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COMPETITIVE STRATEGIES ADOPTED BY BEVERAGE INDUSTRIES IN ENHANCING MARKET SUSTAINABILITY IN KENYA. A CASE STUDY OF EAST AFRICAN BREWERIES LIMITED

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ABSTRACT

Beverage Companies are faced with critical economic challenges leading to the inability of many companies to survive and hence the nomination of the beer and soft drink industry in Kenya by one or two Companies in each. The objective of this study was to establish the competitive strategies adopted by beverage industries in enhancing market sustainability in Kenya. The specific objectives of the study were to find out how pricing, packaging, promotion and quality enhance market sustainability in beverage industry in Kenya. The study adopted theories like Dynamic Capability Theory, Resource Based Theory, Knowledge Based Theory and Competitive Advantage Theory which shows how organizations are able to attain market sustainability by building competitive strategies based on those theories. The research was a case study of East African Breweries limited. The researcher targeted a Population of 300 and a Sample size of 150 stakeholders of East African Breweries Limited. Both primary and secondary source of data were used. The study used questionnaires, unstructured interviews and company records to gather information. The questionnaire contained open and closed ended questions that were administered and used to collect data from top management and middle managers. Data was analyzed through descriptive analysis based on the time series. Data was presented by use of tables, charts and graphs. The study established that East African Breweries Limited had adopted various competitive strategies that enabled the Company to have continued sustainable competitiveness. The strategies include focus strategies, differentiation strategies and cost leadership strategies. The Company intensively used focus and differentiation strategies in order to get advantage of price changes and packaging designed based on customer taste, preferences and income. From the findings, it was revealed that pricing had a strong effect on the competitiveness of the product. However, packaging did not have a strong effect on the competitiveness of the products. The study recommends that companies in the beverage industries should continue using strategies leading to high quality products at a minimal cost. The study further recommends that companies in the industry should focus more on the regional markets because the local markets have been saturated by the current players.

Keywords: Market, Pricing Quality, Promotion, Packaging and Strategy

Background of the Study

Organizations are faced today with a lot of challenges due to economic changes and demographic distribution. Due to this, some end up ceasing operations and others merge or acquired by others in order to cope with the situation. Managers have a task of crafting and executing strategies which are the heart and soul of managing a business enterprise and winning in the market place (Thompson and Strickland, 2004). A good strategy is a strong tool to overpower rivals and flexible enough to overcome obstacles created by competitors. Without proficient strategies, executives of an organization cannot achieve their objectives. Poor selection of strategies may lead to poor performance of the organization since strategy is meant to give a road map on how to reach to a given point. This will lead to poor service delivery to the customers, quality of product, innovating products contrary to customer preferences, high cost of production, high staff turnover and loss of market share caused by substitute products from competitors. Poor strategy also lowers the morale of employees leading to compromising of the performance.

When crafting a strategy, variables that are relevant need to be selected in order for the strategy to be effective once implemented. In late 1970s and early 1980s, the Coca- Cola Company had assumed taste was the only element that had caused its decline in market share. A wrong choice of strategy was done where a new product was introduced that was sweeter than the original one (new Coke) Hartley (1995) as cited by Scott (2013). The new product was introduced into the market and the original Coke withdrawn from the market but things turned to worst and the original Coke was reintroduced again in the market and was marketed simultaneously as Coke Classic and latter New Coke was withdrawn from the market. In 1992, Crystal Pepsi Company decided to enter the flourishing new age beverage market by introducing its clear caffeine free Crystal Pepsi which as promoted as a healthy and pure diet beverage. Coca Cola Company introduced Tab clear to compete with it. Crystal Pepsi couldn't penetrate the market because consumers were not convinced on the health angle, many Coca-Cola consumers expected a darker beverage but the worst of all it tasted like the original Pepsi. When strategies are chosen correctly, they gain decision making power and if done poorly will end up costing an organization millions of shillings. In 2002, East African Breweries Limited and South Africa Brewery Millers had to face off each other and SAB Millers was forced to shut its plants and exit the country.

Strategy has been studied for years by business leaders and business theorist yet no definite answer about what strategy really is and different people think about it in different ways. Some believe that the present must be analyzed carefully, anticipate changes in the market or industry and from this, plan how to succeed in future. Others think that the future is too difficult to predict hence they prefer to evolve their strategies organically. According to Johnson and Scholes (2009) in their books, Exploring Corporate Strategy says that strategy determines the direction and scope of an organization over a long term on how resources should be allocated to meet the market needs and those of the stakeholders.

