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ABSTRACT

Purpose: The main purpose of this study was to determine the effects of competitive strategies on financial performance in detergent manufacturing industry in Kenya..

Methodology: The research design was a survey. Simple random sampling method was applied. A questionnaire was used to collect data. The population in this study was the 60 detergent manufacturing firms in Nairobi. Respondents involved were directors and finance managers in these factories. The study used questionnaires to collect the required data. Descriptive statistics was used mainly to summarize the data. SPSS was used for analysing complex data. The descriptive analysis involved the use cross tabulation and frequency distribution tables. Regression and correlation analysis were used to establish the relationship between the independent and dependent variables.

Results: From the findings it was found that majority of the companies are constantly looking to adopt new technologies in their firm and that they are constantly looking to improve their sourcing processes. The findings also showed that most companies have measurable goals for achieving their marketing and sales objectives. Correlation test showed that there is a positive correlation between all the predictors (innovation & technology strategy, market strategy, operational excellence strategy, sustainability strategy) and financial performance of detergent manufacturing companies. Regression analysis showed R square to be 0.687, this indicated that innovation & technology strategy, market strategy, operational excellence strategy, sustainability strategy accounts for 68.7% of financial performance of detergent manufacturing companies. Statistically, the overall relationship was very significant with significant value, P value = 0.000, ($P < 0.05$).

Policy recommendation: The study recommended that detergent manufacturing firms should adopt sustainability strategy as a non-generic strategy, in addition to the other strategies adopted. It also needs to improve or employ innovation/technology strategy as a key strategy

Keywords: *Competitive Strategies, Financial Performance, Detergents and Manufacturing Industry*

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1.0 INTRODUCTION

1.1 Background to the Study

Competition is a fact of business life, a business should endeavor to develop strategies to compete successfully in the market place for it to enhance its chances of growth and therefore perform far above industry average. In an increasingly competitive manufacturing industry, the absence of well-defined competitive strategies leads to weak competitive positions and hence performance below the industry average (Klein, 2010). Competitive strategies therefore, consist of all those moves and approaches that a firm has and is taking to attract buyers, withstand competitive pressure and improve its market position (Sifuna, 2014).

Firms need competitive strategies to enable them overcome the competitive challenges they experience in the environment where they operate. A competitive strategy enables a firm to gain a competitive advantage over its rivals and sustain its success in the market (Pearce &Robinson, 2010). A firm that does not have appropriate strategies cannot exploit the opportunities available in the market and will automatically fail. A business has a competitive advantage whenever it has an edge over its rivals in securing and defending against competitive forces (Thompson & Strickland, 2003). The basic targets of competitive strategies are to comply with the market rules of competition and convert these rules into an advantage for the business. While developing their competitive strategies, businesses create a general formula about how to compete, what the targets should be and which policies should be implemented to reach these targets (Akbolat &Isik, 2012).

1.1.1 Global Perspective of Competitive Strategies in the Detergent Industry

Industry research has been carried out in the UK and the US for the detergent industry. For example, Ibis World (2017) carried a research on all aspects of the detergent industry in the UK, including prospects for growth and change in trends. However, the organization based its report on two key organizations, which are Unilever and Proctor & Gamble (Ibis World, 2017). Baines *et all* (2011), carried out a study on the employment of sustainability in manufacturing firms and found out that, globally, the knowledge base is fragmented and the topic was relatively unexplored. Navinshan (2009) carried out a business analysis of the four most competitive detergent manufacturing firms in North America. These were Unilever, Henkel, Proctor & Gamble, and Arm & Hammer. He concluded that the four organizations employed certain competitive strategies. Unilever employed innovation and differentiation as its key competitive strategies. Henkel relied on their formidable name and reputation as a Global excellence company, as well as adaptability to the changing needs of the customer.

Arm and Hammer (2009) adopted Market Strategy, expending a lot of money on brand campaigns. Proctor & Gamble focused on its employees and people as its key strategy, choosing to employ, train and focus on its employees. It also relied on diversification and product innovation. The conclusion is that, while studies globally have been employed, especially in the United States and UK, on the competitive strategies adopted by the detergent industry, focus has been on the key industry players and giants.

