BRAND ARCHITECTURE, CUSTOMER LOYALTY, COMPETITIVE INTENSITY AND PERFORMANCE OF WATER BOTTLING FIRMS IN NAIROBI CITY COUNTY, KENYA

AWINYO, SARAH CAROLINE ADHIAMBO

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DECLARATION

This thesis project is my original work and has not been presented to any other college, institution or university for examination.

Signed:……  …… Date: 14/08/2023

Awinyo, Sarah Caroline Adhiambo

D80/72626/2012

This thesis project has been submitted with our approval as the University Supervisors.

Signed:……. Date: **28.08.2023**

Prof. Francis Kibera, PhD

Faculty of Business and Management Sciences

University of Nairobi

Signed:……. Date: **1.09.2023**

Prof. Mary Kinoti, PhD

Faculty of Business and Management Sciences

University of Nairobi

Signed:……. Date:4/09/2023

Dr. Winnie Njeru, PhD

Faculty of Business and Management Sciences

University of Nairobi

DEDICATION

I dedicate this thesis to the Almighty God, my creator, my source of wisdom and strength throughout the entire program. To my dear father Philip Awinyo, and my mother Nellie Osok, whose words of encouragement and support were critical in this journey. To my son Philip, for being there for me on this quest. My siblings Humphrey, Rhoda, Geoffrey, Arelis, and Enzi, and Betty Makawiti for their constant prayers and encouragement. May you all be richly blessed.

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TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

ABBREVIATIONS AND ACRONYMS

ANOVA	:	Analysis of Variance
BA	:	Brand architecture
B2B	:	Business to Business
BLUE	:	Best Linear Unbiased Estimators
BSC	:	Balanced Score Card
BS	:	Branding Strategies
CI	:	Competitive Intensity
CL	:	Customer Loyalty
CV	:	Coefficient Variance
DF	:	Degrees of Freedom
EFA	:	Exploratory Factor Analysis
FMCG	:	Fast Moving Consumer Goods
FP	:	Firm Performance
GDP	:	Gross Domestic Profit
GOK	:	Government of Kenya
IBWA	:	International Bottled Water Association
IOT	:	Industrial Organization Theory
KAM	:	Kenya Association of Manufacturers
KEBS	:	Kenya Bureau of Standards
KMO	:	Kaiser Meyer Olkin
KPI	:	Key Performance Indicator
KRA	:	Kenya Revenue Authority
MNCs	:	Multinational Corporations

SCP	:	Structure Conduct and Performance
SD	:	Standard Deviation
SME'S	:	Small and Medium Enterprises
SPSS	:	Statistical Package for the Social Sciences
TBL	:	Triple Bottom Line
USA	:	United States of America
VIF	:	Variance Inflation Factor
WOM	:	Word of Mouth

ABSTRACT

This study aimed at examining the effects of brand architecture, customer loyalty and competitive intensity on firm performance. The study was carried out in the water bottling firms in Nairobi City County. The specific objectives were to determine brand architecture - firm performance influence; establish the role of customer loyalty in brand architecture- firm performance relationship; determine the effect of competitive intensity on brand architecture - firm performance relationship; establish the joint effect of brand architecture, customer loyalty, and competitive intensity on firm performance. The study was anchored on relationship marketing theory and two support theories namely resource advantage theory and industrial organization economics theory. The study tested four null hypotheses derived from the objectives. Descriptive cross-sectional survey was adopted in this study. Primary data was collected from 209 major firms. Structured questionnaires were used for data collection. The response rate was 67.9%. Descriptive and inferential statistic results were achieved from data analysis. Findings show a significant brand architecture - non-financial firm performance relationship (R^2 =0.704, F= 333.64, p-value<0.05); financial firm performance (R^2 = 0.692, F= 314.904, p-value <0.05). This study finding is consistent with previous study outcomes on brand architecture - firm performance relationship. The findings further show that customer loyalty partially mediated brand architecture -financial firm performance relationship (R^2 =0.756, F=215.15, β =-.336, p-value>0.05); and non-financial firm performance (R^2 =0.801, F= 184.656, β= 0.626, β =.346, p-value =0.05)**.** Further finding revealed that competitive intensity moderated brand architecture - non-financial firm performance relationship (R^2 =0.813, F=200.219, β =0.283, p-value <0.05); and financial firm performance (R^2 =0.801, F=184.656, β =0.286, p-value< 0.05). A composite analysis of both financial and non-financial was used to achieve firm performance scores. The findings of the joint effect on brand architecture, customer loyalty, competitive intensity on firm performance relationship was significant (R^2 = 0.989, F=85.743, β =0.704, p-value<0.05). The outcome was found to be statistically significant, implying that the null hypothesis stating that brand architecture, customer loyalty and competitive intensity on firm performance is not significant was rejected and alternative hypothesis stating that the joint influence of brand architecture, customer loyalty and competitive intensity on firm performance accepted. The study findings contributed to policy, practice, and theory. The study recommends the adoption of brand architecture in enhancing firm performance while incorporating customer loyalty and competitive intensity that have a joint influence on firm performance. The study suggests the use of longitudinal research design to establish brand architecture -firm performance relationship for generalization of findings. A similar study should be done in the beverage industry, that equally has proliferation of brands, for comparison of results and generalization of findings.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Literature shows that there is a relationship between brand architecture and firm performance (Zyglidopoulos et al, 2006; Homburg et al 2009; Rubera and Droge, 2013; Rahman et al, 2019). Most firms worldwide operate in dynamic environments that compel them to continuously develop relevant branding strategies that can guarantee their performance for competitive advantage. Consumers have been relegated to purchasing products based on packaging designs that sometimes drive them towards impulse buying.