Strategy is a game plan used by management to stake out a market portion, attract and please customers, compete successfully, carry out operations, and achieve organizations objectives. A strategy thus indicates the choices undertaken by the organization among alternative markets, competitive approaches, and ways of operating. The central thrust of an organization's strategy is to undertake move to strengthen its long term competitive position and financial performance. Strategy consist of both defensive and offensive elements where by some actions mount direct challenge to competitors' market position and seeks to establish a competitive edge, others aim at defending against competitive pressures, the maneuvers of rivals and other developments that threaten the organization's well-being, (Thompson and Strickland, 2004). Strategy mission is vital to every organization since it shows where the organization is, where it is going and how it will reach there. In this context, strategy outlines the current position of the organization; strength and weakness, external forces which are favorable and/or unfavorable to its survival. Therefore strategy is like an eye opener to the mangers so as to allocate resources on the basis of priorities, to take advantage of opportunities and to take necessary measures to respond to threats.

Strategy formulation is a disciplined tool which has hierarchical levels; corporate level, business level and functional level. Therefore in business there are different levels of strategy and each has a different focus and needs different tools and skills. Corporate strategy focuses on the organization as a whole, while business unit strategy focuses on an individual business unit or market and functional strategy identifies how a team will help the organization meet its overall goals and objectives.

A strategy also means an action a company takes to attain one or more of its goals. For most if not all organizations, an overriding goal is to achieve a superior performance. Thus a strategy precisely can be defined as an action a company takes to attain superior performance (Charles & Gareth, 2001). Organizations need to assess the suitability of the strategy before it is implemented because a poor strategy has negative impact on the sustainability of the market. This is because a strategy needs to be feasible, suitable and acceptable to avoid wastage of funds in implementing a strategy that will not add any value to the organization since some may be effective for a short run. Therefore the importance of a strategy is to ensure an organization has a sustainable competitiveness.

In today’s intense competition, organizations are supposed to constantly assess and improve their capabilities to attain sustainable competitiveness. Business entities attain competitive advantage by having high quality products, lowering cost than its rivals but maintaining the quality, superior customer service (Barney, 2009). According to Porter (1980) in his book, competitive strategy, an attractive industry assumes that the firm possesses resources to enable it compete in that industry. This is where by porter gives five forces which makes an industry to be attractive. These forces are: threat of new entrants, bargaining power of buyers, bargaining power of suppliers, threat of substitute products and rivalry among competitors. When an organization has superior internal capabilities and responds to external forces by crafting strategies and executing them, it creates a barrier which competitors find difficult to imitate hence creating a sustainable competition.

Statement of the Problem

The road map towards competitive advantage edge leads to sustainable market which is not automatically attained in this dynamic and unpredictable environment and only those which have adopted sustainable strategies are able to. Organizations in beverage industry are faced with challenges from internal and external environment that needs to be managed in order for them to secure their market share and to expand. The market of beverage products in Kenya is faced with high competition ranging from locally produced beverage to those imported from other countries. Beverage industry has experienced stiff competition consequently very few have been able to survive in the industry. The few that have survived have been dormant and those which have succeeded have been suppressing others. Indeed only a few companies (East African Breweries Limited in alcoholic having 90 % of market share and Coca Cola Company in soft drink having a market share of 91% of market share) have survived therefore there is a need for a study to examine why many organizations have not succeeded in sustaining their market in the industry. This leads to a research gap which the researcher intended to fill by establishing the strategies adopted by companies which sustained their market so that others may also adopt the same in order to have, maintain and grow their market share.

LITERATURE REVIEW

Empirical Review

Pricing is the process where by a business sets the price at which it will sell its products and services, and it may be part of the business's marketing plan. In setting price, the business will take into account the price at which it could acquire goods, manufacturing cost, market place, competition, market condition, brand and quality of the product. Pricing strategy revolves around three main points: cost and profit objectives, consumer demand and competition. This means, pricing is either; cost-based, demand-based or competition-based. In cost-based pricing, prices are set based purely on production costs and the desired profits without considering the demand. In demand- based pricing, the acceptable price range is determined through customer research and then determining the profits and cost requirements within that range. In competition- based pricing, price is set based on that of the competitors. Depending on customers' loyalty or brand differences, prices can be set above or below market price. Pricing is one of the four elements of the marketing mix, along with product, place and promotion. Pricing strategy is important for companies who wish to achieve success by finding the pricing point where they maximize sales and profits. Companies may use a variety of pricing strategies depending on their unique marketing goals and objectives (Perreault, D. and McCarthy, E., 2006).