1.2 Statement of the Problem

The 21st Century has seen turbulent waves hit Kenya's manufacturing sector. While the Kenyan economy grew considerably at 5.4% in 2014 and 5.6% in 2015, the Manufacturing sector trailed the economic growth, growing by a paltry 3.2% in 2015 and 3.5% in 2015 (KNBS, 2016). According to the World Bank (2014) the relative size of Kenya's manufacturing sector has been stagnant; the sector has lost international competitiveness and is struggling with low productivity and structural inefficiencies. Players in a non-expanding market are forced to adopt various competitive strategies in order to stay afloat (Onyango, 2007). There was a need to add more studies in the area of competitive strategies in the manufacturing sector, and the effect they are having on performance in a highly competitive environment. While a number of manufacturing companies have shut down their operations, still many more remain in production. It was important to find out why these firms are still in operation, and the competitive strategies they have employed to remain afloat.

2.1 Theoretical Review

2.1.1 Innovation Theory

Innovation can be said to be the application of novel ideas to products, processes, or other parts of the activities of an organization that cumulates to an increment in value. This value is described in a wider way to include higher value added for the business and benefits to consumers or other firms. Two important definitions were identified by Schumpeter (1934), Product innovation: the introduction on a new product or adding extra value to an existing product. Process Innovation: the introduction of a new process for producing or delivering goods and services.

Schumpeter developed the term "entrepreneur-spirit", and asserted that "the doing of new things or the things that are already being done in a new way" stemmed directly from the efforts of entrepreneurs. Business owners are basically considered as entrepreneurs. The acknowledgement that manufacturing businesses play a vital role in innovation has led to a number of insights about the mechanisms by which business improves and introduce new products and services. Manufacturing businesses can have an innovative advantage as a result of different management structures. In some businesses, decision making process is not rigid nor follows a strict hierarchy; decision to innovate is made by a small number of people (Schumpeter, 1934). Innovation theory is relevant to the Innovation variable.

2.1.2 Resource Based View Theory

Resource based view theory is a theory model that sees resources as key to a firm's performance. From a resource based view of the firm, it is of high importance to take a close look at the internal organization of a company and its resources in order to understand how competitive advantage is determined within firms. From this perspective, the internal environment of an

organization, in terms of its resources and capabilities, is the critical factor for the determination of strategic action (Barney, 1991).

The original idea of viewing a firm as a bundle of resources can be traced back to Penrose (1959), who argues that it is the heterogeneity, not the homogeneity, of the productive services available from its resources that give each company its unique character. Barney, furthermore emphasized that for a firm to achieve sustainable competitive advantage, it should consider its intangible and tangible resources. These resources, must be valuable, rare, imperfectly imitable and non-substitutable. If resources have these characteristics they can be seen as strategic assets, and lead the organization to have sustainable competitive advantage (Barney, 1991).

The RBV can be depicted as one way in the process of strategy formulation. A central thrust is the contribution of core competencies as strategic assets, which will be the continuing source of new products and services through whatever future developments may take place in the market, which by their nature, are not known. The emphasis of the RBV approach to strategic management decision-making is on the strategic capabilities as basis for superiority of the firm rather than attempting to constantly ensure a perfect environmental fit. Resources are the specific physical, human, and organizational assets that can be used to implement value-creating strategies (Petaraf, 2010). Resource based view is relevant to the Marketing competitive strategy. Marketing scholars and practitioners recognize marketing resources as crucial to drivers in the process by which firms develop their competitive advantages and achieve higher levels of performance (Davcik & Sharma, 2016).

2.1.3 Theory of Constraints

According to Goldratt (1994), the Theory of Constraints is a methodology for identifying the most important limiting factors (i.e. constraints) that stands in the way of achieving a goal, and then systematically improving that constraint until it is no longer a limiting factor. In manufacturing, the constraint is referred to as a bottleneck. The theory of constraints takes a scientific approach to improvement. It hypothesizes that every system, manufacturing included, consists of multiple linked activities upon the entire system. That means that the constraint is the weakest link in the chain.

The Theory of Constraints proposes a five step process. These steps are; identifying the appropriate measures of value, identifying the bottlenecks, using the bottlenecks properly, synchronizing other processes to the bottlenecks and increasing capacity (Goldratt, 1994). The Theory of Constraints relates to the Operational Excellence Strategy in that the latter is a continuous process improvement strategy. Therefore it can be applied as a methodology to access the bottlenecks and improve on the system processes on a continuous basis, hence achieving efficiency and profitability (Gupta & Lynn, 2006).

