ORGANIZATIONAL MERGERS AND SUSTAINABLE COMPETITIVE ADVANTAGE OF ALMASI BEVERAGES LIMITED, KENYA

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D53/NYI/PT/29351/2014

A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF BUSINESS, ECONOMICS AND TOURISM IN PARTIAL FULFILLMENT FOR THE AWARD OF A DEGREE IN MASTER OF BUSINESS ADMINISTRATION (STRATEGIC MANAGEMENT) OF KENYATTA UNIVERSITY

MAY, 2023

DECLARATION

This research project is my original research work and to the best of my knowledge has not been submitted in any other University or institution for academic credit.

Signature …………………………………….. Date…………….………………………..

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DEDICATION

This research proposal is dedicated to Dr Francis Kanyingi and Mrs Dora Kanyingi for their unconditional love, full-time assistance and advice in my education.

ACKNOWLEDGEMENT

This research proposal has been undertaken with cognition of several persons. Thank you, Dr. Paul Waithaka, for your unwavering support while I worked on this project. I am grateful for the constructive criticism, encouragement, understanding, patience, and steadfast advice I received over the study time. I also want to express my gratitude to my parents, who have always been there for me, both emotionally and spiritually. I'm motivated to succeed by their unwavering love and support.

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ABBREVIATIONS AND ACRONYMS

DEA	Data Envelopment Analysis
GDP	Gross Domestic Product
ICDC	Industrial and Commercial Development Corporation
MNC	Multi-National Corporations
M&A	Mergers and Acquisitions
RBV	Resource Based View
R & D	Research and Development
SPSS	Statistical Package for Social Sciences
UK	United Kingdom
ANOVA	Analysis of Variance
NACOSTI	National Commission for Science, Technology and Innovation

OPERATIONAL DEFINITION OF TERMS

Diversification	Refer to the act of developing a wider range of products, interests, skills, etc. in order to be more successful or reduce risk. It was measured in terms of product development, unique product and market development.
Economies of scale	Refer to the cost advantage experienced by a firm when it increases its level of output. It was measured in terms of purchasing, technological and scope of operation
Organizational merger	Refer to an agreement that unites two existing companies into one new company. It was measured in terms of economies of scale, diversification and synergy
Sustainable Competitive advantage	Refers to the ways that a company can produce goods or deliver services better than its competitors. It was measured in terms of quality products, customer service, innovation and efficiency
Synergy	Refer to the potential ability of an organization to be more successful or productive as a result of a merger. It was measured in terms of market value, process optimization and financial economy

ABSTRACT

In recent times, sustainable competitive advantage has become a common phenomenon worldwide. Organizations have been forced to adopt sustainable competitive advantage as a crucial strategic tool to deal with the ever-increasing global market competition. In many companies, mergers are strategic growth plans which not only helps them stay in competition but also extends their dominance, market share and margins in the global setting. Mergers facilitate firms' fast growth and a capital market discipline mechanism improving efficient management and profit maximization. The goal of the study was to evaluate how the Kenyan beverage industry sustainable competitive advantage was affected by mergers. Specifically, the study sought to investigate the effect of economies of scale, diversification and also synergy on sustainable competitive advantage of Almasi Beverages Limited in Kenya. The study was underpinned on the following theories; the theory of efficiency, the resource-based view theory, and the hubris theory. The research utilized the descriptive research design. Secondary and primary data was utilized. Primary data was collected using a questionnaire. Blank responses were not included when analyzing the data. Descriptive statistical methods such as mean, frequency, percentages were used for analysis. Research findings were presented through graphs charts and tables. Findings revealed that revealed that Almasi Beverages sustainable competitive advantage was positively and significantly influenced by economies of scale, by diversification, and by synergy. The study concluded that economies of scale led to the firm enjoying large discounts and cheaper more affordable prices, improved capital equipment and production processes, and having quality managers working in various departments. Diversification led the firm to have a wide range of products on their product line, new designs within the organization that were aesthetically designed and were more superior in branding, and new products offerings in the organization contributed to sustainable competitive advantage. Synergy led the firm to have a stronger bargaining power for inputs, stronger bargaining position for cost of capital, and ensuring that the organization was running efficiently and in an effective manner, expediency of the logistics team in terms of their speed and responsiveness, and financial independence would all enhance the organizations sustainable competitive advantage. The study recommends that the organization should adopt a culture of continuous improvement in the area of product improvement through innovation to ensure that it gives the firm sustained competitive advantage in the long run. In order to remain different from competitors, Almasi Beverages should focus on high product quality, fast delivery, design and new products, and unique product features. To achieve this, the study recommends that the firm should embrace differentiation as the key competitive strategy and set sufficient resources. Further, positive competitive advantage should be attained by more beverage firms in Kenya through their firm consolidation via the merger strategy.

CHAPTER ONE:
INTRODUCTION

1.1 Background to the Study

It is imperative for companies in today's competitive business environment to remain ahead of the competition and achieve their goals. The finest companies are those that are constantly striving to be the best they can be. Strategies such as competitive pricing, superior customer relationships and service, superior brand reputation, and unique manufacturing expertise set companies apart and give them a competitive advantage (Ellis & Singh, 2010). Organizations must strive hard in achieving excellence and quality in their respective operation fields, in the rapidly changing business world (Goes, Marra, Araujo, Alves, & De Souza, 2011).

Generic strategies developed in 1980 developed by (Porters, 2012) advocate that companies can gain competitive advantage by focusing on cost, differentiation, or leadership. Cost superiority or differentiation can be achieved by bringing goods and services to the market at a more affordable price than competitors or a highly differentiated product (Lokhande, 2015). Thus, firms must strive to out-compete rivals to remain competitive in the industry. One competitive strategy especially for small firms in combination of businesses through mergers to increase market visibility and enhanced business scope. This enables firms combine business strengths for competitiveness in the industry.

Organizations have been forced to go for mergers as a crucial strategic tool with the global market competition increment. In many companies, mergers are strategic growth devices which not only help them stay competitive but also extends their dominance, market share and margins in the global setting. Profitable growth for the organizations is externally and

internally possible. According to Mallikarjunappa and Nayak (2007), sustaining sales improvement, expanding the capacity of the existing products, new products development or introduction leads to internal growth.

Abbas, Hunjra, Azam, Ijaz and Zahid (2014) observe that sustainable competitive advantage have a significant influence on performance of banks in their finances in Pakistan after engaging into merger. In addition, the author show that bank's profits, length of existence and its shareholders are the most critical factors in considering and motivating them to opt for a merger as it is possible to converge resources, improve in technology and skills with the aim of increasing it financial performance and the wealth of its stakeholders. Therefore, it is of great importance to the sector of Pakistan's finance that a strategy meant for merger should be founded on consolidating resources and competency that result to a better financial performance.

Saboo, Sharma, Chakravarty and Kumar (2017) indicate that the competitive advantage of Banks in Ghana might not necessarily improve due to merger. This is because net margin of these banks was found to be negatively but significantly associated with merger. Bolouppremo and Ogege (2019) observe that the highest number of mergers in Ghana perhaps can be found in the banking industry which is driven largely on account of recapitalization where the Bank of Ghana requested commercial banks to increase their capital to a certain threshold. The biggest drivers of mergers and acquisition is the motivation to eliminate or reduce competition, help to increase the size and operations of firms in order to facilitate enjoyment in economies of scale, which could increase their performance in terms of profitability,

In expanding external corporate, mergers perform a crucial role as they act as a strategy for corporate control and restructuring (Armstrong, 2014). They facilitate firms' fast growth and a capital market discipline mechanism improving efficient management and profit maximization. Acquisition and merging activities are going up at a remarkable pace. Based on Mantravadi and Reddy (2012), becoming more competitive in the market in the current global economy, using mergers as a strategy to gain complementary competencies and strengths, additional manufacturing capacities, all generate greater market shares for organizations.

Mergers help organizations in entering new markets and achieving a larger asset base. Mergers slowed down in the Kenyan business environment in 2015 as compared to 2014 even with the multi-billion-shilling share deal between Centum and Equity. In East Africa, Kenya still leads as a strategic merger hotspot. Kenya accounted for forty-eight deals valued as the biggest region's share in 2015 and thirty-one deals at a value of shs27 billion.

This study seeks to establish how the resulting merged firms' sustainable competitive advantage relates. Specifically, this research sought find out how sustainable competitive advantage is impacted by the merger. The focus was on Almasi Beverages Limited. Even though predictions differ, Kenyan beverage industry mergers are expected to go on at levels that are healthy as divestiture opportunities and growths are sought by industry players (Armstrong, 2014).

1.1.1 Organizational Mergers

Merger is a situation whereby assets and resources of both companies are combined and the control is under one company in which a joint ownership is from the stakeholders of the

main company and all the stakeholders from the two companies come together and form one unit for the success of the main company (Botis, 2013). Mohammed (2017) observes that when organizations merge they increase their revenue due to increase in size, scope and market size of the firm. Mohammed (2017) further observe that merger enable firm’s to acquire chances in enhancing their revenue either gaining efficiency or increasing power in markets. In this study, merger was evaluated in terms of economies of scale, diversification and synergy.

Silberston (2018) economies of scale provide larger companies with a competitive advantage over smaller ones, because the larger the business, the lower its per-unit costs. The size of the business generally matters when it comes to economies of scale. Therefore, the larger the business, the more the cost savings. According to Pukelienė and Maksvytienė (2018) economies of scale can be both internal and external. Internal economies of scale are based on management decisions, while external ones have to do with outside factors. In addition, economies of scale are an important concept for any business in any industry and represent the cost-savings and competitive advantages larger businesses have over smaller ones.

Diversification requires moving into an entirely new value chain. Many firms accomplish this through a merger or an acquisition, while others expand into new industries without the involvement of another firm (Chirani & Effatdoost, 2017). Oladimeji and Udosen (2019) observe that in the diversification strategy, costumers’ loyalty to the brand will compensate low price of competitors. In this strategy, valuable differentiations in costumers’ products and services decrease costumers’ sensitivity to the price. Therefore, diversification strategies involve firmly stepping beyond its existing industries and entering a new value chain.

Gruca, Nath and Mehra (2017) indicate that organizations strive to achieve positive synergy or strategic fit by combining multiple products, business lines, or markets. One way to achieve positive synergy is by acquiring related products, so that sales representatives can sell numerous products during one sales call. Rather than having two representatives make two sales calls to a potential customer, one sales representative can offer the broader mix of products. According to Chawinga and Chipeta (2020) it may be difficult for a firm to replace a resource or activity which has been rendered obsolete, because the firm will also have to reconfigure the whole system of resources and activities.

1.1.2 Sustainable Competitive Advantage

Competitive advantage is the capability a firm gain through resources and attributes in performing at higher levels than similar firms (Lockhande, 2015). The attributes may be better customer understanding and identification, new technologies such as information technology and robots, natural resources, competitive advantage provision, as a competitive benefit in the processes of the business, as an advantage to product making, or as a product part itself.