Strong brands create competitive advantage and increase the opportunity for superior firm performance in competitive markets (Kotler & Armstrong, 2008). Kapferer (2012), and Hsu et al. (2016) acknowledge that brand architecture can have a significant impact on firm performance through provision of efficient and effective ways of managing marketing resources. Brand architecture provides the framework for developing a strong branding strategy. This scenario warrants further scrutiny of additional comprehensive brand architecture strategies.

Literature has also shown that brand architecture can only influence firm performance through customer loyalty (Bowen & Chen, 2001; Kim et al., 2007). Branding has been associated with creating and sustaining customer loyalty in markets characterized by intense competition (Bowen & Chen, 2001; Rao et al., 2004; Doyle & Stern, 2006; Kim et al., 2007; Yabs. 2007). Although the influence of brand architecture on firm

performance is grounded on theory supported by extant empirical evidence, it is not clear whether brand architecture directly contributes to firm performance. Hence, investigating the influence of brand causing outcomes and moderating market conditions is necessary for clarity on business performance drivers. Other studies have also shown that competitive intensity can strengthen the relationship between brand architecture and firm performance (Cravens, 2012). The study sought to determine further the relationship between brand architecture and firm performance by introducing customer loyalty and competitive intensity for the generalizability of findings.

The current study was anchored on various marketing and management theories which include Relationship Marketing Theory (Morgan & Hunt, 1994) supported by the Resource Advantage Theory (Hunt, 1997) and Industrial Organization Economics Theory (Porter, 2008). The Relationship Marketing Theory explains how brand architecture is linked to firm performance through customer loyalty. According to the Resource Advantage Theory (Hunt, 1997) brands are highly ranked organizational resources that enhance competitive advantage, leading to superior firm performance. Industrial Organization Economics Theory (Porter, 2008) provides a mode for evaluating the level of competition and strategic choices available to a firm. Whereas the above theories have been tested in mature markets, little attempt has been undertaken to test efficacy of the theories in emerging markets. The current study tested the propositions of theory in the emerging water bottling industry.

Water draws a generalized interest. Anyone would drink water regardless of their condition, health or otherwise unlike other beverages that would appeal to people with different conditions. Hence, water as a product can be used to destroy a population or

enhance good health. Being a generalized commodity, water has a greater impact on GDP contribution and hence industry plays a crucial role in moderating the national economy. Commercialization of water supports social and economic activities in society. Although provision of clean water is the responsibility of the government, water scarcity has been a major challenge for years in Kenya. Apart from lack of access to water in several parts of arid and semi-arid regions in Kenya, lack of access to clean, safe, and quality water for drinking is a health challenge threatening lives of majority of Kenyans.

Marshall (2011) observed that 43% of Kenyans lack access to clean water. While the government through various water agencies have been investing in structures and facilities to improve access to water, majority of Kenyans decry the poor quality of water. Perceived poor quality of water has created a business opportunity for water bottling firms. A report by International Bottled Water Association (IBWA, 2002), suggests that the term bottled water denotes spring water, natural water, purified water, and sparkling water.

The history of the water bottling industry in Kenya is traceable to 1992, with the advent of Keringet mineral water into the market as the first natural underground mineral water. Water bottling is an emerging industry in Kenya. Despite being a growing industry, it has attracted many firms seeking to gain a slice of the market share. The proliferation of brands in the water bottling industry has intensified competition and created confusion among consumers owing to information overload and me-too strategies employed by different firms, making brand architecture the strategic focus for differentiation and sales performance.

The motivation of this study arose from a brand observatory process, where customers buy products based on brands that are appealing to them, not necessarily considering the quality of the product. Studies reveal that brand dilution and confusion may arise due to the proliferation of brands, me-too strategies adopted by firms and information overload (Walsh et al., 2007; Ieva, 2019). Consumers are attracted to brands not only by their attitudes and values but by the trends in the environment that they reside in. Consumers select bottled water based on their preferred brands; however, this process tends to be confusing owing to the brand names, colours and bottle shapes since most of these brands bear similar names. One would therefore wonder what leads to the choice of a particular brand and not another. As to whether brand architecture creates loyalty in the water bottling industry is a matter that requires empirical investigation.