2.2 LITERATURE REVIEW

Muzaffer(2009). stated that as a result of the rapid advances being made in science and technology, innovation has become a key concept in every mature society. Businesses have sustained their competitiveness in the increasing global competition conditions by introducing technological innovations. Technological innovations have radically improves the quality of their

products or services, hence leading to increased profits. Technology leads to both competitive dynamics and competitive advantage which leads to the value creation

Market strategy or planning can be viewed as that process through which organizations turn business ideas into products and services that suit a target market (Gilligan &Wilson, 2003). Marketing planning often involves carrying out internal and external market research, analyzing strengths and weaknesses, forecasting business environment and sales volumes, setting marketing objectives and necessary marketing strategies, setting budgets and a plan for reviewing results and revising the objectives or strategies (Westwood, 2008).For organizations to be successful in market strategy, McDonald & Wilson (2011) point out that business owners must reflect on the past for success and failure factors, focus on present and define available resources and the business environment as well as cast an eye into the future for better markets that eventually boost financial growth of the business.

Operational Excellence strategy is a continuous process improvement strategy involving leadership, teamwork and problem solving. This results in continuous improvement of process effectiveness and efficiencies, and is focused towards delivering value to the customer (Ranganathan, 2009). An Operational Excellence strategy aims to improve efficiencies, hence accomplish lower costs. It focuses on automated manufacturing processes and work procedures in order to streamline operations and reduce cost. The strategy lends itself to high-volume, transaction-oriented and standardized production that has little need for differentiation (Treacy & Wiersma, 1997). Measuring the performance of key processes and benchmarking costs comprise an integral part of the operations of these companies who relentlessly seek to streamline their processes in order to eradicate errors, enhance efficiency and minimize waste. Examples of Operational Excellence management systems are Total Quality Management (TQM), Six Sigma, Supply Chain Management (SCM) and Lean Manufacturing. According to Seifert & Stallbaum (2013), a company that employs operational excellence as one of its strategy will have lower operational risk, lower operating costs and increased revenues. However, Seifert & Soto (2015) also posit that each iteration of Operational excellence may find diminishing returns as the room for improvement narrows.

Business sustainability seeks to create value and competitive advantage by embracing the opportunities and managing the risks those results from an organization's economic, environmental and social responsibilities (Pojasek, 2007). High sustainability companies are more likely to have established processes for stakeholder engagement, operations and customer interrelations to be more long-term oriented, and to exhibit higher returns and disclosure of nonfinancial information. Kleindorfer *et al* (2005) suggest that manufacturing firms with sound sustainability strategies significantly outperform their counterparts over the long-term, both in terms of stock market and financial performance.

3.0 METHODOLOGY

The research design was a survey. Simple random sampling method was applied. A questionnaire was used to collect data. The population in this study was the 60 detergent manufacturing firms in Nairobi. Respondents involved were directors and finance managers in these factories. The study used questionnaires to collect the required data. Descriptive statistics

was used mainly to summarize the data. SPSS was used for analysing complex data. The descriptive analysis involved the use cross tabulation and frequency distribution tables. Regression and correlation analysis were used to establish the relationship between the independent and dependent variables.

4.0 RESEARCH FINDINGS AND DISCUSSION

4.1 Demographic Data

4.1.1 Legal structure of the company

It was necessary to determine the legal structure of the detergent manufacturing companies. It was found that majority, 60.7% (34 firms) are registered companies, while 26.8% (15 firms) are sole trader businesses and 12.5% (7 firms) are partnerships as shown in figure 1 below.