The business strategy ambition is reaching a sustainable competitive advantage. The economics of a firm's business is examined by sustainable competitive advantage, it focuses majorly on its capability in generating extra returns on capital and for a longer duration, linking the business strategy to capital markets and fundamental finance (Galpin & Herndon, 2014). The allowance of earning excess returns for the shareholders is done by the sustainable competitive advantage of a firm. A company' economic reason for existence is limited if a competitive advantage is not there since it is its reason for living. The firm might

wind up or decline if competitive advantage is not there. Any organization's crucial goal/ attribute should be sustainable competitive advantage creation (Lockhande, 2015).

Competitive advantage is very important to every firm, and without one, it is very impossible to attract and maintain customers on a long-term basis (Majeed, 2019). Mahdi, Almsafir and Yao (2020) observe that to establish a competitive advantage, a business must first understand the demand landscape, evaluate the competition offerings available to consumers, and guarantee that its own offerings deliver more value. Furthermore, many businesses are overly focused on their own brands and completely underestimate both the demand landscape and the related competition risks. As a result, it is critical to thoroughly assess the important criteria for developing a competitive advantage for the company's product.

A company has a competitive advantage if it provides customers with something unique in comparison to other rivals' offerings, and these uniqueness benefits customers. Circumstances in which the company can accomplish something that competitors cannot, or has something that competitors do not have but want, are examples of having a competitive edge (Appelbaum & Gallagher, 2020). Similarly, Lakhal (2021) observe that when an organization is able to generate more economic value than its competitors, it has a competitive edge. As a result, an organization's competitive advantage can be defined as the difference between the economic value created by the company and the economic value created by its competitors.

Sadri and Lees (2019) indicate that the economics of a company are the primary focus of the concept of competitive advantages, which examines the company's ability to link its strategy

with the major financial markets over an extended period of time and to generate a significantly higher return on invested capital. Williams (2021) indicate that a company has a competitive advantage when it owns and develops a unique set of characteristics that enable it to surpass its rivals. The speed at which competitors surpass the company determines the duration of a competitive advantage, which is dependent on this speed.

1.1.3 Beverage Industry in Kenya

Almasi Beverages Company limited is a soft drink manufacturer in Kenya that deals with the Coca Cola brands and products. It is today over two years old having been formed from initially three different bottling plants that included Kisii Bottlers, Mount Kenya Bottlers and Rift valley bottlers all of which were started in the year 1978. The merger was conceived from a strong business case with the three Bottlers having their major shareholders as Centum and Industrial and Commercial Development Corporation (ICDC). The three bottlers operated quite independently in their own territories with little benchmarking and even business information sharing.

The business model between Coca Cola and the bottlers is such that each bottler is given a franchise that includes a business geographical territory and required to comply with Coca-Cola requirements in terms of international best practices and stringent quality parameters for products and operations processes. Kenya has a total of six bottling companies including the three Almasi plants. Almasi controls around 30% of the total Kenyan Coca-Cola market in the regions of south Nyanza and part of south Rift, the entire central and parts of northern Kenya in the area of Moyale and Marsabit and The North rift region extending all the way to Lokichogio and to the entire expansive Turkana county in the boarder of Kenya and southern Sudan. The organization focuses on increasing shareholder value by

manufacturing, packaging and selling Coca-Cola products at the least cost possible by ensuring efficiency throughout its operation.

The company has integrated its operations in the three businesses units to one seamless organization by rolling out a rapid change strategy which focuses on strong distribution, manufacturing and selling and also building a strong work force. Its new business architecture is that of centralized commercial function, devolved manufacturing and distribution, centralized finance function, human resource, information technology, procurement and risk for the purpose of creating a sharper focus, efficiency and effectiveness to enable the organization achieve a double digit growth in 2014 and beyond. It intends to achieve all this through close collaboration with Coca-Cola, the shareholders and other key stakeholders both within and outside the organization including its human resource capital.

1.2 Statement of the Problem

For firms to attain higher performance which is every firm's goal, mergers are becoming the key means. Companies, like Almasi beverages, are increasingly concerned about whether or not the country's beverage sectors can preserve and keep their competitive edge even in the face of heavy competition from rivals. As additional businesses enter the same market with decreasing client consumption habits, the market share and market size of these beverage companies have shrunk over time due to competition.

The market-share for coca-cola soft drinks in Kenya was 67% in 2015, 64% in 2016, 56% in 2017, and 54% in 2018 of the total market share (Almasi Beverages, 2019). There have been contradicting findings from studies undertaken on mergers. In one study, firms that had taken persistent and large mergers between 2008 and 2012 were examined by Karanja

(2010). From the sample, there wasn’t evidence to show that profitability in merger intensive firms was higher than the industry coverage. Notably Cabric (2015) investigated active mergers based in the US and evidence showed that, compared to firms relying on internal growth, the ones undergoing mergers had improved their market share and the rate of return earned was higher. Identifying competitive advantage and level of merger activity’ positive relationship was a challenge.

A study by Omondi (2016) examined the effect of merger on competitive advantage of ICEA and lion group, Kenya merger was found to have a positive impact on the company’s competitive advantage. However, the study respondents were purposively selected thus presenting a methodological gap. Lunani and Karau (2018) study examined the effect of mergers on a Firm’s Competitive Advantage and the findings also established that the major elements of competitive advantage were volume of transactions and markets share. However, the study was a case of Hewlett-Packard East Africa thus presenting a contextual gap. Mwatsuma, Ali and Mary (2020) study examined the effect of mergers on financial performance of listed nonfinancial companies in Kenya at Nairobi Securities Exchange and the study found that there was general increase in the financial performance of the listed nonfinancial firms after merger. However, the study focused on nonfinancial companies in Kenya thus presenting a contextual gap. Therefore, this study sought to investigate the effect of organizational mergers on sustainable competitive advantage of Almasi beverages limited, Kenya.

1.3 Research Objectives

This section summaries the general and the specific objectives of the study.

1.3.1 General Objective

The general objective of the study was to investigate the effect of organizational mergers on sustainable competitive advantage of Almasi beverages limited, Kenya.

1.3.2 Specific Objectives

i). To investigate the effect of economies of scale on sustainable competitive advantage of Almasi beverages limited, Kenya.

ii). To establish the effect of diversification on sustainable competitive advantage of Almasi beverages limited, Kenya.

iii). To determine the effect of synergy on sustainable competitive advantage of Almasi beverages limited, Kenya.

1.4 Research Questions

i). How do economies of scale affect the sustainable competitive advantage of Almasi beverages limited, Kenya?

ii). What is the effect of diversification on sustainable competitive advantage of Almasi beverages limited, Kenya?

iii). To what extent does synergy affect the sustainable competitive advantage of Almasi beverages limited, Kenya?

1.5 Significance of the Study

The findings of this study would be significant to the management of Almasi beverages limited, Kenya by understanding how merger affect their sustainable competitive advantage and recommendations in enhancing on the sustainable competitive advantage. The study would also be significant to the national government and policy makers in formulating policies that can guide organizations on the best way to adopt and manage mergers on sustainable competitive advantage. In addition, a more insight would be provided on how

merger relates to beverage companies sustainable competitive advantage which trigger the need for more related studies by other researchers.

1.6 Study Scope

The focus of this study was on three companies that make up Almasi Beverages Limited namely, Kisii Bottlers, Rift Valley Bottlers and Mt Kenya Bottlers. Since mergers involve the top management of the organization, the study targeted the various heads of the organization and other heads of departments significantly involved in strategic decision making. The study variables were; economies of scale, diversification, and synergy on sustainable competitive advantage. Descriptive research design was employed. Stratified sampling method was used in sampling and simple random sampling method in selecting the respondents. The merger took place in 2014, and this research used data between 2017 to 2021 as this was the period after the merger of Almasi Beverages Limited.

1.7 Limitations to the Study

There could be limitations experienced in data collection where some of the targeted respondents may be unwilling to provide information. This was mitigated by explaining the purpose of the study and ensuring the respondents that the data they give was treated with strict confidentiality. The busy schedules of respondents could affect data collection process. To ensure that the all the respondents was available, notification was given in advance to schedule distribution of questionnaires.

1.8 Organization of the Study

This project is organized as follows: Chapter One presents the background to the study, statement of the problem, objectives of the study, research questions, significance of the study, scope of the study, limitations of the study and organization of the study. Chapter

Two presents theoretical review, empirical review, summary of the literature reviewed and research gaps and conceptual framework. Chapter Three include the research design, target population, sampling design and sample size, data collection instrument, data analysis and presentation and ethical consideration. Chapter four presents research findings and discussions and chapter five gives that summary, conclusions, recommendations and suggestions for further studies.

CHAPTER TWO:

LITERATURE REVIEW

2.1 Introduction

This chapter presents theoretical review, empirical review, summary of literature reviewed and research gaps and conceptual framework.

2.2 Theoretical Review

The theories underpinning this study include the theory of efficiency, the resource-based view theory and the hubris theory that try to explain the concept of mergers.

2.2.1 The Theory of Efficiency

According to Trautwein (2007), this theory suggests that the occurrence of a merger happens if they are required to generate realizable synergies that are enough in making the deal of benefit to both parties. It is a gains' symmetric expectations resulting in a 'friendly' merger being accepted after proposition. If the acquiring firm has negative gains, the bidder wouldn't complete the deal and the target firm's owners wouldn't submit to the acquisition or sell if the gain is not positive.

Banerjee & Eckard (2008) posit that the theory's prediction is creating value with positive returns to the target firm and the acquirer. Riad, Vaara, & Zhang (2012) cite that 'efficiency gains' and 'operative synergies' attained through scope and economies of scale differ. The mergers synergies highlight that the activity levels the companies are operating at are not sufficient for exploiting economies before they are merged and that in the industry (Banerjee & Eckard, 2008). Efficiency gains are increases from operating synergies attained by transferring economies of scope, scale and knowledge.

As suggested by Pandey (2005) profitability that is more than the average may result from combining two or more firms, founded on the spread of costs and resource utilization efficiency. It can happen because of the perceived operating economies, synergy and economies of scale. The merged firm's market share can be increased by acquisitions and mergers but may also be done to achieve a monopoly over the market (Rodermann, 2004). It explains conglomerate and horizontal mergers. The accomplishment of market power can be by deterring potential market entrants, cross-subsidy of products and deliberately reducing supply. The benefits are similarly called collusive synergy (Riad *et al.,* 2012).

The theory is of relevance to the study since it asserts how efficiency is low in firms that operate below their potential. The theory tries to explain synergy and economies of scale variables and views the firm as an efficient entity where synergy and economies of scale contribute to the efficient utilization of resources.