The theory of price is an economic theory that contends that the price for any specific good or service is based on the relationship between the forces of supply and demand. An organization can adopt different pricing strategies depending with the situation: Premium pricing, penetration pricing, economy pricing, price skimming and psychological pricing. Premium pricing strategy is where an organization establishes a price higher than the competitors. Organizations use this strategy when there is something unique about their product or when the product is newly introduced into the market and the business has a distinct competitive advantage.

Penetration pricing strategy is designed to capture market share by entering the market with a lower price relative to that of the competition to attract customers. The main idea here is that the organization is focused in creating awareness and getting the customers to try the product. Economy pricing is a strategy adopted by organizations targeting a specific segment of the market that is very sensitive to price. In this case, organization will take a very basic low-cost approach to market. Price skimming strategy is adopted by organization having a significant competitive advantage designed to gain maximum revenue advantage before other competitors begin offering similar or alternative products. Psychological pricing strategy is a strategy commonly used by marketers in the prices they establish for their products by applying a minor distinction that makes a big difference in the mind of a customer leading them to buy more. Customers are becoming increasingly more price sensitive making pricing a major competitive tool (Kotler, 2004)

Due to the dynamics which are taking place in the market due to economic and social changes, firms need to adopt pricing strategies that will lead to maintaining and or expanding the current market share. To achieve this, organization's need to scan the business environment both internal and external factors including understanding strategic constraints. Porters 5 forces are used to study internal environment and PESTEL to analyse external environment. According to Porter (1980, 1985) a firm develops it's business strategies inorder to obtain competitive advantage over it's competitors. The organization does this by responding to the five internal forces: the threat of new entrants, rivalry among existing firms withing an industry, the threat of substitute products/services, the bargaining power of suppliers and the bargaining power of buyers.

A Company assesses these forces and then tries to develop the market at those points where the forces are weak (Porter, I979). In his recent study, Porter reemphasized the importance of analyzing the five forces in developing strategies for competitive advantage. Although some had argued that today's rapid pace of technological change makes industry analysis less valuable, it is not true since analyzing the forces illuminates the fundamental attractiveness of an industry (Porter, 2001).

Mintzberg (1994) suggest that a strategy is about making plans for the future based on a set of objectives, policies, and plans that when taken together, defines the scope of the enterprise and how it intends to survive and achieve success. There must be a strategic fit of many activities that are interlinked to provide competitive advantage and ultimately, sustainability for the organization. The fundamental goal of Pricing Strategy is to increase sales and achieving a sustainable competitive advantage. The concept of strategy formulation is essential to the organization in helping to: identify organizational growth opportunities, pricing, quality, promotion, packaging strategies. Marketing businesses oftenly use strategic models and tools to analyze pricing decisions to achieve better results. The main models are 3C's: Customer, Corporation, Competitor, a strategy that leads to a sustainable competitive market, that was developed by a Japanese strategy guru called Kenichi Ohmae. The corporation factor mainly focuses on maximizing the strengths of the business from which it can influence the relevant areas of the competition to achieve success within the industry.

The competition can be looked at in various different ways such as; design, image, purchasing and maintenance. The more unique steps an organization takes, the lesser the competition an organization will face in that field. Customers are the basis to any organization, so their needs, wants and requirements needs to be fulfilled inorder to attract more buyers. Ansoff product/market growth matrix is a strategy that allows an organization to make a decission in regard to the growth strategies it will take. The organization first considers whether it could gain more market share in its current market, a scenario known as market penetration strategy. This is by gaining more non-users, gaining competitors customers, and convincing current customers to use more of the company's products/services. The other way is whether it can find new markets for its current products targeting new customer as a strategy refered to as a market development strategy (Ansoff,1957).

The strategy also considers new products to the current markets (product development). When a firm creates new products, it can gain new customers for her products. Finally, the organization reviews opportunities to develop new products for new markets a situation known as diversification strategy (Ansoff,1957). Diversification strategy seeks to increase profitabilty through greater sales volume obtained from new products and new markets as pointed out by Ansoff as the best from the other three strategies. For a business to adopt a diversification strategy, it must have a clear idea about what it expects to gain from the strategy and a good assessment of the risks. However, a right balance between risk and reward, a pricing strategy of diversification can be highly rewarding (Ansoff,1957).