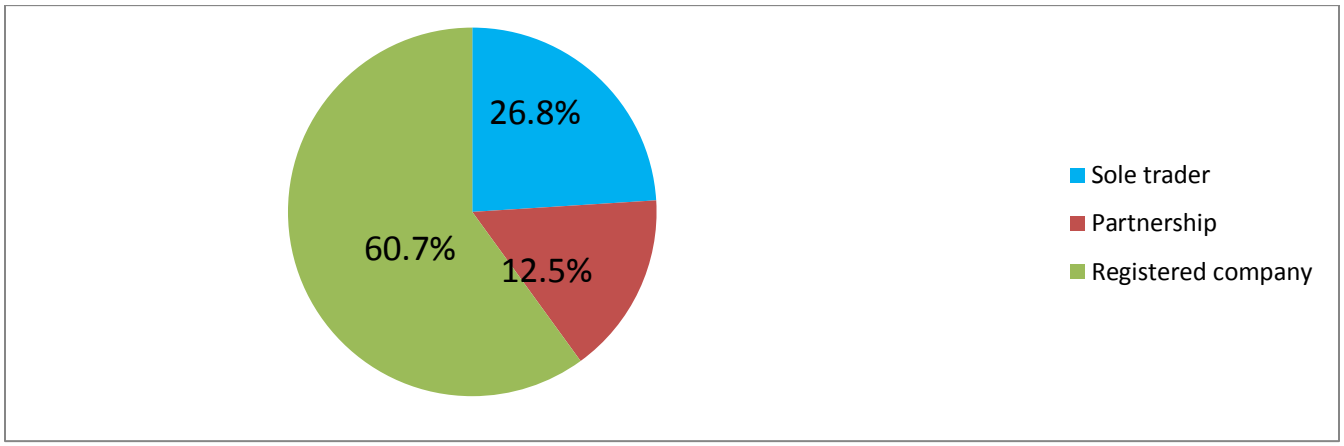

Figure 1 – Legal structure of companies

4.1.2 Period in operation

There was need to determine the duration at which detergent manufacturing companies have been operating. The findings indicated that majority 25% (14 firms) have been in existence for a period between 11-15 years, while 16% (9 firms) have been in operation for period of between 16-20 years, 14% (8 firms) for a period of between 6-10 years, while 21% (12 firms) of them have been operating fora period of less than 5 years. 23% (13 firms) have been in operation for more than 20 years as shown in Figure 2.

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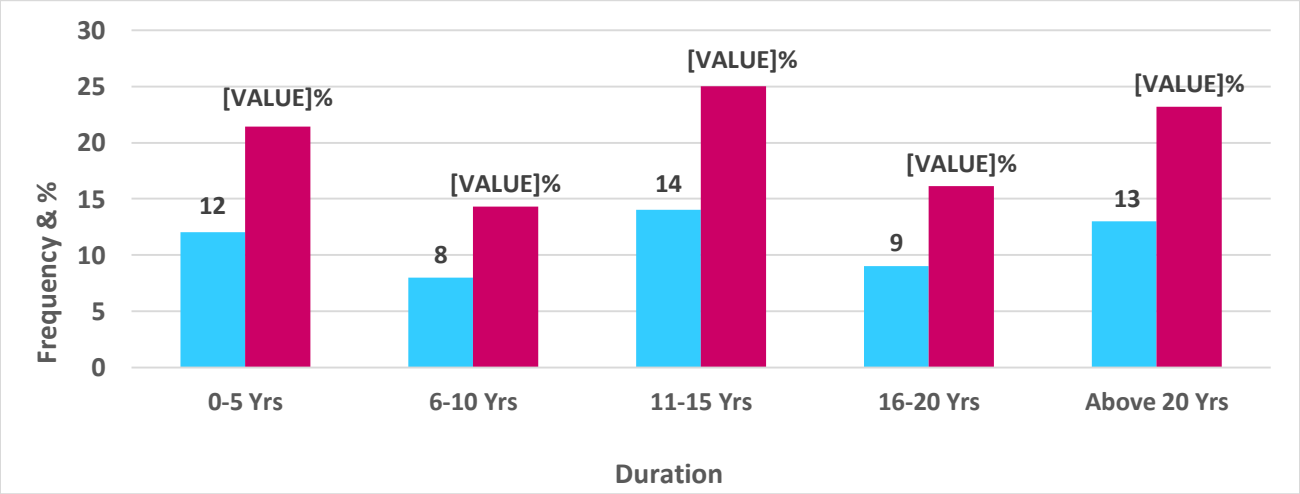

Figure2 – Period in Operation

4.2 Descriptive Analysis

4.2.1 Innovation & technology strategy

The following descriptive statistical figures provide information on the firms in regards to application of Innovation and technology strategy. It was found that majority (73%) of the companies, are constantly looking to adopt new technologies in their firm (Mean = 3.9, Std. dev =1.2). It was not clear whether the firms look to release new products to the market (Mean = 3.3, Std. dev =1.1). It was also not clear that detergent manufacturing companies constantly look out to adopt new processes (Mean = 3.3, Std. dev =1.1). There was a split between companies that regularly upgrade their formulations and those that do not (Mean = 3.1, Std. dev =1.1). 46% firms admitted to regularly upgrading their formulations, with 45% firms indicating that they did not. Majority of the firms (59%) interviewed did not regularly upgrade their product packaging (Mean=2,7, Std. Dev=1.1). Majority of the firms, representing 57% did not have a research and development function in their organization (Mean=2.8, Std. Dev=1.5). It was also clear that employees who came up with new ideas were not rewarded (Mean = 2.8, Std. dev =0.9). The firms were of the opinion that their competitors have adopted Innovation & technology strategy (Mean = 3.7, Std. dev =0.9), representing 62%, as shown in Table 1.

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Table 1 - Innovation & technology strategy

Statement	Mean	Std. Dev	Min.	Max.	Total (N)
We are constantly looking to adopt new technologies in our firm.	3.9	1.2	1.0	5.0	56
We are constantly looking to release new products.	3.3	1.1	1.0	5.0	56
We are constantly looking out to adopt new processes.	3.3	1.1	1.0	5.0	56
We regularly upgrade our formulations.	3.1	1.1	2.0	5.0	56
We regularly upgrade our packaging.	2.7	1.1	1.0	5.0	56
We have a research and development function in our organization.	2.8	1.5	1.0	5.0	56
Employees who come up with new ideas and innovations are rewarded.	2.8	0.9	1.0	4.0	56
Our competitors have adopted Innovation & technology strategy	3.7	0.9	1.0	5.0	56
Average value (Mean & Std dev.)	**3.3**	**1.0**			

Where; 5-Strongly Agree (SA), 4-Agree (A), 3-Uncertain (U), 2-Disagree (D), 1-Strongly Disagree (SD)

Table 2 Frequency Table of Innovation Strategy.

Statement	% SA	A	U	D	SD	N
We are constantly looking to adopt new technologies in our firm	39	34	5	18	4	56
We are constantly looking to release new products.	14	34	20	30	2	56
We are constantly looking out to adopt new processes.	16	34	18	29	4	56
We regularly upgrade our formulations.	14	32	9	43	2	56
We regularly upgrade our packaging.	7	25	9	54	5	56
We have a research and development function in our organization.	18	25	0	32	25	56
Employees who come up with new ideas and innovations are rewarded.	0	25	30	43	2	56
Our competitors have adopted Innovation & technology strategy	14	48	27	9	2	56

Where; 5-Strongly Agree (SA), 4-Agree (A), 3-Uncertain (U), 2-Disagree (D), 1-Strongly Disagree (SD)

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4.2.2 Market Strategy

The descriptive statistical information below gives insight on the firms with regards to adoption of Market strategy. The findings found out that majority, 66%, of the detergent manufacturing companies have measurable goals for achieving their marketing and sales objectives (Mean = 3.5, Std. dev =1.1). Majority firms also had marketing plan in place (59% of firms, with Mean = 3.3, Std. dev =01.5). 57% of firms disagreed as to enough allocation of funds to meet the marketing activities (Mean = 2.6, Std. dev =1.1). Majority of firms claimed to analyze the market (66% firms against 32% that did not). Majority firms admitted to not having a well defined Product mix (54% firms did not have, against 30% that claimed to have, Mean = 2.7, Std. dev =1.2). However, most firms (71% of firms) thought that their competitors have adopted Market Strategy (Mean = 3.7, Std. dev =0.9) as shown below.

Table 3 - Market Strategy

Statement	Mean	Std. Dev	Min.	Max.	Total (N)
We have a Marketing Plan	3.4	1.5	1.0	5.0	56
We have measurable goals for achieving our marketing and sales objectives.	3.5	1.1	1.0	5.0	56
We allocate adequate resources to meet the marketing activities.	2.6	1.1	1.0	5.0	56
We regularly analyze the Market	3.3	1.3	1.0	5.0	56
We have a well-defined Product Mix	2.7	1.2	1.0	5.0	56
Our competitors have adopted Market Strategy	3.7	0.9	1.0	5.0	56
Average value (Mean & Std dev.)	**3.2**	**1.2**			

Where; 5-Strongly Agree (SA), 4-Agree (A), 3-Uncertain (U), 2-Disagree (D), 1-Strongly Disagree (SD)

Table 4– Frequency Table of Market Strategy

Statement	% SA	A	U	D	SD	N
We have a Marketing Plan	34	25	2	23	16	56
We have measurable goals for achieving our marketing and sales objectives.	20	46	7	21	5	56
We allocate adequate resources to meet the marketing activities.	5	21	16	43	14	56
We regularly analyze the Market	16	43	9	18	14	56
We have a well-defined Product Mix	11	20	16	41	12	56
Our competitors have adopted Market Strategy.	9	63	18	7	3	56

Where; 5-Strongly Agree (SA), 4-Agree (A), 3-Uncertain (U), 2-Disagree (D), 1-Strongly Disagree (SD)

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4.2.3 Operational Excellence strategy