2.2.2 Theory of the Resource-Based View

This theory draws attention to the internal environment of the firm being the competitive advantage driver and emphasizing the firms' developed resources to compete in the environment (Armstrong, 2012). This theory was proposed by Penrose (1959) and is a managerial framework used in determining strategic resources with the potential of comparative advantage deliverance to a firm. The theory' inquiry focus has changed over time to the internal structure of a firm from the industry's structure with capabilities and resources being a primary element (Brown, 2010). More than the structure of an industry, an organization used, deployed and possessed resources are more important.

Influenced by Porter's (1985) studies, features of industrial sector competitive advantage explains the success of a firm. Based on this perspective, for a short period, companies in a similar industrial sector with similar opportunities and few differences remain the same (Schweitzer, 2014). The theory is in consideration that each firm is heterogeneous with characters maintained for long with long-term income (Schweitzer, 2014). A firms' resource is heterogeneous if its competitors cannot replicate it otherwise if another firm owns the strategic resource, the competitive advantage disappears rapidly.

Heterogeneous resources should not be replaceable and appropriable by other firms. Competitors should not take the capabilities and resources of one another as a competitive advantage is based on this. The theory argues that the capabilities and resources of a firm must be valuable and scarce and competitors should not replace, imitate or acquire them. The characteristics serve as a guarantee to obtain a competitive advantage and an enterprise can lose its upper relative position if the conditions are not complied with (Goes *et al.*, 2011).

According to Barney (1991), the theory can help companies in that when they want to undertake mergers, only useful and important competencies and resources are strategically viewed as competitive advantage source. Strategic assets that provide a corporation a leg up on the competition are indicators of a company's most critical capabilities and resources. In order to get a competitive edge, a company must have strategic assets that are difficult to copy and can only be used by the company itself. When it comes to creating a competitive edge, resources are the means by which business strategy may be regarded a manipulation tool, according to Teng and Das (2008). Resources unique to a company's core capabilities are scarce, valuable, and difficult for rivals to duplicate or substitute.

So, this theory applies to the research, which aims at explaining how businesses may save money through economies of scale. It assumes that organizations have unique resources that provide them an edge over the competition because of the resources and competencies they possess.

2.2.3 The Hubris Theory

This theory suggests that the intentions of managers may be good in the firm's value increment but overconfidence leads to an overestimation of their capabilities in creating synergies (Roll, 1986). A psychological based approach is constituted by the theory explaining acquisitions and mergers. It cites that the capabilities of potential acquisition target evaluation are overrated by acquiring firms' management (Malmendier & Tate, 2008). Overpriced erroneous decisions are a result of managerial over-optimism. Overpaying probability is increased by over-confidence leaving the winning bidder in a winner's curse situation dramatically increasing failure chances (Dong, 2006).

The winning bid in an auction is normally in the target company estimated value excess and a positive valuation error is likely to be represented. "Winner curse" is represented by a positive valuation error. Particularly, the theory cites that when an announcement is made about a merger, the target firms' shareholders enjoy gains in terms of share price while losses are incurred by the bidding firm. The target firm's share price increases since the target firm' shareholders agree to transfer shares to respond to the high premiums that the acquiring firm is offering (Machiraju 2010).

Potential failure' risk because of the overrated price of acquisition which exceeds the target firms' fair value goes up during an auction. The winner's curse hypothesis is based on this phenomenon and it argues that a target traded value during an auction is normally lower than the price of acquisition (Hofmann, 2004). This theory is relevant in the study and tries to explain more about the importance of strategic mergers in organizations and the reasons behind the mergers. It tries to give answers to the objective of economies of scale and also diversification and how they contribute to the firms' performance.

2.3 Empirical Literature

Empirical literature review entails recent studies relating to the study subject. A review of the literature based on prior research related to the study objectives is presented in this section.

2.3.1 Economies of Scale and Sustainable Competitive Advantage

Saboo and Gopi, (2007) studied how acquiring firms' operating economies is impacted by mergers, the firms that had gone for domestic acquisition financial ratios post-merger and pre-merger were examined. The results suggested that the impact varies on performance after mergers, depending on the firm acquired type. The primary finding showed that mergers impacted the firms acquiring cross-border firms negatively while positively affected key financial ratios of companies acquiring domestic firms. However, the focus of the study was on operating economies of acquiring firms thus presenting a conceptual gap.

Yeh and Hoshino (2010) evaluated how firms' operating economies are affected by economies of scale based on the effect on growth, profitability and efficiency. Total productivity proxy of the research as an indicator of a firm's sales, employment growth, return on equity as profitability measures, return on assets and efficiency for indexing rate

of growth for the firm. The findings showed that there was a significant effect on the growth of sales, profitability increment and productivity change positively. However, the study used cross-sectional panel data thus presenting a methodological gap.

Olalekan (2012) studied the implication of economies of scale brought about by mergers of commercial banks in Nigeria on profitability and other related performance measures and established that profitability level and post and pre-merger organization's economies significantly related. Commercial banks' capitalization has been increased by economies of scale showing evidence of increment of bank lending rates and service cost and change of ownership of shares of the company. It was concluded that economies of scale contributed immensely to growth in the sector for sustainable development and bank performance improved by mergers. Javaid (2011) observed that the economies of scale of a bank are of paramount importance in affecting its profitability. However, the study focused on commercial banks' performance thus presenting a contextual gap.

2.3.2 Diversification and Sustainable Competitive Advantage

Making reference to European banks, Risk-return tradeoff is enhanced by product diversification (Amit and Livnat, 2008). Profit unpredictability is reduced and bank incomes raised by diversification (Stiroh, 2008). Improved cost-efficiency can be achieved by diversification through reducing risk in case it happens (Moon, 2009). Further, the required risk premiums can be lowered by debt that is no insured and other contingent claims such as diversification and derivative contracts. In financial institutions, better average revenues can be achieved if higher-risk investments is made from diversification benefits, according to Hughes and Mester (2008).

A research on the geographical diversification effectiveness of the board monitoring role on portfolio quality measures specific loan (default rate, recovery rate and provisioning rate) in banks in Italy by Cotugno and Stefanelli (2012) revealed that product diversification and bank performance positively related. Morgan and Stolyk, (2009) studied the US banks on the effects of diversification on performance disclosed that product diversification increases banks' lending capacity even though there was no individual banks' portfolio reduction or increase in revenues. Conflict results were indicated on US and EU through the diversification strategies evaluation, according to Stiroh (2008).

Chesang (2012) studied how Kenyan commercial banks performance was impacted by diversification. He tried assessing Kenyan banks restructured financial performance by use of the diversification approach. In determining diversification implications, capital adequacy, new product development, earnings and profitability were used. It was observed that the majority of merged institutions' financial performance had been improved by diversification as illustrated by the earnings and profitability ratios. Chesang (2012) in his study on mergers observed that generally there was an improved performance which was said to be significant. However, the study used qualitative data thus presenting a methodological gap.

2.2.3 Synergy and Sustainable Competitive Advantage

Synergy is a motive and the primary purpose for mergers where two firms' combined value is more than one. Mantravadi and Reddy (2008) studied how acquiring corporate operating performance is impacted by synergy in various industries. They examined the financial ratios of some post-merger and pre-merger organizations. The focus was all mergers involving traded companies and traded companies in India for the years 1991-2003.

Findings revealed that as regards operating performance, there is a minor variation for mergers in various Indian industries. However, the study focused on the government venture capital in India thus presenting a methodological gap.

Particularly, the firm's profitability in the finance and banking industry was slightly positively impacted and synergy created by mergers; electrical equipment, textiles and pharmaceutical experienced a negative influence on operating performance (returns on investment and profitability). ROI and assets and profitability margins had been caused by synergy to significantly decline in the Agri-products and chemicals sector.

Marangu (2014) investigated how Kenyan non-listed banks' financial performance is affected by synergy focusing on non-listed banks' profitability which merged between 1994-2001. Four performance measures were utilized: total assets/liability ratio, total assets/shareholders' equity ratio, return on assets and profit. The findings indicated that three performance measures: total assets/shareholders' equity, return on assets and profit had a 0.05 significance level except for total assets/total liabilities. It was concluded that compared to the non-listed banks that never merged with the same duration, the performance of the ones that merged significantly improved. This is a confirmation of the theoretical assertion that more synergies are derived for companies by merging than to operate as an individual outfit.

Vera and Mitema, (2013) studied how Kenyan insurance banks' value creation is influenced by M & A and concluded that merged entity fundamental value and book value had been made statistically significant by acquisitions and mergers, meaning mergers' contribution to creating value is significant in leading to merged firm' performance hence added value to

new firms. Cassiman (2006) studied how product development is impacted by mergers and acquisitions and established the impact highly depend on similarities in technology between firms taking part in a certain merger or acquisition and how similar the markets they operate in are.

There is the likelihood to achieve long-term synergies for firms that operate in complementary technology sectors. The establishment of the products' future competitiveness is by a deeper commitment to technological resources reuse, the critical mass achievement in new technological fields and competence developed in new technological fields (Wharton, 2006).

2.4 Summary of Literature Reviewed and Research Gaps

The empirical review highlights studies that have been carried concerning economies of scale, diversification and synergy on sustainable competitive advantage. The reviewed studies presented gaps both in contextual and methodological as summarized in Table 2.1.

Table 2.1: Summary of Literature Reviewed and Research Gaps

Author	Study Focus	Results	Knowledge gap	Current study focus
Saboo and Gopi, (2007)	How acquiring firms' operating economies is impacted by mergers	Mergers impacted the firms acquiring cross-border firms were negative while positively affected key financial ratios of companies acquiring domestic firms	The focus was on operating economies of acquiring firms	Focus on mergers and sustainable competitive advantage in Kenya
Yeh and Hoshino (2010)	Effect of economies of scale on a firm's operating performance in Japan	There was a significant positive change in productivity, a significant increase in profitability.	cross-sectional panel data	Focus on sustainable competitive advantage as a measure in fast-moving consumer goods in Kenya
Olalekan (2012)	Implication economies of scale brought about by mergers of commercial banks	Profitability level and post and pre-merger organization's economies significantly related	Focus on commercial banks' performance	Study on the competitive advantage of the beverage industry
Amit and Livnat (2008)	Product diversification increases risk-return tradeoff	A significant relationship between product diversification and performance days.	Textile Chain Store case study.	Focus is on different industry
Cotugno and Stefanelli (2012)	Geographical diversification effectiveness of the board monitoring role on portfolio quality measures	Product diversification and bank performance positively associated	Descriptive cross-sectional research design.	Focus on the impact of mergers on the sustainable competitive advantage of beverage firms

	specific loan			
Chesang (2012)	How Kenyan commercial banks performance was impacted by diversification	The majority of merged institutions' financial performance had been improved by diversification	Used Qualitative data	Focus on both Quantitative and qualitative data
Mantravadi and Reddy (2008)	How acquiring corporate operating performance is impacted by synergy in various industries	In terms of operating performance, there is a minor variation for mergers in various Indian industries	Focus on the government venture capital in India	Focus on private enterprise in Kenya
Marangu (2014)	How Kenyan non-listed banks' financial performance is affected by synergy	Three performance measures: total assets/shareholders' equity, return on assets and profit had a 0.05 significance level except for total assets/total liabilities	Utilized systematic sampling design	Focus on stratified random sampling

Source: Author, (2020)

2.5 The Conceptual Framework

For the purpose of making conceptual distinctions and organizing thoughts, researchers use a conceptual framework as an analytical tool. Researchers change the dependent variable in order to study the influence of the independent variable. It is the dependent variable that measures how much the independent variable has influenced everything else (Shields & Rangarjan, 2013).

