable need of not only formulating competitive strategies but also implementing those strategies effectively and efficiently in order to be competitive. The study also found that the sampled companies adopt various competitive marketing strategies, however, the researcher focused on those strategies that are aligned with the generic strategies and found out the following findings.

Regarding to **cost leadership strategies**, the companies strive to cut costs: by increasing production efficiency, selecting optimal delivery routes, decreasing expensive Ads, reducing wastage, building their own warehouses for distribution, renting vehicles, avoiding unnecessary expenses and so on, reducing costs is the other way of cutting selling prices in the survey the bottled water companies cannot get the benefit of cost reduction as they wish claiming the ever increasing prices of raw materials and lack of foreign currency.

Likewise, these companies also implement **differentiation strategy** by doing certain activities such as producing different sizes of water, adding additional nutrients, by giving prompt delivery House –House and so on, nonetheless, the companies cannot adequately benefit from this strategy because consumers perceive all products have the same taste and almost similar prices.

Finally, these companies better implement and got success by adopting **focus strategies**, such as by looking for unexplored niche markets outside Addis, by decreasing selling prices, by announcing their awards and testimonies regarding their better qualities from various quality

award institutions like FMHACA (food, medicine, health Administer and control agency) and Ethiopian standardization Agency

5.2 Conclusion

The study found that, the sampled companies are those companies which are in a better position in developing and implementing the generic strategies, and according to the survey and the regression coefficient analysis model result, the majority of bottled water producing companies in Ethiopia firm performance came as a result of pursuing the generic competitive strategies dominated by focus strategy 59.6 %,likewise 24.5 %and 18.1% implementing cost leadership and differentiation strategies respectively.Thus,the researcher concluded that porter's generic strategies have a strong and positive effect on the performance of bottled water producing companies in Ethiopia.

5.3 Recommendation

Based on survey result & the analysis the researcher of this study recommends the bottled water producing companies managers and all stake holders to increase their efforts to implement the Generic competitive strategies by cutting costs of production and decreasing expenses, by producing unique and distinct products and instead of only relying on domestic market, they should think out of the box and focus on export to foreign markets which could significantly increases sales performance, market share and profitability. Moreover, the trends show that in the near future foreign companies will enter to the domestic market and the competition becomes tougher. So, they should proactively engage and prepared to outperform, win and survive.

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Appendix-1 Questionnaire

ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE

Masters of Marketing Management Program

4.1. English Version Questionnaire

I am master's student at Addis Ababa University School of commerce and I am doing my post graduate thesis under the supervision of Dr. Temesegen Belayeneh

Dear respondents;

First of all I would like to give you my heartfelt gratitude and respect to you for administering this questionnaire honestly and responsibly. The questionnaire is designed to collect the necessary information to undertake a research on the topic 'the effect of competitive strategy on the performances of bottled water producing companies in Ethiopia'. Your response is highly valuable for the study. The information you will provide will be used for researcher purpose only and confidential. The questionnaire consists of five parts (personal information, your opinion in cost leadership strategy, differentiations strategy, and focus strategy and finally firm performances). Therefore; your genuine answer to the questions in the questionnaire has an enormous value to the completion of this study. Thank you in advance for your kind cooperation and valuable time.

Remark: No need to write your name and your organizations

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Part II: Influence of porter’s low cost strategy on bottled water companies in Ethiopia.

Indicate your answer on the level to which you agree or disagree with the statements express your agreement using the weight of 1-5 where ,1-strongly disagree, 2-disagree , 3- undecided , 4-agree , 5-strongly agree

Cost leader ship strategy	5	4	3	2	1
Our organization ensures that the operations are very efficient to reduce costs.					
Our organization operates to the minimum wastage of resources.					
We offer lower cost goods and services to consumer relative to our competitors.					
Our organization gives conscious effort to deliver innovated goods and services better than competitors.					
Our organization heavily invests in research and development that helps in the improvement of the quality of goods and services.					
Our research and development center develop new way of offering goods and services that will lower costs.					
Our organization develops value chain analysis to achieve high performance than competitors.					
Our organization work operation keeps its end to end work flow.					

Part III: Differentiation strategy

Indicate your answer on the level to which you agree or disagree with the statements express your agreement using the weight of 1-5 where ,1-strongly disagree, 2-disagree , 3- undecided , 4-agree , 5-strongly agree

Differentiation strategy	5	4	3	2	1
Our organization offer unique goods and services to their client than competitors.					
We have testimonies from the various quality award institutions for best quality.					
Our organization has an experienced sales and customer service force that provides superior on their field.					
Our organization create unique image in the mind of customers.					
Our organization strives to build strong reputation within the industry.					
Our organization provides wide variety of goods and services to the client than competitor.					
Our organization implements competitive marketing strategy practice like cost leader ship, focus, and differentiation.					
Our organization uses all the 4'ps marketing mix elements in order to enhance, maintain and attract customers.					

Part IV: focus strategy

Indicate your answer on the level to which you agree or disagree with the statements express your agreement using the weight of 1-5 where ,1-strongly disagree, 2-disagree , 3- undecided , 4-agree , 5-strongly agree.

Focus strategy	5	4	3	2	1
Our organization search for untapped narrow market segment to exploit the segment.					
Our organization develop unique product for the specific needs of narrow market segment.					

Our organization priced high for the unique product and services.					
Our organization trains the employees to increase their performances.					
Our organization staff serves the customer in a polite and with positive impression.					

Part V: Firm performance

To what extent do you agree or disagree with the following questions? Using the scale below 5 = Much better, 4 = Better, 3 = Moderate extent, 2 = Worse and 1 = Much Worse

Performance	5	4	3	2	1
Our strategy significantly increased Sales performance.					
Our strategy significantly reduced total cost.					
Our strategy helped us to increase market share.					

THANKYOU!