The descriptive statistical information below provides insight as to the interviewed firms' application of Operational excellence strategy. An overwhelming number of companies, 90%, agreed that they were continuously improving their sourcing processes (Mean = 4.3, Std. dev =0.7). 87% of firms interviewed agreed that they continuously improve their production processes (Mean = 4.1, Std. dev =0.8). 66% of firms indicated continually improving their sales and marketing processes (37 firms, Mean=3.6, Std. Dev=1.0). Majority of firms (66%) showed that they have well defined work flows and processes (Mean = 3.6, Std. dev =1.3). However, there was uncertainty on whether employees are empowered to make changes and improvements at the shop floor (Mean = 2.9, Std. dev =0.9), and also whether they had employed one or other standards in their organization (Mean= 3.0, Std. Dev=1.5). The firms disagreed that employees who excelled in operational excellence were rewarded (Mean=2.5, Std. Dev= 1.2), with a majority of 59% firms disagreeing. On the other hand, most firms (80% of firms) agreed that their competitors had adopted Operational Excellence strategy.

Table 5 - Operational excellence strategy

Statement	Mean	Std. Dev	Min.	Max.	Total (N)
We are continually improving our sourcing processes.	4.3	0.7	2.0	5.0	56
We are continuously improving our production processes.	4.1	0.8	1.0	5.0	56
We are continually improving our sales and marketing processes.	3.6	1.0	1.0	5.0	56
Our employees are empowered to make changes and improvements at the shop floor.	2.9	0.9	1.0	5.0	56
We have defined work flows and processes	3.6	1.3	1.0	5.0	56
We have embraced one or other standards in our organization.	3.0	1.5	1.0	5.0	56
Employees who excel in operational excellence are recognized and rewarded	2.5	1.2	1.0	5.0	56
Our competitors have adopted Operational Excellence Strategy	4.0	0.8	1.0	5.0	56
Average value (Mean & Std dev.)	**3.5**	**1.0**			

Where; 5-Strongly Agree (SA), 4-Agree (A), 3-Uncertain (U), 2-Disagree (D), 1-Strongly Disagree (SD)

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Table 6 – Operational Excellence Frequency Table

Statement	% SA	A	U	D	SD	N
We are continually improving our sourcing processes.	45	45	11	0	0	56
We are continuously improving our production processes.	30	57	9	2	2	56
We are continually improving our sales and marketing processes.	19	43	20	14	4	56
Our employees are empowered to make changes and improvements at the shop floor.	4	25	36	30	5	56
We have defined work flows and processes.	23	43	12	9	13	56
We have embraced one or other standards in our organization.	18	32	4	23	23	56
Employees who excel in operational excellence are recognized and rewarded.	4	25	11	39	21	56
Our competitors have adopted Operational Excellence Strategy.	21	59	15	3	2	56

Where; 5-Strongly Agree (SA), 4-Agree (A), 3-Uncertain (U), 2-Disagree (D), 1-Strongly Disagree (SD)

4.2.4 Sustainability strategy

This section provides descriptive statistical information of the firms' adoption of Sustainability strategy from the questionnaire provided. The findings showed that the detergent manufacturing companies were split between those who have an Environment Policy and those that don't have (54% having and 48% not having. Mean =3.1, Std. Dev= 1.4). However, majority have a Health and Safety Policy (71% agreed, Mean=3.7, Std. Dev=1.2). Most firms disagreed to having embraced Corporate Social Responsibility (CSR). 54% firms disagreed (Mean = 2.7, Std. dev =1.1). There was uncertainty around the use of green and environmental friendly raw material inputs (Mean =2.9, Std. Dev=1.1). Majority of the firms also disagreed to adopting one or other form of clean, renewable energy (52% firms disagreeing, and only 7% agreeing. Mean=2.4, Std. Dev=0.9). However, a large number of firms agreed to applying power and energy conservation methods (Mean= 4.0, Std. Dev=0.9), with an even larger number, 88%, agreeing to recycling raw materials and other inputs (Mean=4.0, Std. Dev= 0.8). There was uncertainty among the industries regarding whether their competitors have adopted sustainability strategy (57% of firms being uncertain, Mean = 3.3, Std. dev =0.7) as shown below.