Independent variables **Dependent variable**

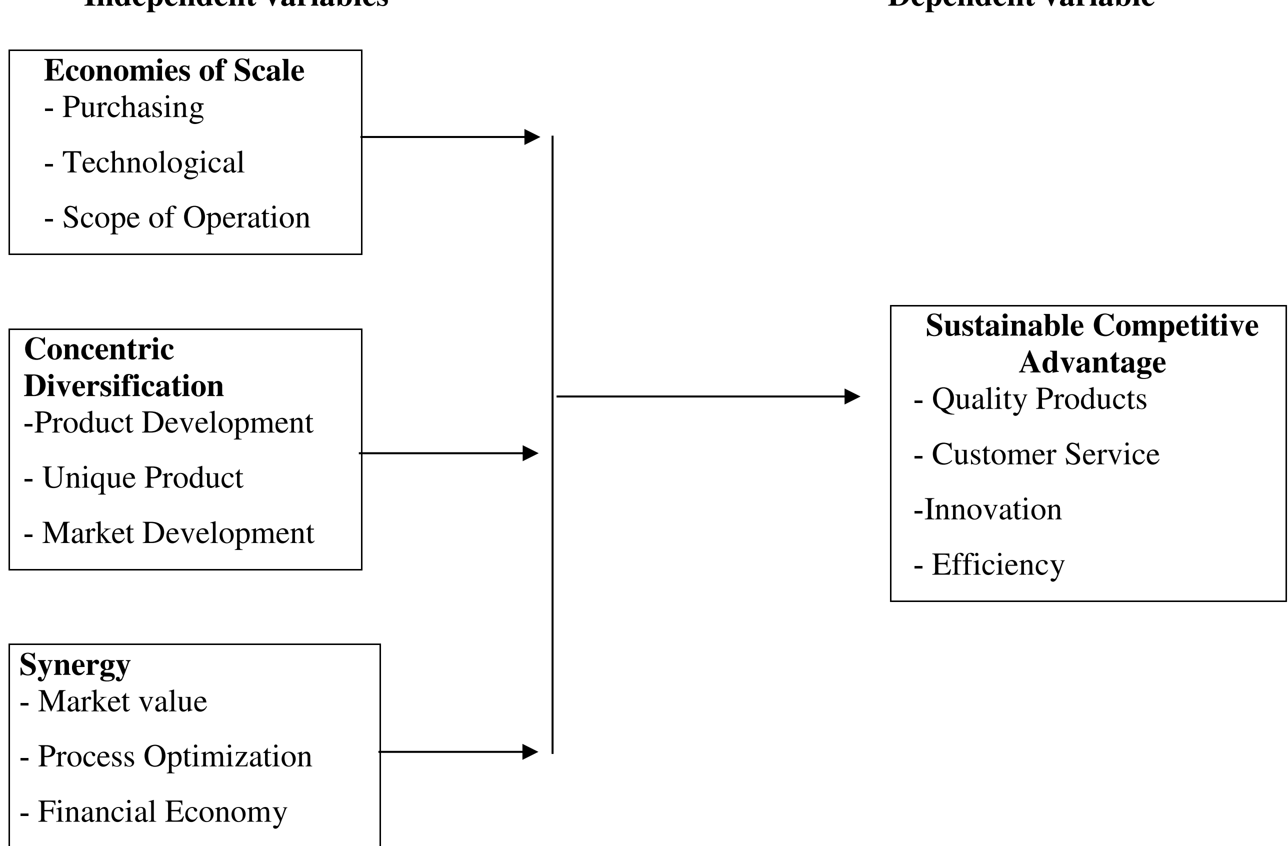

Figure 2. 1: The Conceptual Framework

Source: Researcher, (2022)

Figure 2.1 shows the relationship between variables whereby the independent variables are; economies of scale, concentric diversification and synergy. The dependent variable is the sustainable competitive advantage.

The bargaining power of a firm improves when it becomes larger resulting from lower-cost enforcement without being more productive. Gaining efficiency can be an indicator of five economies of scale based on their resource: diversification of earnings, specialization, fixed costs spreading, higher efficiency in high capital equipment and bulk discounts. A non-linear pricing system is often applied by input suppliers. Higher efficiency with high capital equipment can result in economies of scale.

Companies take part in Research and development for their future value increment. Higher future profits can be a result of product quality increment or lower production costs in developing technologies. New products can be brought to the market by firm innovation giving rise to first-mover advantages. Compared to before a merger, few competitors are faced by the firm. Achieving efficiency gains or synergy in a merger can be by an organization's different activities or assets adaption to a purpose that is common. Similarly, existing resources adaption increases the efficiency of new assets and the exploitation of new opportunities faster than acquiring complementary assets.

Synergy refers to the effect of complementarity obtained between performed activities in succession, it can equally be obtained at levels that are strategic or higher, through product line proliferation accompaniment, or product development increased rate, increased customer segmentation and with flexible manufacturing systems. When an organizations market value increases on the investors' face resulting from a merger, synergy is gained. Process optimization is achieved by the introduction of more effective distribution, better technologies, branding and enhanced marketing strategies and tactics.

State support of the organization in terms of better tax benefits realizes financial economy. Firms merge to make their products more competitive hence growth.

Mergers buy a business of a competitor at a price and the opportunity of gaining market share without earning it by carrying out the task itself is given to the acquiring company. Brand consolidation occurs after the merger leading to pre-existing product lines starting to act like old married couples; where both firms are manufacturing the same product type, they start approaching one another with regards to relative reliability and characteristics.

CHAPTER THREE:

RESEARCH METHODOLOGY

3.1 Introduction

This chapter comprises of the research design, target population, sampling design and sample size, data collection instrument, pilot study, data collection procedure, data analysis and presentation and ethical consideration.

3.2 Research Design

Descriptive research design was employed. Description of features associated with the subject population were done by descriptive studies (Coopers &Schindler, 2014). Therefore, this design will be used to enable the researcher to achieve, among other things an in-depth collection and analysis of data. The design will also be appropriate because it will enable the researcher to describe situations, perceptions, opinions, attitude and general demographic information on the influence of organizational mergers on sustainable competitive advantage of Almasi beverages limited, Kenya.

3.3 Target Population

Population according to Field (2009) is a total collection of elements upon which deductions can be made. The sample is the smaller set and the population is the larger set. The research therefore focused on all the executives and management of Almasi Beverages Company Limited. The total number of respondents was 160 employees all of them forming part of management and executives of Almasi Beverages Limited.

Table 3. 1 Target Population

Category	Population			Percentage (%)
	Nyeri Branch	Eldoret Branch	Kisii Branch	
Chief executive	1	0	0	1
Executive Members	8	7	6	13
Departmental Heads	15	15	10	25
Supervisors	40	35	23	61
Total	**64**	**57**	**39**	**100**

Source: Almasi Beverages, (2021)

3.4 Sampling Technique and Sample Size

A sampling frame is an elements record from which the sample is gotten and it is closely interrelated to the study population (Cooper and Schindler, 2014). It can be a list of institutions, individuals, geographical areas (Kumar, 20112). For this research, the list came from Almasi Beverages Company Limited.

A sample is representative of the population (Coopers & Schindler, 2014). The procedure for selecting a balanced population representation is a sampling design. Sampling enables increased data collection speed, low cost, and result accuracy and population elements availability. In getting a representative sample size, a stratified random sampling procedure was utilized. Data from Almasi Beverages management was collected using a stratified random sampling technique. According to Kothari (2009) sampling technique is a process used in selecting elements from the population that stands for the population.

Sample size is the number of units in a population to be studied (Schindler & Cooper, 2014). A sample size of between 30 to 40 percent is a target population's good representation and hence, for analysis, it is adequate (Mugenda & Mugenda, 2003). This study therefore had a sample of 64 top executives and managers of Almasi Beverages Limited.

Table 3. 2 Study Sample Size

Category	Population	Sampling Factor	Sample Size
Chief executive	1	0.4	1
Executive Committee	21	0.4	8
Departmental Heads	40	0.4	16
Supervisors	98	0.4	39
Total	**160**	**0.4**	**64**

Source: Almasi Beverages, (2021)

3.5 Data Collection Methods

Data observed or collected from firsthand experience is referred to as primary data (Cooper & Schindler, 2014). A semi-structured questionnaire will be utilized in data collection which will be designed to capture the respondents' general and specific information, and other essential information needed for analysis arising from their feedback.

3.6 Validity and Reliability of the Research Instrument

Validity relates to the meaning and correctness of the conclusions drawn from the findings of the investigation (Picardi & Masick, 2013). Validity is a measure of how well a study's data analysis represents the subject matter at hand. Validity may also refer to the degree to which an instrument accurately measures what it is designed to measure.

It is the scores' consistency or stability across raters or over time. Reliability of the research instrument on the other hand is a way to gauge how often a research instrument produces the same type of data or outcomes after several trials (Crowther & Lancaster, 2012).

3.6.1 Research Instruments Validity

Face, concept, and content validity were tested using the instrument. By presenting the instrument to an expert in the subject, one of whom is the supervisor, content validity was assured. Such experts include production engineers, research and operations supervisors. Face validity entails the researchers' subjective evaluation of the measuring instrument's validity; the degree of the scholars believes in the appropriateness of the instrument. Concepts generated from appropriate literature's broad range and instruments developed in other related studies will be relied on by the study. Operationalization of terms and reflect the theoretical assumptions to which the conceptual framework of the study is underpinned were used in ensuring construct validity.

3.6.2 Research Instrument Reliability

An alpha (Cronbach's) of 0.7 was utilized as the reliabilities cut-off point for the study instrument's reliability coefficient, and the findings varied from 0.863 to 0.839. For instrument validity improvement, pre-testing the questionnaire was done by the researcher in a pilot study. The results of the pilot study helped the researcher improve the validity of the questionnaire. A pilot test is essential because it allows the researcher to uncover misinterpretations, insufficient items, or ambiguities. All of the questions and adjustments made after viewing the replies were delivered to each respondent in a questionnaire. The pilot test participants had the same demographics as the final research's participants, but they were not included in the final study. Ten people participated in a pilot test at Nairobi

bottlers. This study therefore target achieved 0.787 alpha correlation coefficient as presented in Table 3.3.