Pricing is complex as it must imitate the demand and supply relationship of the product. Companies need to charge fair prices since charging too high or too low prices for a product might lead to a reduction in sales thus reducing profitabilty. According to Mnjala (2014), revealed that Banks used low pricing strategy based on the cost leadership with efficiency and tight costcontrol. Low cost can be achieved through exploiting other means of promotion, efficient use of capital, quality customer service which will make the existing customers to be royal. An organization that enjoys cost leadership will have a sustainable sustainable competitiveness as apposed to its rivals. The gap here is that the study was done for a bank and nothing was said in regard to beverage industry of which the researcher intended to fill.

Packaging Strategy

Packaging refers to the technology of enclosing or protecting products for distribution, storage, sale and use. Also it refers to a coordinated system of preparing goods for transport, warehousing, logistics, sale and end use. Organizations package products in order to preserve, transport, protect, contain, inform and to sell. Many customers are influenced to buy more by the appealing of the package. Successful packaging sells. Any company that invests millions of dollars in product development, consumer research and marketing expects a return on that investment. This only happens when buyers picks the product and drops it in the shopping basket. Product packaging is an integral component of the shopping experience as it is influenced by emotional experience of customers on how the product is presented. Poor package design means low attraction to the customers leading to reduction of sales.

The design of a package determines if the product will emotionally touch the customer to make a decision in buying the product. Packaging that sells must be friendly to the mind and connected to the heart of the customer. In order for a product to sell, it has to win two battles: customers have to notice the product and reach for it as opposed to others and pick it for a purchase. These battles are only won through well designed product package. Packaging creates impression on the mind of customers which supports how they perceive the information about the product. Package must be designed well to support these impressions: colour, shape, imagery and words. Colour invokes a physical response, shape creates and supports recognition, imagery stirs emotion and fulfills needs and words informs. Organizations whose products, packages are designed well have a better position in the market that those which are poorly designed.

The importance of consumer packaging increased in United States of America during the late 1970s and 1980s due to rapid post war economic expansion and market growth forcing companies to focus increasingly on persuading customers to buy their products leading to competition. Packaging became a selling tool and a new corporate cost consciousness developed in response to increased competition. Organizations then began to adopt packaging techniques as a strategy to reduce production cost, storage and distribution cost. As social and economic changes took place around the world, customers also became more concerned about the products they purchase since they relied mostly on manufactured processed food. New technologies related to production, distribution and preservatives led to a massive introduction in the number and type of products. Today, good package design is regarded as an essential part of successful business practice (McCarthy and William, 1990).

Packaging is a function of multiple industries and companies that fail to address the demand for sustainable packaging will lose business to forward thinking competitors. The wide uncertainty about what sustainable packaging usually is, and how and when different customer groups will adopt it, commercially focused companies with golden opportunity uses packaging strategy as a differentiator and a source of added value to sustain its competitive advantage Sterling, (2010). Consumers nowadays are encountered with so many brands of different companies. In this line Keller (2008), states that consumers are exposed to more than 20,000 product choice within a 30 minutes shopping session. The primary purpose of packaging is to protect but can be used to attract customers and to increase sales. A good packaging helps to identify and differentiate products to the customer, easy and safety delivery of the product.

According to Alvarez and Casielles (2005), organizations intentions are to develop products that will attract and retain the existing customers. Companies need to understand what influences consumer purchasing pattern. Consumers respond to packaging based on the previous information learned and individual preferences (Aaker, 2010). Package elements, colour, size influences consumer decisions when buying. Packaging has become itself a sales promotion tool for the organizations. The customers buying behavior is stimulated by the packaging quality, colour, wrapper and other characteristics of packaging. Packaging is a whole package that becomes an ultimate selling proposition, which stimulates impulse buying behavior. Packaging increases sales and market share, reduces promotional cost and gives readily available information regarding the product. According to Rundh (2005), package appeals consumers' attentiveness towards a certain brand, increases its image and influences consumers' perception about a product.

Packaging conveys distinctive value to products, Underwood (2003), packaging works as an instrument for differentiation and helps the customers to decide on a product from a wide range of parallel products. Previous researchers show that there is no agreement on overall classification of packaging material and packaging elements therefore what matters is the quality and design of the package. People perceive brand image with positive attitude and mostly teenagers are more conscious about their social status so they prefer branded products and advertisements appealing to them. Packaging acts multi-dimensional functions by offering knowledge about the product and the organization, a communication tool to the customers and safeguards the quality of the product (Dilation and Speece, 2007).

Packaging helps customers to shorten their purchasing time since the package gives all the details about the product which is mostly triggered by the change in the customers changing lifestyle. Packaging involves designing and producing the container or wrapper for a product. Package includes a product's primary container which holds the product, the secondary package that is thrown away when the product is about to be used and finally it can include a shipping package necessary to store, identify and ship the product. According to Kotler (2004), labeling printed information appearing on or with the package is also part of packaging. In earlier days, the primary function of the package was to contain and protect the product but in recent times, numerous factors have made packaging an important marketing tool. Companies are using packaging to perform many sales tasks ranging from customer attraction, to describing the product to making a sale. Package has the power to create instant consumer recognition of the company or the brand.

Organizations needs to wrapp their products with unique packages in order to reflect the information of the product. High quality product without well designed and labelled package may not attract customers but low quality product but well packaged attracted so may customers due to the perception of customers. According to (Zekiri, 2015), who had done a study on the role and impact of packaging on consumer buying as a strategy, found that packaging had the impact on the consumer buying. This is mainly because packaging elements represent a good means of communication towards consumers because they value the elements that are embodied on the package. Packaging colour helps customers differentiate their favourate brands. Packages have full details of the product ranging from quality, price, description which help customers to identify the product and facilites decision making process when purchasing. Packaging design increases the value of product in the mind of consumers that playing a vital role during buying process since it gives more value to the product.The way a product is packaged, it has a direct impact towards consumer buying decision making. Product attractiveness has significant effects on consumers power in making a choice to make a purchase (Taiye et al. 2014).

Promotion Strategy

Promotion is communicating information between seller and potential buyers or others in the channel to influence attitudes and behavior. Promotions are meant to inform target customers that the right product is available at the right place at the right price. Organizations have to choose promotional methods to be applied because different methods have different strengths and limitations but they prove better when combined. The methods are personal selling, mass selling and sales promotion. Personal selling involves direct spoken communication between sellers and potential customers. Sales team gets immediate feedback which helps them to adapt to the needs of the customers. Mass selling is communicating with large number of potential customers at the same time. This method is not flexible than personal selling but when the mass is large and scattered it's less expensive. Sales promotion refers to sales activities other than advertising, publicity and personal selling has stated by (Kotler, Perreault and McCarthy, 2006).

Promotion is advertising a product or brand, generating sales and creating brand loyalty. The organization uses promotion to increase sales, to introduce new product in the market, competitive retaliation or creation of a corporate image. According to Kotler (2004), sales promotion consists of short term incentives to encourage purchase or sale of product or service. Organizations today are using sales promotion to increase their sales and market share due to the increased competition. Today product managers are faced with great pressure to increase their current sales, company faces more competition and competing brands which are less differentiated and advertising efficiency has declined because of rising costs and legal restraints. Organizations normally divide sales promotion into three types: consumer promotion, trade promotion and business promotion.

Consumer promotion is where the final consumer is the target and sales promotion tools used includes samples, cash refund, price packs and coupons. Trade promotion is where manufacturers direct more of sales promotion to cash retailers and wholesalers. Trade promotion aims at persuading resellers to carry a brand, give it a self-space and promote it in advertising and pushing it to the customer. This strategy helps manufacturers to create more space to produce more in order to have consistency of delivery. Sales promotion tools which are mostly used are discounts, allowances, push money and free goods. Business promotion is where organization spends huge sum of money each year on promotion to industrial customers. Business promotion focuses on two major promotional tools: convention and trade shows, and sales contests. Many companies and trade associations organize conventions and trade shows to promote their products. Organizations those uses sales promotion as a strategic tool has a number of benefits since customers will be informed about the product, how it is used and introduces new products.

Promotion is basically aimed at giving information to the potential buyers about the availability of the product,quality, place and sometimes gives directions on how it is used. Entensive promotion is vital in those competitive industries to persuade customers to be loyal in purchasing the products of the company and creating new customers. Swallow (2012), did a study on Red bull content strategy based on promotion had found that Red Bull had media house which had 900 domains in 36 languanges under the umbrella of Red Bull .com. The purpose was to promote its products in a wide range. This increased the sales since a large number of people were able to get the information. Effective promotion leads to sustainable competitiveness through creation of royalty and creation of new consumers of the products of the organization. The research was done in Austrralia markets and the reasearcher failed to point out anything in Kenyan markets creating a gap which researcher wanted to fill.