1.1.1 Brand Architecture

According to Brexendorf and Keller (2017), brand architecture is a hierarchical structure that defines how a firm's products and services are branded. Gabrielli and Baghi (2016) defined brand architecture as the firm's organization of brand portfolio that outlines naming and product positioning in the market. Rajagopal and Sanchez (2003) opined that brand architecture is a process that integrates brand building by setting up brand interactions within the competitive environment of brand choices. Branding strategies denote the technique employed by firms to blend their brand name and their products (Laforet & Saunders, 1994). Brand architecture is a recent development from the brand concept. Brand architecture is used synonymously with the terms 'branding strategy' or 'brand structure' (Laforet & Saunders, 2007). Brand architecture strategy determines the brand elements such as symbols, logos, and names which a firm can employ across both new and existing products and services (Keller, 2014; Strebinger, 2014).

Existing bodies of literature view brand architecture as a classification system for various kinds of portfolios typified by different relationships among brands that are members of the same family (Aaker, 2004). The firm's brand architecture largely represents an inheritance of past management choices and the competitive realities the firm encounters in the marketplace. Brand architecture is influenced by product and market factors. Three product-market concerns that play central roles in brand architecture include the nature and range of target market; the degree to which the product is culturally embedded; and the competitive market structure.

Literature identifies between 3 and 11 distinct branding strategies built around branded house strategy or house of brands (Olins, 1989; Rao et al, 2004). Aaker and Joachimsthaler, 2000) suggested four brand architecture dimensions namely house of brands, endorsed brands, sub-brands, and branded house. However, the three dominant patterns of brand architecture strategy include monolithic/corporate dominant, product dominant and endorsed or hybrid/mixed structures (Olins, 1989; Douglas, Craig & Nijssen, 2001). Monolithic are corporate brands with a single name for all the products (Saunders, 1994). Corporate dominant architecture, also known as branded house is common among firms carrying a limited range of products. Within the branded house strategy, the master brand is dominant while the other brands play a descriptive role (Aaker & Joachimsthaler, 2000). Product dominant is commonly known as house of brands where every product is identified by a specific brand. The house of brand architecture is prevalent among firms with multiple national or local brands that have a wide international market scope and wherein each brand presents a targeted value proposition. Endorsed brands relate to hybrid branding wherein two brands are associated with one product. Although the endorser brand often plays a minor role, it adds credibility and perceived value to consumers.

The mixed architecture is the most common and comprises a blend of corporate and product level brands or a combination of different structures for the different product decisions. The sub-brands strategy is a situation where the master brand plays the major driving role, but its brand associations are modified by the sub-brands. The current study adopted the branding strategies measures by Laforet and Saunders (1997), namely corporate branding, house of brands and mixed branding owing to its ability to blend the firm name and its products.

Firms have an opportunity to pursue several branding strategies in the management of their brands (Rao et al., 2004; Brexendorf & Keller, 2017). Successful branding strategies augment a product's positioning, creating a powerful bargaining platform with key stakeholders, in effect facilitating a competitive advantage (Ochoo et al., 2018). Doyle and Stern (2006) posit that branding strategies play an integral role in facilitating firms to participate effectively in market competition. Effective branding strategies support market segmentation offering a distinctive image for launching a market position and source for value distinction (Sinclair & Seward, 2008). A firm's brand image is boosted by successful brand architectural strategies evoking strong emotions, responses, and favorable opinions that leads to product patronage which enhances firm performance.

1.1.2 Customer Loyalty

Customer loyalty is defined as repeat purchase behaviour or the attitude displayed by a consumer towards the firm or the brand (Kamran et al., 2017). Customer loyalty denotes the commitment displayed by customers in their consistency to engage in a relationship with the firm through repurchase of preferred brands and patronage, irrespective of situational and marketing efforts that may impact switching behavior (Zhang, 2010). Loyalty in the firm context depicts a customer's commitment to continue to patronize a specific firm and its products or services while also employing word of mouth.

Customer loyalty is deemed a more contemporary concept compared to brand loyalty. It is driven by external and internal factors to the firm. Although customer loyalty is linked to consumer spending power induced by the firm's marketing initiatives, brand loyalty is the level of attachment consumers associate with the brand. Both customer loyalty and brand loyalty leverage on similar constructs of attitudinal and behavioral approach. Customers tend to reduce their information search on alternative products owing to customer loyalty. Patronage enhances the strength of the relationship between a firm and the customer in their commitment to get into an active relationship with the firm. The association between customers and the products is determined by consumer's attitude and repeat patronage which is reinforced by customer loyalty (Ahmad et al., 2021).

Customer loyalty serves as a critical strategic tool in the management of both competition and growth in commoditized markets and is attainable by offering superior products supported by reduced prices, extended warranties, customer loyalty incentive programs and free offers. