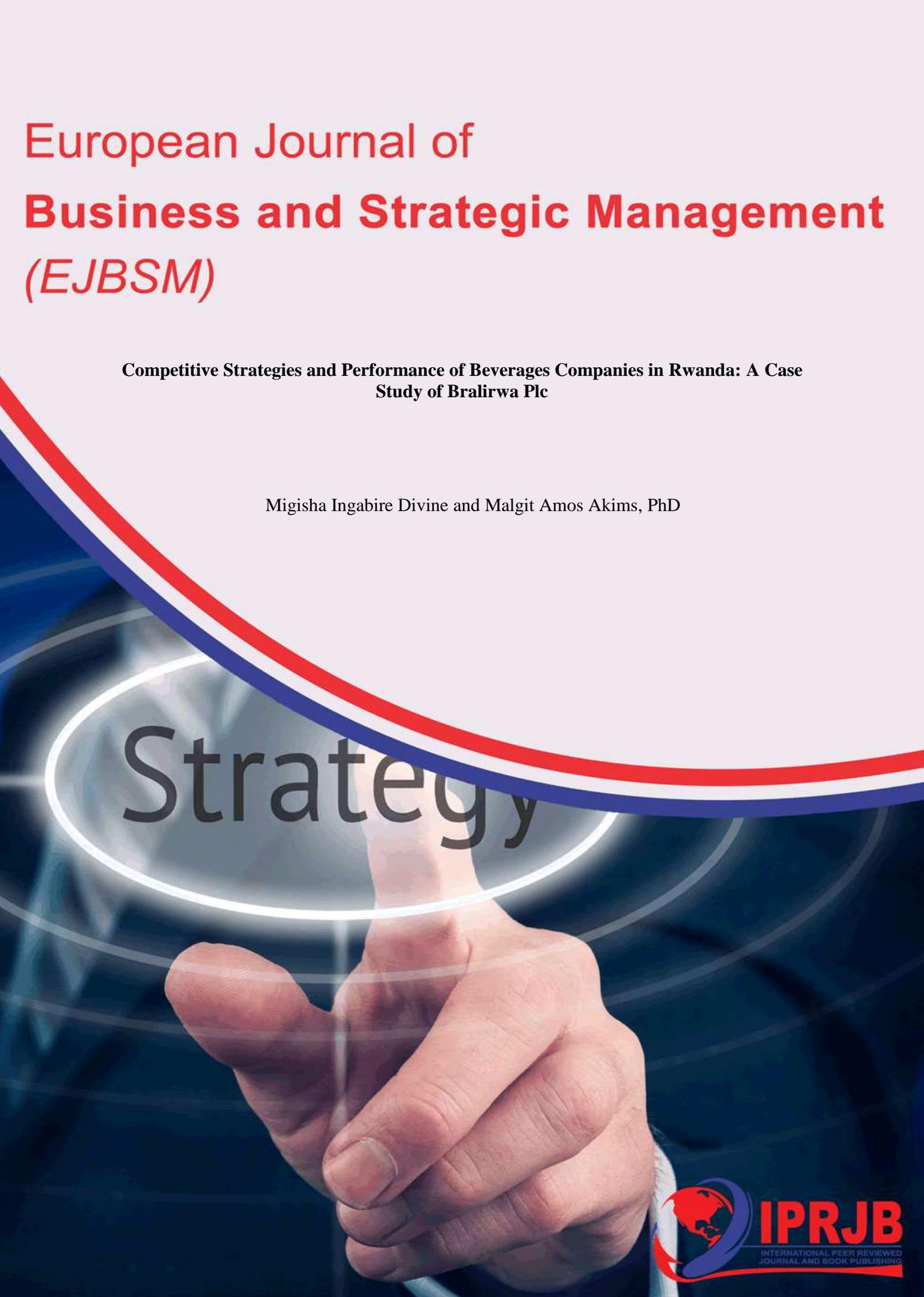


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**Competitive Strategies and Performance of Beverages Companies in Rwanda: A Case
Study of Bralirwa Plc**

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Strategy

Competitive Strategies and Performance of Beverages Companies in Rwanda: A Case Study of Bralirwa Plc

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Abstract

Purpose: The purpose of this study was to assess the effects of competitive strategies on the performance of Beverages companies in Rwanda, specifically in Bralirwa Plc. The study specifically sought to determine the effect of cost leadership strategy, differentiation strategy, focus strategy, and differentiation Focus Strategy on the performance of Bralirwa Plc.

Methodology: This research was descriptive research design, and the study population comprise 206 employees of Bralirwa Plc/Kigali office. Using simple random sampling technique, a sample size of 136 respondents was established using Slovin formula. The researcher used primary data in this study. A closed end questionnaire was utilized. Financial statements of Bralirwa Plc during 10 years period (2014-2023) were also analyzed. Correlation analysis was utilized to assess the data and results generalized for the entire population, while multiple regression was used to test hypotheses. To compute and analyze the data in this study, available statistical product for service solution (SPSS 27) was used.

Findings: The correlation analysis revealed a strong positive and significant relationship between cost leadership strategy and performance ($r=0.989$ and $\text{sig}=.000<0.01$), between differentiation strategy and performance ($r=0.944$ and $\text{sig}=.000<0.01$), between focus strategy and performance ($r=0.961$ and $\text{sig}=.000<0.01$) and between differentiation focus strategy and performance ($r=0.945$ and $\text{sig}=.000<0.01$) level of significance. The regression analysis revealed that cost leadership contribute 97.9% on the performance in Bralirwa Plc that differentiation strategy contributes 89.2% of the performance in Bralirwa Plc, that focus strategy contributes 92.4% of the performance in Bralirwa Plc, and that differentiation focus strategy contributes 89.3% of the performance in Bralirwa Plc. The study concluded that there were significant and positive effects between Competitive strategies and performance of Bralirwa Plc.

Unique Contribution to Theory, Practice and Policy: The study recommended Bralirwa to invest in market research, diversifying product portfolios, and implementing targeted marketing strategies to identify emerging trends and consumer preferences, thereby reinforcing Bralirwa's commitment to differentiation and market leadership.

Keywords: *Cost Leadership, Differentiation Strategy, Focus Strategy, Differentiation Focus Strategy, Performance*

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INTRODUCTION

Beverage companies play a crucial role in driving Rwanda's economic growth by creating employment opportunities and contributing to the country's GDP. In the competitive beverages industry, companies must adopt effective strategies to maintain market leadership and sustain performance. Strong competitive strategies, such as cost leadership, differentiation, and market focus, are essential to overcoming industry challenges and ensuring long-term success.

In Rwanda, the beverages sector, which includes several domestic and international players, is shaped by factors such as innovation, market dynamics, and consumer preferences. The Rwandan beverage industry has experienced significant growth over the past decade, contributing approximately 1.5% to the country's GDP in 2022 and employing over 30,000 individuals across various sectors, including production, distribution, and retail.

Bralirwa, one of the leading beverages companies in Rwanda, has managed to maintain its market dominance despite increasing competition. The company's success has been attributed to its ability to adapt to market trends, offer diverse product lines, and implement effective marketing and distribution strategies. As of 2023, the market share of Bralirwa Plc stands at around 40%, making it a dominant player in a sector characterized by a mix of local and international competitors. The industry has been fueled by an increasing demand for both alcoholic and non-alcoholic beverages, driven by changing consumer preferences and a growing middle class.

According to the Rwanda Development Board, the beverage market is projected to grow by 7% annually, highlighting the opportunities and challenges that beverage companies face in maintaining their competitive edge. This context underscores the necessity for companies like Bralirwa to implement robust competitive strategies to navigate market dynamics effectively and capitalize on growth potential.

However, many beverage companies struggle to sustain performance due to the high level of competition, fluctuating consumer demand, and regulatory challenges. Effective competitive strategies are crucial for these companies to navigate market pressures and maintain profitability. Previous research has emphasized the importance of competitive strategies in influencing financial performance, customer satisfaction, and market share.

This study aimed to address the knowledge gap by examining the relationship between competitive strategies and the performance of beverages companies in Rwanda, with a specific focus on Bralirwa Plc as a case study. Understanding how competitive strategies impact performance in the context of the Rwandan beverages industry is essential for companies looking to strengthen their market position and achieve sustained growth.

Statement of the Problem

Despite the substantial impact the beverage industry has had both domestically and abroad, Rwandan businesses still struggle to stay competitive. The industry has grown, but continuous success is hampered by issues like market saturation, changing consumer preferences, and unstable economic conditions. Since entering the Rwandan market, Skol Breweries, an international competitor, has gained over 25% of the market, posing a serious threat to Bralirwa Plc, the country's top beverage company. Furthermore, Bralirwa's market position has been further undermined by the flood of imported beverages, which has resulted in a 15% drop in sales over the previous two years. Bralirwa has been forced to innovate and differentiate its product offers due to the challenges of competition.

Although previous research has shown that competitive strategies have a major impact on performance in the food and beverage industries worldwide, little attention has been paid to the efficacy of these strategies in Rwanda's beverage industry particularly. Through the assessment of how competitive strategies affect the success of beverage companies in Rwanda, this study aims to fill a knowledge gap by evaluating how competitive strategies influence the performance of beverage companies in Rwanda, with a focus on Bralirwa Plc.

Objectives of the Study

General Objective

The main objective of this study is to assess the influence of competitive strategies on the performance of Beverages companies in Rwanda, specifically in Bralirwa Plc.

Specific Objectives

- i. To determine the effect of cost leadership strategy on the performance of Bralirwa Plc.
- ii. To assess the effect of differentiation strategy on the performance in Bralirwa Plc.
- iii. To analyze the effect of focus strategy on the performance of Bralirwa Plc.
- iv. To evaluate the effect of differentiation focus strategy on the performance of Bralirwa Plc.