Many players joining beverage industry had led consumers to have a wide range of products which they can make a choice from. This has lead to a number of substitute products which one can make a reference to when deciding a purchase. This has lead to surpremancy powers vested to the consumers. Revenue being the only element which makes an organization to stay in the market or not, quality will be the determining factor in making a sale.

Quality Strategy

Quality this is the totality of features and characteristics of a product or service that bears its ability to satisfy stated or implies needs of the customer. It is a measure of excellence or a state of being free from defects, deficiencies and significant variations. Quality of a product is one of the marketer's major positioning tools which have a direct impact on service or product performance. Quality is linked with customer satisfaction and value which makes the organization to ensure value of products is not compromised. The American Society for Quality defines qualitative the characteristics of a product or service that bear on its ability to satisfy stated or implied customer needs. Similarly, Siemans defines quality has when our customers come back and our products don't. Organization tries to improve the quality of their products due to increased competition and most top companies who are customer driven, quality has become a way of doing business. These companies have taken a return on quality approach, viewing quality as an investment and holding quality efforts accountable for bottom line results.

Accordingly to Kotler (2004), product quality has two dimensions: level and consistency. Organizations when developing a product must choose a quality level that will support the product in the target market. Companies should choose quality that goes beyond quality level. This will ensure high levels of quality consistency which means conformance quality, free from defects and consistency in delivering a targeted level of performance. Today many organizations have turned to customer driven quality into a strategic weapon. This has been achieved by creating customer satisfaction and value by consistently and profitably meeting their needs and preferences for quality.

According to (Singh, 2013), product quality is vital since it determines the market share of a firm and its also used by other leading firms as a product differentiation strategy. Quality of products leads to customer satisfaction hence high profitability which enables an organization to have sustainale competitiveness. Quality and convenient customer service had led to sustainable competitiveness in majority of Insurance Companies (Kavulunze, 2015). Many organizations have come up with substitute products so the companies whose products are of high quality will prevail in the market while those of inferior products will be forced out of the market. Due to this Quality as a strategy enables an organization to acquire a sustainable competitiveness. Although this is true, there is a gap due to the fact that Meera Singh did his study in Marketing while Ann Kavulunge did her study in Insuarance Companies in Kenya and nothing was mentioned in relation to beverange industry which the researcher wanted to fill.

METHODOLOGY

This research adopted a case study in order to enable the researcher to have a detailed understanding of the strategies which had enhanced East African Breweries Limited to have sustainable competitiveness. The study targeted a population of 300 employees consisting senior managers and middle level managers.

The researcher used questionnaires and interview guide to collect the information. Questionnaires were structured and semi structured while interview guide were unstructured. Interview guide were mostly meant for unrestricted information so they were 50 in number while structured questionnaires were 100 in total. Qualitative methods were used for the analysis. For quantitative method, the researcher coded, tabulated and used percentage presentation of the data available.

RESULTS AND DISCUSSION

Promotion Strategy

The study sought to establish the effects of promotion as a marketing strategy on the competitiveness of the products. As shown on table 4.8 below, employees from Marketing, Finance, Packaging, Production and Distributors were interviewed. The findings revealed that employees from different departments had different opinions on the impact of promotion on the competitiveness of the product. As shown on the table, employees from marketing department and distributors had the highest percentage on the impact of the promotion. Those from Finance and production had the lowest percentage on opinion.

From the findings above, it is also clear that promotion has a high impact on sales having 174% of the respondents agreeing volume of sales is impacted highly by promotion. Respondents argued that they are concerned with affordability so promotion calls for affordability and value for their money thus helps to attain sustainable competitiveness by retaining current consumers and getting new ones. These findings are in agreement with findings by Erica Swallow 2012, who argued that promotion leads to sustainable competitiveness by creating loyalty to existing customers and creation of new ones hence maintain market share.

Further the study compared promotion against sales in relation to cost verses sales. An analysis of financial records revealed that the more the company spent on promotion the higher the sales. Sales and expenses of a period of three years were observed. Due to seasonality of the industry, the two variables were examined for similar seasons. Two seasons were higher season (December) and low season (January).

Pricing Strategy

According to the respondents, price had a great effect on sales volume. Respondents findings shows that change in prices have elasticity demand because when prices goes up volumes goes down meaning they turn to substitute products. This had led East African Breweries Limited to adopt pricing policy has a strategy in order to price its products at a reasonable price while maintaining the quality.