Table 7 - Sustainability strategy

Statement	Mean	Std. Dev	Min.	Max.	Total (N)
Our organization has an Environment Policy.	3.1	1.4	1.0	5.0	56
Our organization has embraced Corporate Social Responsibility CSR)	2.7	1.1	1.0	5.0	56
Our Organization has a health and safety policy.	3.7	1.2	1.0	5.0	56
We use green, environmental friendly raw material inputs.	2.9	1.1	1.0	5.0	56
We have adopted one or other form of clean or renewable energy.	2.4	0.9	1.0	4.0	56
We apply power and energy conservation methods in organization.	4.0	0.9	2.0	5.0	56
We recycle raw materials and other inputs	4.0	0.8	1.0	5.0	56
Our competitors have adopted sustainability strategy.	3.3	0.7	2.0	5.0	56
Average value (Mean & Std dev.)	**3.3**	**0.9**			

Where; 5-Strongly Agree (SA), 4-Agree (A), 3-Uncertain (U), 2-Disagree (D), 1-Strongly Disagree (SD)

Table 8 – Frequency Table for Sustainability Strategy

Statement	% SA	A	U	D	SD	N
Our organization has an Environment Policy.	20	32	0	34	14	56
Our organization has embraced Corporate Social Responsibility CSR)	5	25	16	45	9	56
Our Organization has a health and safety policy.	23	48	5	18	5	56
We use green, environmental friendly raw material inputs.	5	29	30	25	11	56
We have adopted one or other form of clean or renewable energy.	0	7	41	34	18	56
We apply power and energy conservation methods in organization.	29	50	14	7	0	56
We recycle raw materials and other inputs	23	64	7	2	4	56
Our competitors have adopted sustainability strategy.	5	29	57	9	0	56

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4.2.5 Financial performance

On status of financial performance of Detergent manufacturing companies, there was agreement that their businesses have had improvement on revenues in the last three years (Mean = 3.9, Std. dev =1.2), and that they have recorded improved net profit margins in the last three years (Mean = 3.7, Std. dev =1.2). However, there were uncertain whether they have had better revenues than others in the industry (Mean = 3.1, Std. dev =1.0) and whether they have had better net profit margins than others in the industry (Mean = 3.0, Std. dev =1.1) as shown below.

Table 9 – Financial Performance

Statement	Mean	Std. Dev	Min.	Max.	Total (N)
The business has registered improvement on revenues in the last 3 years.	3.9	1.2	2.0	5.0	56
The business has registered improvement on net profit margins in the last 3 years.	3.7	1.2	1.0	5.0	56
The business has realized better revenues than others in the industry	3.1	1.0	2.0	5.0	56
The business has realized better net profit margins than others in the industry	3.0	1.1	1.0	5.0	56
Average value (Mean & Std dev.)	**3.5**	**1.1**			

Where; 5-Strongly Agree (SA), 4-Agree (A), 3-Uncertain (U), 2-Disagree (D), 1-Strongly Disagree (SD)

4.3 Inferential Statistics

4.3.1 Bi-variate Correlation

The researcher ran Correlation analysis in order to identify positive association between the variables. Pearson Correlation Coefficient (r) was used to establish this correlation. The result from correlation test showed that there is a positive correlation between all the predictors (innovation & technology strategy, market strategy, operational excellence strategy, sustainability strategy) and financial performance of detergent manufacturing companies. In addition, all for predictors i.e. innovation & technology strategy, market strategy, operational excellence and sustainability strategy showed significant relationship with financial performance as shown by coefficients and significance values; (N=56, r= 0.778, p= 0.000; N=56, r= 0.689, p= 0.000; N=56, r=0.734, p=0.000 and N=56, r= 0.825, p= 0.000) as shown in table 4.11 below.

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Table 10 – Correlation matrix

		Innovation/ Technology Strategy	Market Strategy	Operational excellence Strategy	Sustainability Strategy	Financial Performance
Innovation/ Technology Strategy	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	56				
Market Strategy	Pearson Correlation	.878*	1			
	Sig. (2-tailed)	.000				
	N	56	56			
Operational Excellence Strategy	Pearson Correlation	.913*	.888*	1		
	Sig. (2-tailed)	.000	.000			
	N	56	56	56		
Sustainability Strategy	Pearson Correlation	.893*	.887*	.905*	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	56	56	56	56	
Financial Performance	Pearson Correlation	.778*	.689*	.734*	.825*	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	56	56	56	56	56

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

4.3.2 Regression Analysis

From Table 11 below, R square is 0.687 showing a relationship between the observed and predicted values of the dependent variable. This indicates that innovation & technology strategy, market strategy, operational excellence strategy, sustainability strategy accounts for 68.7% of financial performance of detergent manufacturing companies. This figure indicates that the predictors are significant to the financial performance of detergent manufacturing firms in Kenya. The remaining value of 31.3% indicates that there are other factors that contribute to firm performance.