LITERATURE REVIEW

Theoretical Review

Competitive strategies are defined as methods that give companies an advantage over competitors by offering low-cost products or adding value through higher prices. These strategies involve identifying and positioning advantages based on a company's resources, which form the foundation of its management approach (Ngah & Wong, 2020). Research highlights the importance of aligning competitive strategies with a firm's internal capabilities to gain a competitive edge. Core competencies, which are unique capabilities and knowledge, also play a key role in creating a competitive advantage. Porter's generic strategies—differentiation, cost leadership, focus, and differentiation focus strategy—have been widely recognized for their positive impact on firm performance when implemented effectively (Okegbemiro & Adim, 2023).

However, in emerging markets like Rwanda, the application of these strategies requires adaptation to distinct consumer behaviors and regulatory environments. For instance, the cost leadership strategy need to consider local market conditions, such as price sensitivity and purchasing power, which significantly differ from those in developed markets (Ngah & Wong, 2020). Companies must focus on reducing operational costs while ensuring product affordability to capture a larger customer base in a price-sensitive market. Similarly, the differentiation strategy involves tailoring products to meet local tastes and preferences, thereby enhancing perceived value among consumers who prioritize unique or culturally relevant offerings (Kılıç, 2022).

Organizational performance refers to the actual productivity measured against projected goals and objectives, considering various factors like personnel, physical assets, and capital resources (Githendu, 2022). Performance can be evaluated through both financial metrics, such as profit and productivity, and non-financial indicators, such as customer satisfaction and social responsibility (Skordoulis et al., 2022). Key performance indicators include efficiency, quality,

and innovativeness, which reflect an organization's ability to manage costs, minimize product defects, and introduce new products (Makina & Oundo, 2020). Additionally, an organization's capability to respond to external threats and opportunities, using knowledge of its strengths and weaknesses, is essential for achieving optimal performance (Kılıç, 2022).

Competitive strategies significantly influence various aspects of organizational performance, including market-based performance, financial performance, and operational performance. In terms of market-based performance, effective competitive strategies like differentiation and cost leadership enable companies to capture greater market share, enhance customer loyalty, and respond more swiftly to changing consumer preferences, giving them a competitive edge (Baraza & Arasa, 2020). For financial performance, strategies such as innovation and cost efficiency can drive profitability by reducing operational costs, increasing revenue, and improving return on investments (Skordoulis et al., 2022). Lastly, in operational performance, well-executed competitive strategies streamline internal processes, improve resource allocation, and boost productivity, leading to enhanced efficiency and the ability to meet organizational goals more effectively. Together, these elements contribute to overall organizational success and sustainability (Okegbemiro & Adim, 2023).

Moreover, companies in emerging markets like Rwanda must navigate unique regulatory environments, which can impose specific constraints or opportunities that shape their competitive strategies. Understanding local regulations and compliance requirements becomes crucial for effective implementation of competitive strategies, as non-compliance can lead to significant penalties and operational disruptions. Thus, adapting Porter's strategies to the nuances of the Rwandan market not only fosters competitive advantage but also ensures resilience against potential external challenges (Kılıç, 2022).

Empirical Review

This review discusses various studies on the effects of cost leadership strategy, differentiation strategy, focus strategy, and differentiation focus strategy on organizational performance. For instance, Al-Rdaydeh et al. (2020) found that competitive strategies, particularly cost leadership, moderated the relationship between financial leverage and performance in Jordan, while Kowo et al. (2019) highlighted improvements in sales turnover for Nestle Plc in Nigeria due to focus strategies. Ngugi (2021) revealed that competitive strategies positively influenced 64% of the variation in insurance companies' performance in Kenya, and Odong and Ogwang (2022) found significant enhancements in Coca-Cola's financial performance in Uganda through cost leadership and market focus strategies. In Rwanda, Teta and Njenga (2022) demonstrated that cost leadership, focus, and differentiation strategies positively impacted the performance of pharmaceutical wholesalers. These findings collectively underscore the critical role of competitive strategies across various industries and regions.

When specifically examining Bralirwa Plc within the context of the Rwandan beverage sector, this study concluded that competitive strategies significantly and positively affect its performance. The cost leadership strategy, in particular, plays a crucial role in enhancing Bralirwa's overall performance, aligning with other studies that emphasize the importance of cost efficiency. Moreover, the differentiation strategy effectively differentiates Bralirwa from its competitors, mirroring successful differentiation strategies observed in the Ugandan and Kenyan contexts. The focus strategy allows Bralirwa to tailor its products to specific market segments, reflecting similar competitive advantages seen in other regions. Additionally, the differentiation focus strategy further enhances Bralirwa's performance by uniquely positioning

its offerings within targeted segments. Consequently, the research objectives were achieved effectively, illustrating the relevance of competitive strategies in the Rwandan beverage sector.

Theoretical Framework

Porter's Five Forces Model

The Five Forces Model, introduced by Porter in 1980, is a strategic framework for evaluating a firm's industry structure by assessing competitive forces that shape its environment. These forces include the threat of new entrants, substitutes, bargaining power of suppliers and customers, and competitive rivalry. The model informs organizational strategy by identifying threats and opportunities, allowing firms to enhance their competitive position. It helps analyze the viability and attractiveness of industries, guiding decisions on market entry, product development, and capacity expansion. This framework was applied in analyzing Rwandan beverage companies' competitive strategies, revealing insights into industry dynamics and strategic opportunities.

The Dynamic Capabilities Theory

The Dynamic Capabilities Theory, introduced by Teece, Pisano, and Shuen in 1997, emphasizes the need for organizations to continually reshape their internal resources to achieve sustainable performance in a rapidly changing and competitive environment. This theory focuses on a firm's ability to integrate, build, and reconfigure both internal and external capabilities effectively. Masale (2019) highlights that dynamic capabilities enable firms to adapt their resource base for long-term competitive advantage by transforming short-term challenges into enduring benefits. Feedback from the market can drive improvements in product and service offerings through differentiation or cost strategies. Companies must identify opportunities and threats, reposition themselves, and manage competitive pressures to maintain an edge. Subagio et al. (2022) argue that enhancing competitiveness involves the ongoing improvement of both tangible and intangible assets. This theory is relevant to the current study as it suggests that competitive strategies can positively impact a firm's performance. By leveraging dynamic capabilities, Rwandan beverage companies can improve their competitiveness and performance, allowing them to navigate industry uncertainties effectively. Thus, incorporating the Dynamic Capabilities Theory provides insights into how organizational capabilities influence competitive strategies and performance dynamics in the Rwandan beverages.

The Balance Scorecard (BSC)

The Balanced Scorecard (BSC) is a strategic management tool developed by Drs. Robert Kaplan and David Norton in the early 1990s, designed to translate an organization's vision and strategy into a comprehensive set of performance measures across four key perspectives: financial, customer, internal processes, and learning and growth. This tool provides a balanced view of organizational performance by integrating both financial and non-financial indicators, thereby enabling a more holistic approach to performance measurement (Odong & Ogwang, 2022). The financial perspective emphasizes traditional metrics such as revenue growth and profitability, reflecting the organization's financial health. In contrast, the customer perspective focuses on customer satisfaction, loyalty, and market share, showcasing the organization's commitment to delivering value and meeting customer expectations (Chai *et al.*, 2020). The internal processes perspective assesses the efficiency and effectiveness of operations critical to delivering value, identifying opportunities for improvement in areas like process efficiency and

innovation (Githendu, 2022). Lastly, the learning and growth perspective highlights the importance of developing human capital, technology, and organizational culture, emphasizing investments in employee training and engagement to drive innovation and support long-term success (Farida & Setiawan, 2022).

Conceptual Framework

The conceptual framework connects independent, dependent, and intervening variables in a study, focusing on competitive strategies assessment and performance analysis, as illustrated in Figure 1.