Table 3.3: Reliability Test Results

Variable	**Alpha Value**	**Remarks**
Economies of scale	0.823	Reliable
Diversification	0.796	Reliable
Synergy	0.716	Reliable
Sustainable competitive advantage	0.811	Reliable
Aggregate score	**0.787**	**Reliable**

Source: Pilot Study (2023)

Table 3.3 indicates the 0.7 threshold was met by all the variables while the overall reliability was 0.787 which was evidence that the questionnaires were reliable as recommended by Mugenda and Mugenda (2003).

3.7 Data Collection Procedure

The researcher acquired research approval letter from the university a permit from the National Commission for Science, Technology and Innovation (NACOSTI) before proceeding to the study area. The administration of the organization was contacted to seek permission to carry out the study. The researcher administered questionnaires to the respondents and at the same time explained the study purpose. To ensure high response rate the respondents were notified the date of collecting the questionnaires and one of the respondents was appointed and given the responsibility of reminding the other respondents on the importance of filling the questionnaires

3.8 Data Analysis and Presentation

The study data was obtained quantitative data which was analysed using descriptive statistical analysis including mean and standard deviation. The results of the findings were

presented in terms of tables and figures using Statistical Package for Social Sciences (SPSS) version 20.0. The study further carried out inferential statistics involving multiple regression analysis to find out the extent to which variables influence each other

$Y=\beta_0+\beta_1X_1+\beta_2X_2+\beta_3X_3+\varepsilon$ where: -

Y: Dependent variable, Sustainable Competitive Advantage

β_0: Constant

X_1: Economies of Scale

X_2: Diversification

X_3: Synergy

ε: Error Term

$\beta_1 ... \beta_3$: Regression coefficients to be estimated

The relationship direction was provided by the Correlation coefficients. It is measuring two or more dependent variables' association. Correlation coefficients was used to express and calculate statistics. Seen correlation between two variables' (X and Y) magnitude and direction information is provided by the γ. In establishing the nature of the relationship existing between variables, inferential statistics was carried out. Significant P-values helped in data interpretation; in explaining the changes in the dependent variable, the variables were deemed significant if the P-value is less than 0.05.

In analysing the percentage in which the dependent variable is determined by the independent variables, the determination coefficient (R^2) was used. It indicates the variance proportion in the dependent variable that is predictable from the independent variable. A 95% confidence level was tested by the study. The Pearson's product-moment correlation

(r) was derived in establishing the nature of the relationship between the variables to help in drawing conclusions. Any qualitative data collected was analysed by content analysis.

The content analysis processes involved preparing, organizing, and communicating the results. During the preparation phase, appropriate data was collected to analyze the content, understand the data, and select the unit of analysis. During the organization phase, open coding, cataloging, and abstraction was implemented. During the reporting phase, the results were described by the contents of the categories describing the phenomenon using the chosen, deductive or inductive approach.

3.8 Ethical Considerations

The researcher employed Free, and fair analysis in the study disclosing all information. The participants were informed as much as possible on the research purpose and nature, the procedures used and how the organization and other stakeholders were to benefit. The potential of reasonably foreseeable discomforts, stresses and risks, and alternatives for participation in the research were analyzed. The researcher met the respondents, explained and allowed them to ask questions which were answered to their satisfactions. Authority was sought from Kenyatta University School of Business to carry out the research and each questionnaire was accompanied by an introductory letter.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSIONS

4.1 Introduction

Data analysis, results presentation, and conclusions are discussed in this chapter based on research variables

4.2 Response Rate

64 questionnaires were given out to the participants, 60 were dully filed and given back, this resulted to 93.7% response rate. An above 50% rate of response is adequate for data evaluation, Mugenda and Mugenda (2009). Hence the study response rate was deemed adequate in making conclusions

Table 4. 1 Response Rate

Responses	F	%
Successful	60	93.7
Unsuccessful	4	6.3
Total	**64**	**100**

Source: Field Data, 2022

4.3 Pilot Results

A pilot test helped test the research instruments reliability before the main study. The analysis was done using crobanch alpha to verify the research instrument reliability. Ten questionnaires given back from the employees, and a 0.863 crobanch alpha statistic was attracted by the three constructs that were representing the study variables. According to Crowther & Lancaster (2012), a more than 0.7 coefficient is an indication of a reliable instrument.

4.4 Demographic Data

Information regarding participants' education level, gender and duration of working in the institution was sought. This was crucial in ensuring that participants were distributed fairly and allowing representation equity for the participants' views.

4.4.1 Gender Distribution

Information regarding participants' gender distribution was sought. The findings reported that males participants were majority (53.2%) whereas females represented 46.8%. Thus, well distribution of participants in terms of gender and hence, no gender biasness experienced. Miller (2015) points out that the issues of creation of feminine or masculine institutional contexts can be caused by gender imbalances leading to policy and leadership decisions that favor/ affect negatively the other party. The results are tabulated below:

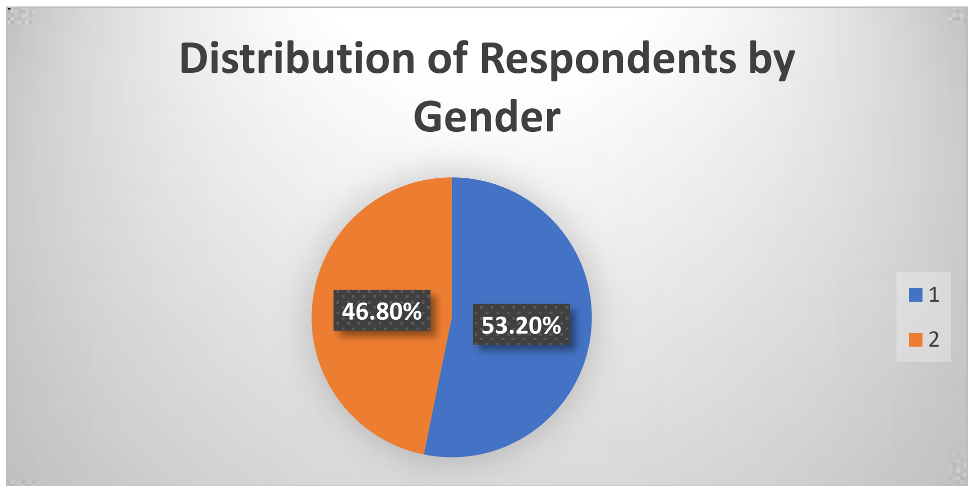

Figure 4. 1: Respondents Gender Distribution

Source: Research Data, 2022

4.4.2 Respondents Distribution by Level of Education

Data regarding the respondents' education level was sought. This was crucial as the respondents' low education level would be a barrier for them to give the accurate required

data regarding the organization. Therefore, basic education is crucial since it can negatively or positively influence the type of information the participants give. Figure 4.2 below has the results.

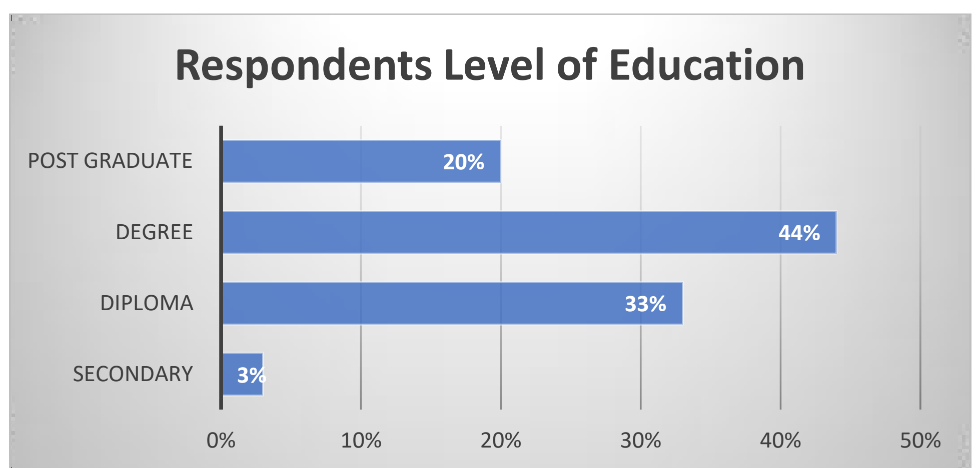

Figure 4. 2: Respondents Level of Education

Source: Research Data, 2022

Majority of the participants were degree holders (44%), post graduate diploma was represented by 20%, 3% had secondary school, certificate and 33% had attained diploma level. The results disclosed that participants were knowledgeable and could give reliable and valid answers regarding the objectives of the study.

4.4.3 Duration of Service in the Institution

Participants indicated the duration they had been working for the organization, figure 4.3 displays their responses.

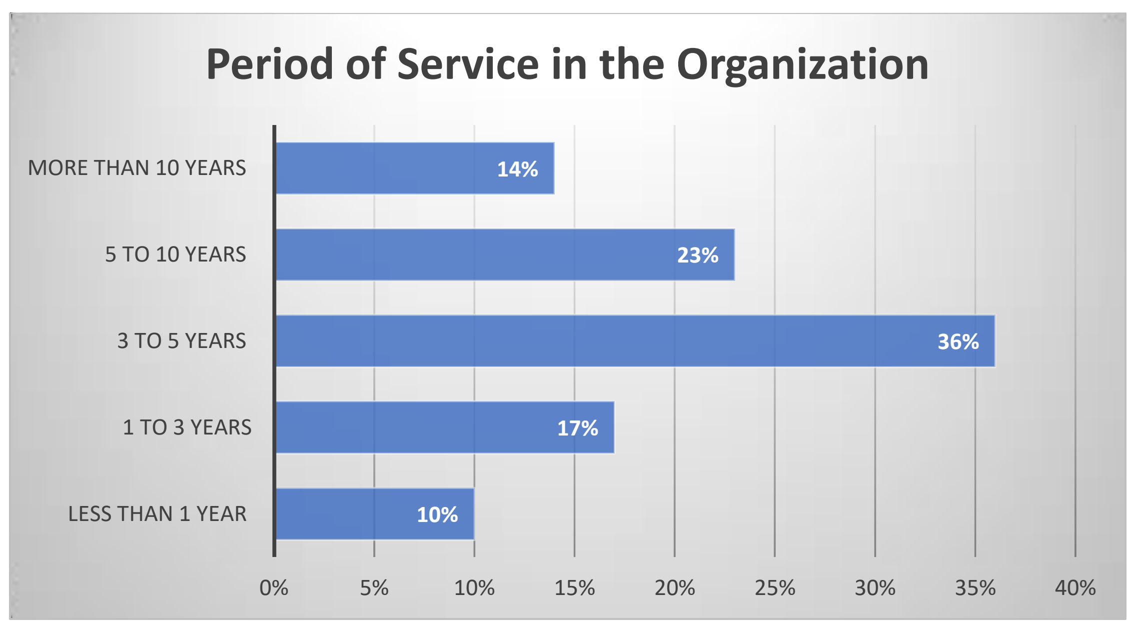

Figure 4. 3: Period of Service in the Organization

Source: Research Data, 2022

Research revealed that majority with 36% had been in the organization for 3 to 5 years, participants who had been there for 5 -10 years accounted for 23%. Participants who had served for 1-3 years were at 17% while those who had served for more than 10 years were at 14%. Only 10% had served for less than one year. The findings proved that the participants had been in the organization for a considerable duration and were better placed in giving reliable information relating to the research.

4.5 Descriptive Statistics Analysis

Descriptive statistics (percentages, standard deviations and mean score) on the three study variables is presented here.

4.5.1 Economies of Scale

The study sought to determine if economies of scale affected sustainable competitive advantage and the respondents' opinion on the influence of economies of scale on sustainable competitive advantage is analyzed in table 4.2.

Table 4. 2: Effects of Economies of Scale

Opinion	**F**	**%**
Yes	55	91
No	5	9
Total	**60**	**100**

Source: Research Data, 2022

Majority of the respondents as shown by 91% were of the opinion that economies of scale does affect sustainable competitive advantage, whereas 9% of the respondents were of the opinion that it has not effect. The implication here is that economies of scale positively influences or affects sustainable competitive advantage in the organization. Economies of scale as a factor was measured with the following variables stated on a five-point likert scale and results illustrated below. The results are in line with Saboo and Gopi, (2007) which studied how acquiring firms' operating economies is impacted by mergers, the firms that had gone for domestic acquisition financial ratios post-merger and pre-merger were examined. The primary finding showed that mergers impacted the firms acquiring cross-border firms negatively while positively affected key financial ratios of companies acquiring domestic firms.

Table 4. 3: Effects of Economies of Scale on Sustainable Competitive Advantage

Statement	Mean	Standard Deviation
Our organization enjoys large discounts; cheaper and more affordable prices.	4.6912	0.69663
We have improved capital equipment and production processes leading to improved products	4.3676	1.11843
We have quality managers working in our various departments	4.0588	1.43394
Our organization has gained a competitive edge as a result of the superior brands	4.0441	1.45000
Our organizations bargaining position has improved than that of competitors	4.0441	1.45000
Our organization enjoys technological advancement and a superior production function	4.6912	0.69663
Average	**4.3162**	**1.14094**

Source: Research Data, 2022

The research tried assessing whether Almasi Beverages enjoys large discounts; cheaper and more affordable prices. Results revealed that majority (Mean=4.6912; SD=0.69663) of the respondents agreed that organizations enjoy large discounts and cheaper more affordable prices due to economies of scale. The study also tried to assess if Almasi beverages has improved capital equipment and production processes leading to improved products due to economies of scale. Results from the study indicated that majority (SD= 1.11843; Mean= 4.3676) were of the opinion that the organization has improved capital equipment and production processes leading to improved products as a result of economies of scale. The findings agree with Olalekan (2012) studied the implication of economies of scale brought

about by mergers of commercial banks in Nigeria on profitability and other related performance measures and established that profitability level and post and pre-merger organization's economies significantly related.

The research assessed whether the organization has quality managers working within the departments of the organization. Results indicated that majority (Mean-=4.0588; SD=1.43394) were in agreement that the organization has quality managers working in various departments that boosts production. The study sought to ascertain whether the organization had gained a competitive edge as a result of the superior brands. Findings from the study revealed that majority (Mean=4.0441; SD= 1.45000) of the respondents were in agreement that the organization had gained a competitive edge due to superior brands. The findings concur with Yeh and Hoshino (2010) who evaluated how firms' operating economies are affected by economies of scale based on the effect on growth, profitability and efficiency. The findings showed that there was a significant effect on the growth of sales, profitability increment and productivity change positively.

The study also sought to assess if the organizations bargaining position has improved than that of competitors. Findings from the study revealed that majority (Mean=4.0441; SD=1.45000) were in agreement that the organizations bargaining position had improved that that of competitors. Technological advancement and a superior production function was investigated in the study and findings from the respondents indicated that majority (Mean=4.6912; SD=0.69663) were in agreement that technological advancement and a superior production function was important for any organization. These results were in agreement with Pandey (2008) who asserted that mergers increase the volume of production as the new organization embarks on increasing productivity, and this new productivity

reduces the cost of production per unit. These findings indicated that because of mergers and acquisitions, economies of scale were created leading to higher bargaining power and ultimately gaining and sustaining competitive advantage.

These finding are also in agreement with those of Watkins (2015) who asserted that merging enables the merged firm to reduce its operational costs through introducing efficiencies in the lines of business which results in the creation of economies of scale, and also the pulling together of resources for the benefit of the firm. This enables the merged firm to save on various costs when resources are shared between the merged firms. These mergers enhance value generation for the entire organization, since cost efficiency is generated by mergers through implementing economies of scale within the entire organization (Hill, Jones, & Schilling, 2014).

4.5.2 Diversification

The study sought to determine if diversification affected sustainable competitive advantage and the respondents' opinion on the influence of diversification on sustainable competitive advantage is analyzed in table 4.4 below.

Table 4. 4: Effects of Diversification

Opinion	**F**	**%**
Yes	52	86
No	8	14
Total	**60**	**100**

Source: Research Data, 2022

Majority (86%) stated thta diversification does affect sustainable competitive advantage, whereas 14% of the respondents were of the opinion that it has no effect. The implication here is that diversification positively influences or affects sustainable competitive advantage in the organization. Making reference to European banks, Risk-return tradeoff is enhanced by product diversification (Amit and Livnat, 2008). Profit unpredictability is reduced and bank incomes raised by diversification (Stiroh, 2008). Improved cost-efficiency can be achieved by diversification through reducing risk in case it happens (Moon, 2009).

Diversification as a factor was measured with the following variables analyzed on a five-point likert scale and results illustrated below.

Table 4. 5: Effects of Diversification on Sustainable Competitive Advantage

Statement	**Mean**	**Standard Deviation**
The merger has made our organization to have a wide range of products on our product line	4.6176	0.91481
The benefits have improved.	4.6812	0.68663
The new products are aesthetically designed.	4.3776	1.12833
Product offerings have given the organization a competitive advantage.	4.7011	0.67551
The new business model has led to market development and increased our market.	4.6891	0.67751
The new business model has adapted to market needs.	4.6911	0.69967
Market for the organizations products have improved substantially	4.3677	1.11884
Average	**4.5893**	**0.68321**

Source: Field Data, 2022

The research tried evaluating whether the merger has made their organization to have a wide range of products on their product line. Results disclosed that (M=4.6176; SD=0.91481) were of the opinion that mergers had made their organization to have a wide range of products on their product line. The study sought to evaluate whether the benefits in the organization had improved as a result of the merger. Further, majority (Mean=4.6812, SD=0.68663) were of the opinion that the benefits in the organization had improved due to the merger. The findings agree with Morgan and Stolyk, (2009) studied the US banks on the effects of diversification on performance disclosed that product diversification increases banks' lending capacity even though there was no individual banks' portfolio reduction or increase in revenues. Conflict results were indicated on US and EU through the diversification strategies evaluation.

The research tried evaluating whether the new designs within the organization were aesthetically designed. Results revealed that majority (M= 4.3776; SD= 1.1283) were of the view that the new designs within the organization are aesthetically designed and are more superior in branding. The study also sought to evaluate whether the new product offerings had given the organization a competitive edge in relation to its competitors. Results from the participants illustrated that majority (M=4.7011; SD= 0.6751) were of the opinion that the new products offerings in the organization had given it a competitive edge in relation to its competitors. The results concur with Chesang (2012) studied how Kenyan commercial banks performance was impacted by diversification. It was observed that the majority of merged institutions' financial performance had been improved by diversification as illustrated by the earnings and profitability ratios.

The research tried evaluating whether the new business model being applied in the organization led to market development and increased market share. Results revealed that majority (M=4.6891; SD= 0.67551) stated that the new business model in an organization had led to market development and increased the market share of the organization. The study also analyzed whether the new business model had adapted to the current market needs. Results from the respondents indicated that majority (M= 4.6911; SD= 0.69112) indicated that the new business model had adapted well to the current market needs of the organization. The results agree with Chesang (2012) in his study on mergers observed that generally there was an improved performance which was said to be significant. These results are also in agreement with those of Hill, Jones and Schilling (2014) who asserted that in attaining superiority in differentiation or cost, an organization must offer superior and low priced products to the market than those of competitors. Thus, this can best be achieved through having products with a high degree of differentiation from those of competitors.

Finally, on diversification, the study sought to find out whether the market for organizations products had improved substantially and results from the analysis indicated that (M=4.3677; SD=1.11884) agreed that market for the organizations products had improved substantially as a result of diversification. The findings agreed withYash (2015) who asserted that the need for diversification is a major reason that makes organizations to make decisions to merge, as diversification enables them to reduce the major risks of doing business, as the combined firm risks are less than the weighted risks born average by the two enterprises as separate entities. Organizations merge to be more diverse in product offering, gain market share and also get to penetrate into new markets. Schweitzer (2014) affirmed that firms merge to reduce competition and also manage interdependence with their sources of inputs.

4.5.3 Synergy

This research sought to ascertain if synergy affected sustainable competitive advantage and the respondents' opinion on how synergy influences sustainable competitive advantage is analyzed in table 4.6 below.

Table 4. 6: Effects of Synergy

Opinion	**F**	**%**
Yes	50	83
No	10	17
Total	**60**	**100**

Source: Research Data, 2022

Majority of the respondents, 83% had a perception that synergy does affect sustainable competitive advantage, whereas 17% of the respondents were of the opinion that it has no effect. The implication here is that synergy positively influences or affects sustainable competitive advantage in the organization. Synergy as a factor was measured with the following variables analyzed as statements on a five-point likert scale and results illustrated below. Mantravadi and Reddy (2008) studied how acquiring corporate operating performance is impacted by synergy in various industries. Findings revealed that as regards operating performance, there is a minor variation for mergers in various Indian industries.

Table 4. 7: Effects of Synergy on Sustainable Competitive Advantage

Statement	Mean	Standard Deviation
Our organization enjoys a stronger bargaining position for inputs.	4.6276	0.92471
Our organization enjoys a stronger bargaining position for cost of capital.	4.6912	0.69663
Our organization is run in a more efficient and effective manner.	4.3767	1.19133
I am satisfied with the logistics team's expediency (responsiveness/ speed).	4.7212	0.68502
The Supply Chain has given the organization a Competitive Advantage.	4.6944	0.67555
Our organization enjoys financial economy as a result of the merger.	4.6913	0.69967
Average	**4.6337**	**0.81215**

Source: Field Data, 2022

Table 4.7 above presents the results from respondents on the statements above concerning synergy in the organization. Concerning whether the organization enjoys a stronger bargaining position for inputs as a result of synergy, majority (M=4.6276; SD=0.92471) agreed that the organization enjoys a stronger bargaining power for inputs as a result of the merger. Concerning whether the organization enjoys a stronger bargaining position for cost of capital, majority (M=4.612; SD=0.69663) agreed that the organization enjoys a stronger bargaining position for cost of capital. The results concur with Marangu (2014) study which investigated how Kenyan non-listed banks' financial performance is affected by synergy focusing on non-listed banks' profitability which merged between 1994-2001. The findings

indicated that three performance measures: total assets/shareholders' equity, return on assets and profit had a 0.05 significance level except for total assets/total liabilities.