Table 11 – Model summary

Model		R	R Square	Adjusted R Square	Std. Error of the Estimate
	1	.829	.687	.0662	.60972

Predictors: (Constant), Sustainability Strategy, Market Strategy, Operational excellence Strategy, Innovation/ Technology Strategy

The ANOVA table below shows results of analysis of variance, sum of squares, degree of freedom (df), mean square, regression and residual values obtained from regression analysis. From table 12 below, the mean square is 10.878. The F static which is regression mean square divided by the residual mean was 31.659. Degree of freedom (df) is 4. Statistically, the overall

relationship was very significant with significant value, P value = 0.000, (P < 0.05) as shown below.

Table 12 - ANOVA

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	43.514	4	10.878	31.659	.000[a]
	Residual	17.524	51	.344		
	Total	61.038	55			

a. Predictors: (Constant), Sustainability Strategy, Market Strategy, Operational excellence Strategy, Innovation/ Technology Strategy
b. Dependent Variable: Financial Performance

The table 13 below shows the coefficients as Innovation & Technology (β=0.455, p-value=0.046), Marketing Strategy (β=0.303, p-value=0.087), Operational Excellence (β=0.213, p-value=0.454), Sustainability Strategy (β=0.967, p-value=0.000). This shows that two variables are significant (Sustainability and Innovation), while Market and Operational Excellence are not significant. Overall it indicates that a combination of the four strategies is not significant.

On the other hand, the coefficient table 13 below showed that holding all other independent variables constant, every unit change on innovation/technology strategy shall increase financial performance by 0.455, while market strategy shall increase on financial performance by 0.303, operational excellence strategy shall increase on financial performance by 0.213 and finally sustainability strategy shall increase financial performance by 0.967. Therefore, all the variables are positively influencing financial performance of detergent manufacturing companies as shown below.

Table 13 - Coefficients

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.103	.409		.252	.802
	Innovation/ Technology Strategy	.455	.223	.418	2.042	.046
	Market Strategy	.303	.185	.303	1.637	.087
	Operational excellence Strategy	.213	.283	.165	0.752	.454
	Sustainability Strategy	.967	.272	.870	3.555	.000

a. Dependent Variable: Financial Performance

5.0 SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of Findings

From the findings it was found that majority of the companies are constantly looking to adopt new technologies in their firm and that they are constantly looking to improve their sourcing processes. The findings also showed that most companies have measurable goals for achieving their marketing and sales objectives. Correlation test showed that there is a positive correlation between all the predictors (innovation & technology strategy, market strategy, operational excellence strategy, sustainability strategy) and financial performance of detergent manufacturing companies. Regression analysis showed R square to be 0.687, this indicated that innovation & technology strategy, market strategy, operational excellence strategy, sustainability strategy accounts for 68.7% of financial performance of detergent manufacturing companies. Statistically, the overall relationship was very significant with significant value, P value = 0.000, ($P < 0.05$).

5.2 Conclusion

Research has revealed that in a dense competitive business environment such as Kenya, survival is the top most priority for manufacturing firms. This has not been an easy task for most manufacturing companies in Kenya due to high level of competition from foreign companies, lack of government policy support and even inadequate funds to run their operations. For this reason it is necessary for detergent manufacturing firms to formulate adequate strategies as they give direction to what the business has in mind and also helps identify ways through which they can achieve their goals. To ensure survival, detergent manufacturing companies must compete and to do so competitive strategies such as porter's generic strategies, non-generic strategies, resource base strategy and others as viewed in theoretical framework are required. Development of these strategies would enable the companies consciously carry out their activities differently or to perform different activities than competitors to convey a unique mix of value. They must bear in mind that they are within a highly competitive business environment and must adopt efficient and effective competitive strategies in order to constantly have an edge over competitors as well as expand it all ramification.

5.3 Recommendations

It is recommended that employees who come up with innovative ideas should be rewarded. This means that firms will be making use of their most important resource – Human Capital – to come up with innovations that will move them to the next level. It is recommended, therefore, that small and medium enterprise firms should concentrate on strategies that have a larger, more significant impact, and not on market strategy. It is recommended that, while operational excellence be executed, it should be applied in addition to other strategies, in order to minimize the diminishing returns effect and that detergent manufacturing firms take advantage of this strategy for maximum gain on profitability, especially when in conjunction with other strategies.

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