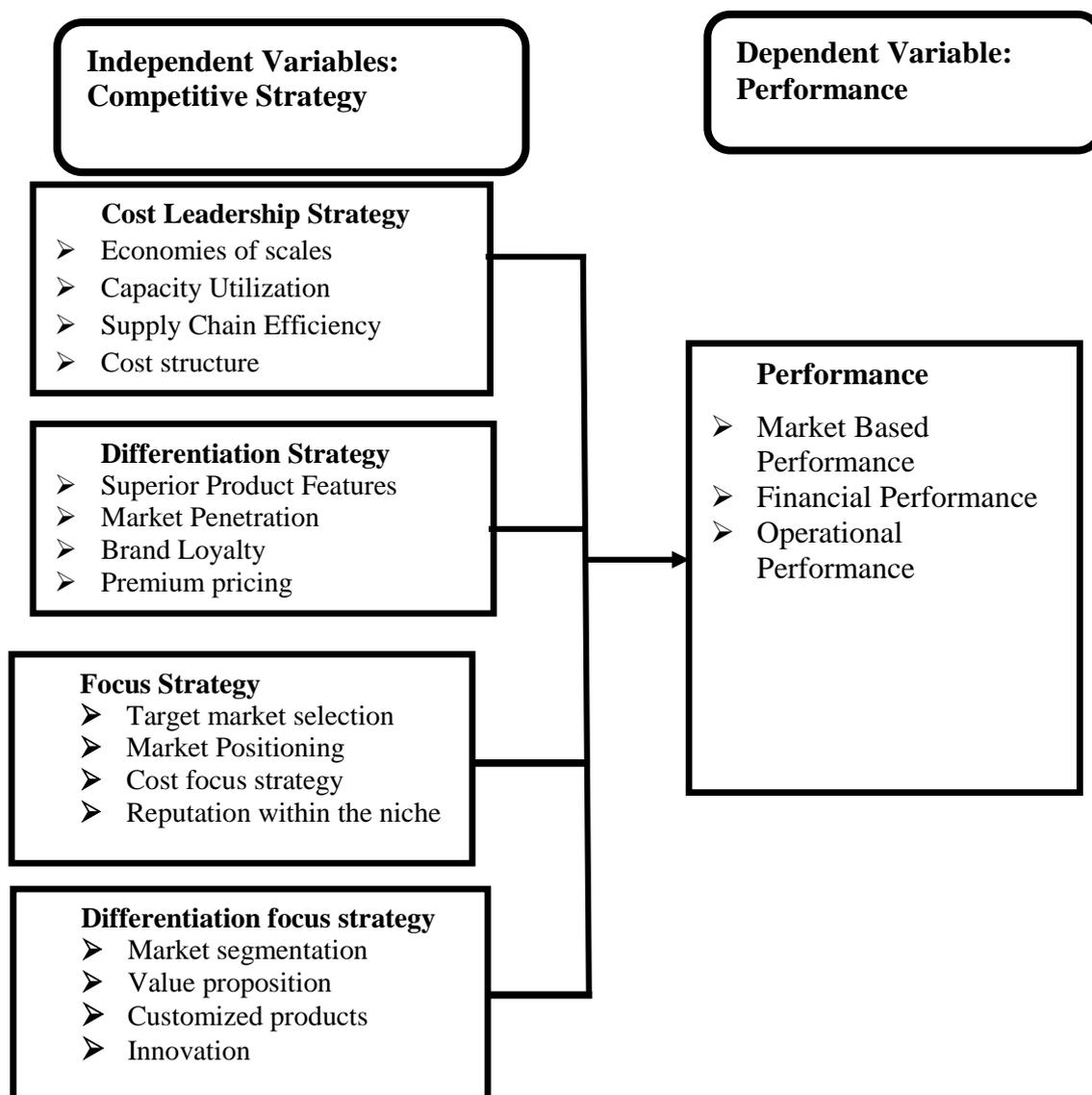


Figure 1: Conceptual Framework

Source: Researcher (2024)

METHODOLOGY

The study aimed to assess the effectiveness of competitive strategies and performance in Bralirwa Plc using a descriptive research approach. The population of the study consisted of

206 respondents from various departments dealing with the variables under study. The sample size was determined using Slovin's Formula, with a required sample size of 136. The sampling technique was simple random sampling. Data were collected through both primary and secondary methods, with a desk analysis to support key information and connect results to other approaches. The study used quantitative data analysis, multiple regression, and correlation analysis to analyze respondents' perceptions and test research hypotheses. The findings provided valuable insights into the team's cohesiveness and its impact on the project's performance.

The study used questionnaires and desk research to collect data on competitive strategies and performance in Bralirwa Plc. The questionnaire was self-structured and based on the Likert scale, which had five anchors: strongly disagreed, disagreed, neutral, agreed, and strongly agreed. The researcher contrasted the data from the questionnaire with data from additional sources, such as reports.

Quantitative data were analyzed using frequency tables, means, and standard deviation, with the study's quantitative data analyzed using SPSS version 27.0. A pilot study was conducted at Inyange Industries to gauge participants' comprehension of the questionnaire. The researcher amended or edited the questionnaire's unclear statements based on the results of the pilot study.

Validity and reliability were closely related, as they expressed many characteristics of the measurement device. Two experts in strategic management validated the research instrument, and a post-test was used to confirm the survey's validity. The Cronbach's Alpha coefficient was used to assess the instrument's reliability, with a value greater than 0.7.

A multiple regression model was employed to investigate the significance of the influence of independent variables on the dependent variables, represented by the formula $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \epsilon$. Post-estimation tests were conducted to ensure the model fit the data well and generated reliable and accurate estimates.

FINDINGS AND DISCUSSION

This section presents the analysis, presentation, and interpretation of results, as well as a discussion of the findings in accordance with the study objectives and aims. The main purpose of this study was to assess the Competitive strategies and performance in breweries companies in Rwanda, with evidence from the BRALIRWA PLC, as the case study. This information was grouped based on the research objectives and results then presented through tables and cross tabulations. The size of the sample of this study was composed by 99 employees of RUDP II.

Among 136 questionnaires distributed, 104 were returned back and they were effectively filled giving a response rate of 76.4%. The study used inferential statistics such as correlation analysis and multiple linear regression analysis have been used.

Effect of the Cost Leadership strategy on the performance of Bralirwa Plc

The study determined the regression analysis to demonstrate the effect of the independent variables and the dependent variable. Specifically, the regression analysis provides the effect of cost leadership on performance in BRALIRWA PLC at a 5% significance level. This section, therefore, provides the model summary, analysis of variance, and regression coefficients.

Table 1: Model Summary of Cost Leadership on Performance of Bralirwa Plc

| Model | R | R Square | Adjusted R square | Std Error of the estimate |
|-------|-------|----------|-------------------|---------------------------|
| 1 | .989a | 0.979 | 0.978 | 0.1766 |

a. Predictors: (Constant), cost leadership

From the study findings, the coefficient of determination R square value is 0.979, which implies that cost leadership contribute 97.9% on the performance in BRALIRWA PLC as represented by the R². This means that other factors not studied in this model contribute 2.1% to the performance of BRALIRWA PLC.

Table 2: ANOVA between Cost Leadership and Performance of Bralirwa Plc

| Model | | Sum of squares | df | Mean square | F | Sig. |
|-------|--------------|----------------|------------|-------------|----------|-------|
| 1 | Regression | 145.322 | 1 | 145.322 | 4659.711 | .000b |
| | Residual | 3.181 | 102 | 0.031 | | |
| | Total | 148.503 | 103 | | | |

a. Dependent Variable: Performance

b. Predictors: (Constant), cost leadership

The analysis of variance was used to examine whether the regression model was a good fit for the data. The F-calculated was 4659.711 and was greater than the F-critical and the p-value was 0.000, which was less than the significance level (0.05). Therefore, the model is considered to be a good fit for the data and hence it implies that cost leadership have significant effect on the performance in BRALIRWA PLC.