The study sought to evaluate whether the organization is run in a more efficient and effective manner as a result of mergers. Results from the respondents disclosed that majority (M=4.3767; SD=1.19133) were of the opinion that the organization is run more efficiently and in an effective manner due to the merger. The research tried evaluating whether the employees were satisfied with the logistics team's expediency in terms of speed and responsiveness. Results revealed that majority (M=4.7212; SD= 0.68502) agreed that they were satisfied with the logistics team's expediency in terms of their speed and responsiveness. The findings concur with Vera and Mitema, (2013) who studied how Kenyan insurance banks' value creation is influenced by M & A and concluded that merged entity fundamental value and book value had been made statistically significant by acquisitions and mergers, meaning mergers' contribution to creating value is significant in leading to merged firm' performance hence added value to new firms.

Concerning whether the supply chain has given the organization a competitive advantage, majority of respondents (Mean= 4.6944; SD= 0.6755) stated that the supply chain has given the organization a competitive advantage as compared to its competitors. The study also sought to evaluate whether the organization enjoys financial economy as a result of the merger. Results from the respondents indicated that majority of respondents (Mean=4.6913; SD= 0.69967) were in agreement that the organization enjoyed financial economy as a result of the merger. The results agree with Cassiman (2006) who studied how product development is impacted by mergers and acquisitions and established the impact highly

depend on similarities in technology between firms taking part in a certain merger or acquisition and how similar the markets they operate in are.

4.5.4 Sustainable Competitive Advantage

Sustainable competitive advantage was the dependent variable. The elements measuring sustainable competitive advantage are analyzed as statements on a five-point likert scale

Table 4. 8: Sustainable Competitive Advantage

Statement	Mean	Standard Deviation
Our organization is producing quality products.	4.6413	0.91231
Our organization now has an improved customer service experience.	4.1286	1.22462
Our organization is running on an efficient system.	4.5011	0.99499
Our organization now has embraced innovation and has computerized systems.	4.3199	1.11967
Our company is now processing more innovative products to our customers.	4.0431	1.44970
Our customers are now enjoying a better customer experience.	4.6822	0.69653
Average	**4.3860**	**1.06630**

Source: Field Data, 2022

The assessed whether the organization was producing quality products and findings from the study revealed that majority (M=4.6413; SD=0.91231) indicated that the organization was producing quality products that were giving it a competitive edge. Concerning the organization having an improved customer service experience, majority of the respondents (Mean=4.1286; SD=1.22462) were of the opinion that the organization was having an improved customer service experience due to the merger.

The study assessed whether the organization was running on an efficient system. Results disclosed that majority (M=4.5011; SD=0.99499) were of the opinion that the organization was running on an efficient system. The study sought to assess whether the organization had embraced innovation and had computerized systems. Results disclosed that majority (M=4.3199; SD=1.11967) were of the opinion that the organization had embraced innovation and had computerized systems. These findings were in agreement with those of Dulo (2013) who reiterated that sustainable competitive advantage is among the most powerful weapon used by firms to win and prosper in the current hypercompetitive world. Sustainable competitive advantage enables most firms to develop and enjoy a unique blend of characteristics that allows it to position itself well in the market. Porter (1985) reiterates that sustainable competitive advantage helps organizations to erect barriers of entry into their specific markets through unique economies of scale.

The study also sought to assess whether the organization was processing more innovative products for their clients. Results reported that majority (M=4.0431; SD=1.44970) were of the opinion that the organization was processing more innovative products for their clients. The study assessed whether the organizations customers were enjoying a better customer experience. Results indicated that majority (M=4.6822; SD=0.69653) agreed that the organizations customers were enjoying a better customer experience. These findings agree with Hill (2015) who indicated that sustainable competitive advantage being the unique position developed by a firm in the market to compare to its rivals helps organizations realize and protect against new entrants who turn out to be their rivals. Sustainable competitive advantage is realized in the discrete activities that organizations perform in designing, manufacturing, supplying and marketing their services and products to their

customers in line with their needs. For industry leaders, creating the right sustainable advantage depends on having the right competitive advantages source within the circles of their organizations (Kongpichayanond, 2009).

4.6 Multiple Regression Analysis

Multiple regression analysis was conducted to empirically determine the study variables relate. Results for the multiple regression for competitive advantage are in table 4.9 below.

Table 4. 9: Model Fit for Sustainable Competitive Advantage

Indicator	R	R^2	Standard error of the Estimate
Coefficient	0.872	0.761	0.3025

Source: Research data, 2022

Regression analysis conducted produced results as shown in table 4.9 above. The results illustrated that the goodness of fit for the regression of the independent variables and sustainable competitive advantage is satisfactory. An R^2 of 0.761 indicated that 76.1% of the variances in the components of mergers namely economies of scale, diversification and synergy at Almasi Beverages are explained by the variances in sustainable competitive advantage.

Table 4. 10: ANOVA for acceptance of Sustainable Competitive Advantage

Indicator	Sum of Squares	Df	Mean square	F	Sig.
Regression	13.962	4	3.498	11.286	0.000
Residual	27.252	56	0.312		
Total	41.214	60			

Source: Research data, 2022

ANOVA results are in table 4.10 above, and they demonstrated that the overall ANOVA model was significant, illustrating a significant joint for the independent variables. The significance value was at 0.000 which was < 0.05, hence the model was statistically significant in predicting how economies of scale, diversification and synergy impact on sustainable competitive advantage.

Table 4. 11: Regression Coefficients for Sustainable Competitive Advantage

Variable	Beta	Standard Error	*t*	Sign.
Constant	1.631	0.429	3.675	0.001
Economies of scale	0.125	0.089	1.164	0.042
Diversification	0.151	0.078	1.928	0.030
Synergy	0.212	0.813	2.401	0.026

Source: Research Data, 2022

Multiple regression analysis was carried out to investigate the connection between sustainable competitive advantage and the three independent variables. Results obtained and indicated above indicate that economies of scale significantly and positively influenced sustainable competitive advantage, as shown by the regression value t (1.164) that is < 2. The beta value of 0.125 means that an increase in economies of scale by 1 (one) unit leads to an increase in sustainable competitive advantage by 0.125 units.

These results agreed with Bataineh and Alomyan (2017) whose results showed a strong significant and positive influence between economies of scale and competitive advantage. The company faces several challenges in their operations which include resistance by retailers, the health bill, and the fact that customers have become more health conscious thus reduction in sales. The company adopted the merger strategy because of competitive advantage, goals and governance, which in-turn resulted into the firm gaining advantage due to differentiation and low-cost production.

Similarly, the results reported that diversification and synergy had a positive and significant influence on sustainable competitive advantage. This is indicated by their respective beta significant values of 0.151 and 0.212 and the t values of 1.928 and 2.401. these results correspond with Walker (2015) and Moghli, Abdallah, & Muala (2012) who revealed that sustainable competitive advantage is basically dependent on how a merged organization evaluates its economies of scale, diversification measures and the synergy created.

The beta value of 0.151 of diversification indicated that an increase of diversification by one-unit, sustainable competitive advantage would increase by 0.151. the same case applies

for synergy where the beta value of 0.212 indicated that increment in the synergy by one-unit, sustainable competitive advantage would increase by 0.212 units.

The following was the study regression model after the analysis of the variables;

$$\mathbf{Y = 1.631 + 0.125X_1 + 0.151X_2 + 0.212X_3 + \varepsilon}$$

It was thus ascertained that all the factors taken into account, to a constant zero, sustainable competitive advantage would be 1.631. Further, taking all the variables to a constant zero, a unit increase in economies of scale, diversification and synergy will increase sustainable competitive advantage to 1.164, 1.928 and 2.401 respectively. The results of the above multiple regression analysis indicated a notable association between economies of scale, diversification, synergy as the independent variables and sustainable competitive advantage as the dependent variable.

The study revealed that Almasi Beverages sustainable competitive advantage was positively and significantly influenced by economies of scale (t=1.164, sig=0.042). These results were in agreement with those of Olalekan (2012) who studied the implication of economies of scale brought about by mergers of commercial banks in Nigeria, and established that economies of scale contributed immensely to sustainable competitive advantage in banks. These findings were in line with those of Galpin and Herndon (2014) who asserted that any business strategy ambition is reaching a sustainable competitive advantage. The economics of a firm's business is examined by sustainable competitive advantage, and focuses majorly on its capability in generating extra returns on capital and for a longer duration, and in dealing with its competition.

The study also established that Almasi Beverages sustainable competitive advantage was positively and significantly influenced by diversification (t=1.128, sig=0.030). These findings were in agreement with those of Chesang (2012), who studied how Kenyan commercial banks

performance was impacted by diversification, and observed that the majority of merged institutions' financial performance and competitive edge had been improved by diversification.

Studies by Ngaruiya (2013) and Becker (2010) established that the companies applied diversification solutions in their operation to meet the requirements of their clients, and unparalleled increased in their niche coverage which was the core aim. The findings further revealed that the management of these companies had a clear definition of the concept of their products, and how to deliver expected value by striving to make sure that there was extension of range of products through diversification, product replacement, improvement, repositioning and introduction of new products to ensure that the company is more productive, increases its investment, perform better and has an above-board competitive edge.

The study also established that Almasi Beverages sustainable competitive advantage was positively and significantly influenced by synergy (t=2.401, sig 0.026). The results were in agreement with Vera and Mitema, (2013), who studied how Kenyan insurance banks' value creation is influenced by M & A and concluded that merged entity fundamental value and book value had been made statistically significant by acquisitions and mergers, meaning mergers' contribution to creating value was significant in leading to merged firm' competitiveness hence added value to new firms.

Almasi Beverages has benefited from the merger, as they have been able to increase their presence in terms of geographical coverage and in dealing with competition. Other advantages are that they have had are sustained growth rate, increase in firm profitability and sustained growth of aggregate productivity.

These findings were in line with those of Okechukwu, Ekwochi and Eze (2018) who established that mergers affected the market share in the Nigerian telecom company and positively and significantly affected the level of client satisfaction. The same findings are in line with those of Orlov and Chubarkina (2017) that revealed that implementation of the merger process resulted in the improvement of efficiency in the project construction course and therefore increasing competitive advantage of the developer.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The research summary, conclusions and recommendations, and areas for further research are presented in this chapter.