They noted that consumers are price sensitive so, slight change in prices leads to high margin change in sales volumes and also profits. Even when the Government increases taxes, East African Breweries Limited, tends to shield the impact by adopting measures to ensure cost of production per unit is not high. Production in mass quantities also helps in reducing cost per unit. This ensures prices charged to customers are not high to compel them to turn to products offered by the rivals. Further, the respondents stated that price change also had effect on their sales where majority of them said the impact in return impacts shipment of East African Breweries Limited.

Packaging Strategy

Packaging had an average effect on sales according to the respondents at 40%. The way a product is packed, it draws customer's attention. When a product is poorly packaged and labeled, out of the psychological feelings of customers, they will assume that the product is of a low quality and value. They noted that packaging is to protect and to promote the product. According to 30% of respondents they established that packaging had a great extent on the competitiveness of a product. Good packaging helps customers to identify and differentiate products more easily and for convenience delivery.

The study also reviewed that packaging helps in differentiating product from other brands either from the same company or from rivals for easy buying decision making hence helping to increase sales volume. Due to this, East African Breweries Limited had embarked on establishing the role of packaging on customer purchasing behavior. This had led to creation of a good packaging for the products that would boost the sales. East African Breweries Limited had adopted different packaging shapes ranging from bottles, cans and barrels which had proved positively as factors influencing customers to make purchases. The respondents agreed that packaging had average effect on the sales.

Summary of Findings

This section discusses the summary of findings, conclusions and recommendations of the study. The data collected from the respondents enabled the study to evaluate in depth competitive strategies adopted by East African Breweries Limited in enhancing market sustainability in beverage industry in Kenya. The strategies examined in the study include; pricing strategies, packaging strategies, promotion strategies and quality strategies. Each of these independent variable was assessed individually in relation to the extent it enhances market sustainability in the beverage industry.

From the study, beverage industry is faced with stiff competition both locally and regionally. The study had established that EABL has adopted various competitive strategies to defend its market and to penetrate new markets. The study had established that EABL gathers information from the market and its environment which guides in formulating strategies. Various strategies have been put in place ranging from Pricing Strategies, Promotion Strategies, Packaging Strategies, Quality Strategies, Differentiation Strategies, Cost Leadership Strategies and Focus Strategies.

The analysis showed that (60%) of the respondents agreed that pricing affect market sustainability in East African Breweries Limited to great extent while 25% ,10% and 0% of the respondents believed that pricing affect market sustainability in EABL to average extent, to a very great extent and to a very low extent respectively. However, the increase in pricing doesn't mean that the customers will shift to substitute products. The effect could lead to reduction of sales volumes for a certain period after which customers go back to their original purchasing pattern. The study established that there exist inverse correlation between prices and volumes. When prices go down, volumes increase and when prices go up sales volume goes down. This calls for a thorough market study before changing prices and communicating the same to customers so has to be ready for the changes and plan adequately.

The findings from the study shows that 5% of the respondents agreed that packaging has a very great extent on Sustaining Competitiveness of products in EABL while 40%, 30% and 10% of the respondents felt that packaging affect Sustainability of competitiveness of a product to average extent, to a great extent and very low extent respectively. The study results show that packaging doesn't have high impact on sustaining competitiveness of a product. The outcome of the study revealed that there was no correlation between packaging strategies and sustainable competitiveness of the product. The study further showed that for the packaging strategies to have great impact on the competitiveness on the product, differentiation strategies and focus strategies should be put in place to target certain market niche.

The respondents through Likert scale of five points concluded that there exists a high impact of promotion strategies to the sustainable competitiveness. The average stood at 4 points which shows there is a high correlation between promotion and market sustainability of the product. The findings of the study reveals that even during low seasons, extensive promotion strategies leads to increased sales volumes and revenues. The study further established that there exists a strong correlation between promotion strategies and sustainable competitiveness of products in EABL has from the findings, cumulative 174 % of the respondents believed promotion strategies have high impact on competitiveness on the products. However, in order to get maximum benefits from promotion strategies, prior planning for the purpose of promotion and the market to be hosted should be established.

The study established that the respondents believed that Quality Strategies affects market sustainability to a great extent (53%) while 33%, 3% and 2% of the respondents believed that Quality Strategies have average extent, very great extent and very low extent respectively. The study revealed that EABL is highly concerned with the quality of its products. The respondents pointed out that once non conformity product is realized, the whole batch would be recalled. Slow moving brands in the markets are also recalled and distributors rebated.