Table 3: Regression Coefficients of Cost Leadership and Performance

| Model | | Unstandardized Coef. | | Standardized coef. | t | Sig. |
|-------|------------|----------------------|------------|--------------------|--------|-------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 0.035 | 0.06 | | 0.573 | 0.568 |
| | CLS | 1.008 | 0.015 | 0.989 | 68.262 | 0.000 |

a. Dependent Variable: Performance

The findings from the Table 3, revealed that cost leadership have significance positive effect on performance of BRALIRWA PLC as indicated by $\beta_1 = 0.989$, p value = $0.000 < 0.05$, $t = 68.262$. The implication is that an increase of 1 unit in cost leadership would lead to an increase in performance of BRALIRWA PLC by 0.989 units.

The first objective aimed to determine the effect of the cost leadership strategy on the performance of Bralirwa Plc. The findings confirmed a significant positive effect, as a 1-unit increase in cost leadership would result in a 0.989-unit increase in performance, highlighting the significant role of cost efficiency in driving the company's success.

The findings support the study by Kowo, *et al.* (2019) who examined the significant effect of cost management strategy on sales turnover and focus strategies on market leadership coupled with the significant effect of competitive strategies on organizational performance in Nigeria. The findings showed that there was a significant effect of cost management strategies and sales turnover and also market focus strategies can lead to improved market leadership and share

Effect of Differentiation Strategy on the Performance of the Bralirwa Plc

The study determined the regression analysis to demonstrate the relationship between the independent variables and the dependent variable. Specifically, the regression analysis

provides the effect of differentiation strategy on performance in Bralirwa Plc at a 5% significance level. This section, therefore, provides the model summary, analysis of variance, and regression coefficients.

Table 4: Model Summary of Differentiation Strategy on Performance

| Model | R | R Square | Adjusted R square | Std. Error of the estimate |
|-------|-------|----------|-------------------|----------------------------|
| 2 | .944a | 0.892 | 0.890 | 0.39744 |

a. Predictors: (Constant), differentiation strategy

From the study findings, it is notable that coefficient of determination R² value is 0.892, implying that differentiation strategy contributes 89.2% of the performance in Bralirwa Plc as represented by the R². This means that other factors not studied in this research contribute 10.8% to the performance of BRALIRWA PLC.

Table 5: ANOVA between Differentiation Strategy and Performance

| Model | | Sum of squares | df | Mean square | F | Sig. |
|--------------|------------|----------------|------------|-------------|---------|-------|
| 2 | Regression | 132.391 | 1 | 132.391 | 838.119 | .000b |
| | Residual | 16.112 | 102 | 0.158 | | |
| Total | | 148.503 | 103 | | | |

a. Dependent Variable: Performance

b. Predictors: (Constant), differentiation strategy

The analysis of variance was used to examine whether the regression model was a good fit for the data. The F-calculated was 838.119 and was greater than the F-critical and the p-value was 0.000, which was less than the significance level (0.05). Therefore, the model is considered to be a good fit for the data and hence it implies that differentiation strategy has a significant effect on the performance in Bralirwa Plc.

Table 6: Regression Coefficients of Differentiation Strategy and Performance

| Model | | Unstandardized Coef. | | Standardized coef. | t | Sig. |
|-------|------------|----------------------|------------|--------------------|--------|-------|
| | | B | Std. Error | Beta | | |
| 2 | (Constant) | 1.041 | 0.107 | | 9.776 | 0.000 |
| | DS | 0.859 | 0.03 | 0.944 | 28.950 | 0.000 |

a. Dependent Variable: Performance

The findings from the Table 6, revealed that differentiation strategy have significance positive effect on performance of BRALIRWA PLC as indicated by $\beta_1 = 0.944$, p value = 0.000 < 0.05, t = 28.950. The implication is that an increase of 1 unit in differentiation strategy would lead to an increase in performance of Bralirwa Plc by 0.944 units.

The second objective focused on assessing the effect of the differentiation strategy on Bralirwa Plc's performance. The results showed a significant positive impact, where a 1-unit increase in differentiation would lead to a 0.944-unit increase in performance, emphasizing the significant value of unique product offerings in enhancing the company's competitiveness.

The findings are in same line with the findings by Putra and Yeni (2021) who aimed to see how competitive strategies are measured by price premium capability and asset utilization efficiency of company performance measured by net profit margin with supply chain management as a moderating variable. The results showed that the competitive strategy had a positive effect on

the performance of food and beverage companies, supply chain management had no effect on company performance but had a positive effect in strengthening the relationship of competitive strategies to the performance of food and beverage companies listed on the Indonesia Stock.

Effect of Focus Strategy on Performance in Bralirwa Plc

The study determined the regression analysis to demonstrate the relationship between the independent variables and the dependent variable. Specifically, the regression analysis provides the effect of focus strategy on the performance in BRALIRWA PLC at a 5% significance level. This section, therefore, provides the model summary, analysis of variance, and regression coefficients.

Table 7: Model Summary of Focus Strategy on Performance of Bralirwa Plc

| Model | R | R Square | Adjusted R square | Std Error of the estimate |
|-------|-------|----------|-------------------|---------------------------|
| 3 | .961a | 0.924 | 0.923 | 0.33332 |

a. Predictors: (Constant), focus strategy

From the study findings, it is notable that coefficient of determination R² value is 0.924 which implies that focus strategy contributes 92.4% of the performance in Bralirwa Plc as represented by the R². This means that other factors not studied in this model 3 contribute 8.7% to the performance of Bralirwa Plc.

Table 8: ANOVA between Focus Strategy on Performance of BRALIRWA PLC

| Model | | Sum of squares | df | Mean square | F | Sig. |
|--------------|------------|----------------|------------|-------------|----------|-------|
| 3 | Regression | 137.171 | 1 | 137.171 | 1234.612 | .000b |
| | Residual | 11.333 | 102 | 0.111 | | |
| Total | | 148.503 | 103 | | | |

a. Dependent Variable: Performance

b. Predictors: (Constant), focus strategy

The analysis of variance was used to examine whether the regression model was a good fit for the data. The F-calculated was 1234.612 and was greater than the F-critical and the p-value was 0.000, which was less than the significance level (0.05). Therefore, the model is considered to be a good fit for the data and hence it implies that focus strategy has a significant effect on the performance in Bralirwa Plc.

Table 9: Regression Coefficients of Focus Strategy and Performance

| Model | | Unstandardized Coef. | | Standardized coef. | t | Sig. |
|-------|------------|----------------------|------------|--------------------|--------|-------|
| | | B | Std. Error | Beta | | |
| 3 | (Constant) | 1.189 | 0.149 | | 7.992 | 0.000 |
| | FS | 1.202 | 0.034 | 0.961 | 35.137 | 0.000 |

a. Dependent Variable: Performance

The findings from the Table 9, revealed that focus strategy have significance positive effect on performance of Bralirwa Plc as indicated by $\beta_1 = 0.961$, $p \text{ value} = 0.000 < 0.05$, $t = 35.137$. The implication is that an increase of 1 unit in focus strategy would lead to an increase in performance of Bralirwa Plc by 0.961 units.

The third objective sought to analyze the effect of the focus strategy on Bralirwa Plc's performance. The results demonstrated a significant positive effect, with a 1-unit increase in focus strategy leading to a 0.961-unit increase in performance, indicating that significantly targeting specific market segments contributes to the company's success.

These findings are in the same line with findings by Farida and Setiawan (2022) examined the effect of business strategies to improve the competitive advantages of small and medium enterprises (SMEs) in Indonesia. The findings show that business focus strategies have a positive impact on performance. Further, business performance and innovation also mediate the relationship between business strategies and competitive advantages.

Effect of Differentiation Focus Strategy on Performance in Bralirwa Plc

The study determined the regression analysis to demonstrate the relationship between the independent variables and the dependent variable. Specifically, the regression analysis provides the effect of differentiation focus strategy on the performance in Bralirwa Plc a 5% significance level. This section, therefore, provides the model summary, analysis of variance, and regression coefficients.

Table 10: Model Summary of Differentiation Focus Strategy on Performance of Bralirwa Plc

| Model | R | R Square | Adjusted R square | Std Error of the estimate |
|-------|-------|----------|-------------------|---------------------------|
| 4 | .945a | 0.893 | 0.892 | 0.39538 |

a. Predictors: (Constant), differentiation focus strategy

From the study findings, it is notable that coefficient of determination R² value is 0.893 which implies that differentiation focus strategy contributes 89.3% of the performance in BRALIRWA PLC as represented by the R². This means that other factors not studied in this model 4 contribute 10.7% to the performance of Bralirwa Plc.

Table 11: ANOVA between Differentiation Focus Strategy on Performance

| Model | | Sum of squares | df | Mean square | F | Sig. |
|-------|--------------|----------------|------------|-------------|---------|-------|
| 4 | Regression | 132.558 | 1 | 132.558 | 847.956 | .000b |
| | Residual | 15.945 | 102 | 0.156 | | |
| | Total | 148.503 | 103 | | | |

a. Dependent Variable: Performance

b. Predictors: (Constant), differentiation focus strategy

The analysis of variance was used to examine whether the regression model was a good fit for the data. The F-calculated was 847.956 and was greater than the F-critical and the p-value was 0.000, which was less than the significance level (0.05). Therefore, the model is considered to be a good fit for the data and hence it implies that differentiation focus strategy has a significant effect on the performance in Bralirwa Plc.