5.2 Summary of Findings

The study aimed to establish the effect of mergers on sustainable competitive advantage in Almasi Beverages Limited, Kenya. The merger was conceptualized in terms of economies of scale, diversification and synergy. Data was collected using questionnaires and analysed using descriptive statistics and regression analysis method. The summary of finding is presented as follows:

The first research objective to investigate the influence of economies of scale on sustainable competitive advantage of Almasi beverages limited, Kenya. The study found that economies of scale had a positive significant influence on sustainable competitive advantage of Almasi beverages limited, Kenya. The organization enjoys large discounts; cheaper and more affordable prices, their organization enjoys technological advancement and a superior production function and that they have improved capital equipment and production processes leading to improved products.

The second research objective to establish the influence of diversification on sustainable competitive advantage of Almasi beverages limited, Kenya. The study found that diversification had a positive significant influence on sustainable competitive advantage of Almasi beverages limited, Kenya. Product offerings have given the organization a

competitive advantage, The new business model has adapted to market needs and the merger has made our organization to have a wide range of products on our product line.

The third research objective sought to determine the influence of synergy on sustainable competitive advantage of Almasi beverages limited, Kenya. The study found that synergy had a positive significant influence on sustainable competitive advantage of Almasi beverages limited, Kenya. They are satisfied with the logistics team's expediency (responsiveness/ speed), their organization enjoys a stronger bargaining position for cost of capital and that the supply chain has given the organization a competitive advantage.

5.3 Conclusion of the Study

Centered on these research results, the study made some research conclusions. The study concludes that employing economies of scale has a favorable and significant impact on sustainable competitive advantage of Almasi Beverages Limited.

In this regard, economies of scale led to the firm enjoying large discounts and cheaper more affordable prices, improved capital equipment and production processes, and having quality managers working in various departments, all ensuring that the organization gains a competitive edge as a result of superior brands.

The study also concludes that diversification had a favourable and significant impact on sustainable competitive advantage of Almasi Beverages Limited. Aspects of diversification such as have a wide range of products on their product line, new designs within the organization that are aesthetically designed and were more superior in branding, and new products offerings in the organization contributes to sustainable competitive advantage.

Further, synergy had a significant effect on sustainable competitive advantage of Almasi Beverages Limited. Having a stronger bargaining power for inputs, stronger bargaining position for cost of capital, and ensuring that the organization was running efficiently and in an effective manner, expediency of the logistics team in terms of their speed and responsiveness, and financial independence would all enhance the organizations sustainable competitive advantage.

5.4 Recommendation of the Study

Centered on the study objectives and the findings, some recommendations were made. The organization should adopt a culture of continuous improvement in the area of product improvement through innovation to ensure that it gives the firm sustained competitive advantage in the long run. The firm should think of adopting strategic leadership in key positions of management to make managers and other leaders aware of their roles in promoting sustainable competitive advantage.

In the current rapidly changing business and economic environments, firms compete for revenue, market share, customers, with services and products meeting client requirements. In order to remain different from competitors, Almasi Beverages should focus on unique product features, design and new products, fast delivery and high product quality. To achieve this, the study recommends that Almasi Beverages should embrace differentiation as the key competitive strategy and set sufficient resources to achieve this.

The study recommends that mergers be consummated when firms are in need of leveraging on the synergy benefit such as their contribution to competitive advantage and not a

strategy of meeting statutory requirements and escaping liquidation and still keep existing even with toxic assets.

Further, positive competitive advantage should be attained by more beverage firms in Kenya through their firm consolidation via the merger strategy. Some of the gains accrued from the strategy of merging are creating greater competitiveness, enhancing internal efficiencies and improving customer service.

5.5 Recommendations for Further Studies

The present study targeted only one beverage firm in Kenya, which makes it impossible to generalize the findings. The study recommends a comparative study to ascertain how mergers affect sustainable competitive advantage among other soft beverage firms and businesses in Kenya.

The researcher suggests that more studies be done for a long duration in determining the notable influence of merging on creating value for long term in turn competitive advantage and shareholders. A different study design be utilized to give a differing approach for a similar issue hence improving the results clarity through elimination of other factors ‘influence impacting competitive advantage.

The findings have revealed that mergers are good strategies for growth. Future research may seek to gain insights in the mergers as growth strategy during periods of slowed economic activity, and in other firms in Kenya.

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APPENDICES

APPENDIX I: LETTER OF INTRODUCTION

Brian Muiruri Kanyingi,

P.O Box 34567 -10100,

Thro’

Kenyatta University,

Dear sir/madam,

RE: Data Collection

Currently, I am an MBA student at Kenyatta University. Before receiving a degree, students must do a substantial amount of scholarly research. It follows that you have been selected to offer information on beverage industry mergers and sustainable competitive advantage in the instance of Almasi beverages limited from your firm in Kenya. Employees at the company have been asked to complete surveys on behalf of their peers. Everything we learn from this experience will be used only for academic research.

Thank you,

Brian Muiruri Kanyingi,

Tel: 0780330466

APPENDIX II: THE QUESTIONNAIRE

Kindly answer appropriately.

For questions that require you to give your rating, *Use a scale of (5 – Strongly Agree, 4 – Agree, 3 – Neutral, 2 – Disagree, 1 – Strongly Disagree)*

SECTION A: Background Information

1.	Gender	Male	[ ]
		Female	[ ]
2.	Education Level	Secondary Certificate	[ ]
		Diploma	[ ]
		Degree	[ ]
		Postgraduate degree	[ ]
3.	Working experience	<1 year	[ ]
		1-3 years	[ ]
		3-5 years	[ ]
		5-10 years	[ ]
		> 10 Years	[ ]

SECTION B: Economies of Scale

1. Do you think economies of scale as a result of the merger affects sustainable competitive advantage?

   Yes ( )

   No ( )

2. Rate your company based on the statements given

		1	2	3	4	5
a	Our organization enjoys large discounts; cheaper and more affordable prices.					
b	We have improved capital equipment and production processes leading to improved products					
c	We have quality managers working in our various departments					
d	Our organization has gained a competitive edge as a result of the superior brands					
e	Our organizations bargaining position has improved than that of competitors					
f	Our organization enjoys technological advancement and a superior production function					

3. How else do you think economies of scale contribute to sustainable competitive advantage?

   ………………………………………………………………………………………..

   ………………………………………………………………………………………

   ……………………………………………………………………………………….

SECTION C. Diversification

4. Does diversification as a result of the merger have any influence on sustainable competitive advantage in your organization?

   Yes ( )

   No ( )

5. How can you rate the level of diversification in your organization?

   (a) High ( )

   (b) Moderate ( )

   (c) Low ( )

   (d) Poor ( )

e) Not Sure ( )

6. Rate your company based on the statements given

		1	2	3	4	5
a	The merger has made our organization to have a wide range of products on our product line					
b	The benefits have improved.					
c	The new products are aesthetically designed					
d	Product offerings have given the organization a competitive advantage.					
e	The new business model has led to market development and increased our market					
f	The new business model has adapted to market needs.					
g	Market for the organizations products have improved substantially					

7. How else do you think diversification contribute to sustainable competitive advantage?

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SECTION D: Synergy

8. Do you think synergy as a result of the merger affects sustainable competitive advantage in your organization?

   Yes ( )

   No ( )

9. Rate your company based on the statements given

		1	2	3	4	5
a	Our organization enjoys a stronger bargaining position for inputs					
b	Our organization enjoys a stronger bargaining position for the cost of capital					
c	Our organization is run in a more efficient and effective manner					
d	I am content with the efficiency of the Logistics team.					
e	The Supply Chain has given the organization a Competitive Advantage.					
f	Our organization enjoys a financial economy as a result of the merger					
g	Processes within the organization have been optimized to lower costs to gain a competitive advantage					

10. How else do you think synergy contributes to sustainable competitive advantage?

………………………………………………………………………………………
………………………………………………………………………………………
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SECTION E: Sustainable Competitive Advantage

11. Rate your company based on the statements given which relate to sustainable competitive advantage

		1	2	3	4	5
a	Our organization is producing quality products					
b	Our organization now has an improved customer service experience					
c	Our organization is running on an efficient system					
d	Our organization now has embraced innovation and has computerized systems					
e	Our company is now processing more innovative products to our customers					
f	Our customers are now enjoying a better customer experience					

Thank you for your cooperation

APPENDIX III: APPROVAL LETTERS

KENYATTA UNIVERSITY
GRADUATE SCHOOL

E-mail: dean-graduate@ku.ac.ke

Website: www.ku.ac.ke

P.O. Box 43844, 00100
NAIROBI, KENYA
Tel. 810901 Ext. 4150

Internal Memo

FROM: Dean, Graduate School

DATE: 7th March, 2022

TO: **Brian Muiruri Kanyingi**
C/o Business Administration Dept.

REF: D53/NYI/PT/29351/2014

SUBJECT: APPROVAL OF RESEARCH PROJECT PROPOSAL

This is to inform you that Graduate School Board at its meeting of 2nd March, 2022 approved your Research Project Proposal for the MBA Degree Entitled, **"Organizational Mergers and Sustainable Competitive Advantage of Almasi Beverages Limited, Kenya".**

You may now proceed with your Data Collection, Subject to Clearance with Director General, National Commission for Science, Technology and Innovation.

As you embark on your data collection, please note that you will be required to submit to Graduate School completed Supervision Tracking Forms per semester. The form has been developed to replace the Progress Report Forms. The Supervision Tracking Forms are available at the University's Website under Graduate School webpage downloads.

Thank you.

HARRIET ISABOKE
FOR: DEAN, GRADUATE SCHOOL

c.c. Chairman, Business Administration Department.

Supervisors:

1. Dr. Paul Waithaka
   C/o Department of Business Administration
   Kenyatta University

HI/nn

KENYATTA UNIVERSITY
GRADUATE SCHOOL

E-mail: dean-graduate@ku.ac.ke
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P.O. Box 43844, 00100
NAIROBI, KENYA
Tel. 8710901 Ext. 57530

Our Ref: D53/NYI/PT/29351/2014

DATE: 7th March, 2022

Director General,
National Commission for Science, Technology
and Innovation
P.O. Box 30623-00100
NAIROBI

Dear Sir/Madam,

RE: RESEARCH AUTHORIZATION FOR BRIAN MUIRURI KANYINGI – REG. NO. D53/NYI/PT/29351/2014

I write to introduce Mr. Brian Muiruri Kanyingi who is a Postgraduate Student of this University. He is registered for MBA degree programme in the **Department of Business Administration.**

Mr. Kanyingi intends to conduct research for a MBA Project Proposal entitled, **"Organizational Mergers and Sustainable Competitive Advantage of Almasi Beverages Limited, Kenya".**

Any assistance given will be highly appreciated.

Yours faithfully,

PROF. ELISHIBA KIMANI
DEAN, GRADUATE SCHOOL

EK/nn