Conclusion

The results from the study revealed that effective Strategies are the factors that lead to market sustainability. These results are proved by the fact that formulation and implementation of various strategies depending on their nature and the purpose leads to expansion of the market share, retaining the already existing market and or restricting entry of competitors.

The study concludes that adoption of competitive strategies had enabled East African Breweries Limited to attain market sustainability. From the findings, it was established that EABL had put in place various strategies to safeguard its market and customers from competitors. These strategies included Pricing Strategies, Promotion Strategies, Packaging Strategies, Quality Strategies, Differentiation Strategies, Focus Strategies and Cost Leadership Strategies.

East African Breweries Limited has adopted Pricing Strategies to a great extent since customers are price sensitive. These strategies have helped in increasing the sales volume of the organization. Cost leadership Strategies were also adopted to enable EABL to provide products at a lower price as compared to its competitors retaining the quality. EABL adopted Promotion Strategies to create product awareness and loyalty among its customers. Different forms of promotions were used including billboards, radio and television, advertisement, samples, rebates and materials like T-shirts, caps, pens and free issue. From the findings, respondents had great feelings concerning the packaging used by EABL to package its products. It was pointed out that product design, size, colour and labeling played a very important role by attracting customers and influencing them when making buying decision. This made products more attractive has compared to those of the rivals.

East African Breweries Limited ensured its products met the quality standards by establishing quality team tasked with ensuring every bottle and barrel produced meets the quality threshold and that which fails is decanted. To ensure what is sold to consumers is of high quality, EABL has its own sales team who monitors products at bar levels and any product or batch that which is not conforming is recalled back and compensation done to the distributor. It was also stated that the company had set times when distributors are informed to return all leakers and short expiry products to EABL. This strategy of ensuring customers get high quality products had given EABL competitive advantage against its rivals.

East African Breweries Limited had been able to attain sustainable competitiveness by adopting different strategies designed after getting information from the market. EABL unlike other organizations never makes a decision without analyzing the situation and circumstances surrounding the decision and comes out with the strategies to be adopted. Once the strategies are formulated by the top management, middle level managers ensures that implementation is done and Key Performance Indicators set and feedback given where deviations are explained and recovery plan given with a specific person assigned the action which must have a time frame for closure. This enables EABL to stay ahead of its rivals. The respondents on the other hand pointed out that EABL does environmental scanning before introducing any product into the market. This enables EABL to have sustainable competitiveness by producing products that are already needed by the customers and/or as a substitute to those offered by the rivals like how Balozi was introduce to fight summit produced by Keroche Breweries. The objectives of the Study were achieved owing to the fact that the findings were in line with the objectives.

Recommendations

These were based on the findings of the research. The researcher gives his views from the analysis of the study in form of the recommendations. These give answers to the research gaps and or need for a further study on the same problem.

Recommendations on Research Findings

These are as per the results and feedback from the respondents in the study.

1. Unique Strategies: Since the market is becoming so competitive due to liberalization of trade, regional integration and environmental changes mostly the external factors, Organizations need to Strategize, formulate and implement those strategies that are inimitable and/or may take longer time for competitors to duplicate.

2. Pricing Strategies: When Pricing Strategies are formulated and implemented, there should be adequate consultation due to the fact that pricing policies have a great extent effect on the Market Sustainability in beverage industries in Kenya.

3. Packaging Strategies: Packaging serves has the wrapper of the product and also sometimes as the container for the product. Labels on the package also serve as the source of information regarding the product which serves has a promotion without a sales person. Good packaging is normally associated with the quality of product and price therefore good Packaging Strategies needs to be planned well.

4. Promotion Strategies: Companies needs to retain old customers and persuade more to start purchasing its products. To achieve this, intensive promotions are done to create awareness and to create loyalty to already existing customer. When top managers are formulating Promotion Strategies, more emphasis should be put into the nature and purpose for which the organization needs to achieve. The promotion shouldn't be conducted for the sake of it but should be productive since money is involved.

5. Quality Strategies: As more people continue to have increased revenue, they tend to have extra amounts to spend. Due to this, they will be looking for value proposition in the product. This makes companies who do not mind about the quality of their product have little or no market to sell their market. In order to gain and or retain the market share, companies are forced to embark on Strategies leading to improvement of the quality.
   The above should be tasked to top managers of the organization.

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