Table 12: Regression Coefficients of Differentiation Focus Strategy and Performance

| Model | | Unstandardized Coef. | | Standardized coef. | t | Sig. |
|-------|------------|----------------------|------------|--------------------|--------|-------|
| | | B | Std. Error | Beta | | |
| 4 | (Constant) | 0.795 | 0.114 | | 6.983 | 0.000 |
| | DFS | 0.904 | 0.031 | 0.945 | 29.120 | 0.000 |

a. Dependent Variable: Performance

The findings from the Table 12, revealed that differentiation focus strategy have significance positive effect on performance of Bralirwa Plc as indicated by $\beta_1 = 0.945$, $p \text{ value} = 0.000 < 0.05$, $t = 29.120$. The implication is that an increase of 1 unit in differentiation focus strategy would lead to an increase in performance of Bralirwa Plc by 0.945 units.

The fourth objective was to evaluate the effect of the differentiation focus strategy on Bralirwa Plc's performance. The findings revealed a significant positive impact, as a 1-unit increase in differentiation focus would result in a 0.945-unit increase in performance, underlining the significant importance of combining differentiation with targeted market segments to improve performance.

The findings are in agreement with the findings by Ingabire and Irechukwu (2022) who assessed the generic competitive strategies and organization performance in Rwanda, by taking Sulfo Industries Ltd as case study. The regression shows a significant association between Porter's competitive strategies and organizational performance.

CONCLUSION AND RECOMMENDATIONS

The study found significant positive effects of competitive strategies on the performance of Bralirwa Plc. It concluded that the cost leadership strategy plays a critical role in enhancing overall performance by enabling the company to maintain a competitive cost structure. Additionally, the differentiation strategy was shown to significantly influence performance, emphasizing Bralirwa's unique product offerings, branding, and quality enhancements that set it apart from competitors. The focus strategy also demonstrated a statistically significant effect on performance, highlighting how Bralirwa tailors its products and marketing efforts to specific market segments, thereby meeting the unique needs of its target customers. Furthermore, the differentiation focus strategy positively impacted performance, indicating that Bralirwa effectively differentiates its offerings within specific market segments.

To address the identified weaknesses in the research, several recommendations are proposed to enhance the performance of breweries in Rwanda, particularly Bralirwa Plc. The study highlights that 30% of respondents felt the company was not actively pursuing opportunities for differentiation and capturing unique market niches. Therefore, it is recommended that Bralirwa invest in comprehensive market research to identify emerging trends and consumer preferences, diversify its product portfolio with innovative offerings, and implement targeted marketing strategies to effectively communicate these unique value propositions. Additionally, to improve its Return on Assets (ROA), Bralirwa should focus on asset productivity and efficiency through regular performance reviews, technology investments, and operational workflow streamlining. For improving Return on Equity (ROE), especially given the inefficiency noted in 2019, Bralirwa needs to analyze its capital structure and operational efficiency to identify contributing factors and develop targeted strategies for optimization, cost management, and revenue enhancement, while maintaining a balanced mix of equity and debt financing to ensure sustainable growth.

Contribution to Knowledge

The contribution to knowledge of this study is significant both theoretically and practically.

Theoretical Contribution: This study enhances the existing literature by applying established frameworks, such as Porter's Five Forces Model and Dynamic Capabilities Theory, to analyze competitive strategies within the context of Rwandan beverage companies, specifically Bralirwa Plc. By demonstrating the statistically significant impacts of various competitive strategies—cost leadership, differentiation, focus strategy, and differentiation focus strategy—on performance, the research provides empirical support for these theoretical constructs. It reinforces the notion that effective competitive strategies are critical in navigating the complexities of a rapidly changing market environment and contributes to the broader discourse on strategic management and competitive advantage in emerging markets.

Practical Contribution: The findings of this study offer actionable insights not only for Bralirwa Plc but also for other organizations within the Rwandan brewing industry. By emphasizing the importance of enhanced market research, Rwandan beverage companies can better understand consumer preferences and emerging trends, allowing them to adapt their product offerings accordingly. The study recommends implementing comprehensive product diversification strategies, which can help companies cater to a broader consumer base and mitigate risks associated with market saturation. Furthermore, targeted marketing strategies that leverage data analytics can enhance customer engagement and loyalty, ensuring that companies resonate with their specific market segments.

In addition to these strategies, the study highlights the need for improved asset management and operational efficiency, which can benefit all beverage companies in Rwanda. By optimizing financial performance indicators such as Return on Assets (ROA) and Return on Equity (ROE), organizations can achieve better resource allocation and investment returns. Moreover, the insights gained from understanding competitive strategies—such as cost leadership and differentiation—can empower companies to refine their strategic frameworks and enhance their competitiveness in the market. Collectively, these practical contributions provide a robust roadmap for all Rwandan beverage companies aiming to achieve sustainable growth, improve strategic performance, and enhance their overall market position in a dynamic and competitive landscape.

Suggestions for Further Studies

While this study focused on Bralirwa Plc, future research should explore competitive strategies in other breweries or different business sectors in Rwanda to determine if similar results are observed, providing a basis for comparison. Additionally, incorporating qualitative methods, such as interviews with industry experts, management, and employees, can yield deeper insights into the strategic decision-making processes that underpin competitive strategies. This mixed-methods approach would enrich the understanding of how companies navigate their unique market challenges and enhance performance, ultimately contributing to a more comprehensive view of strategic effectiveness in the Rwandan context.

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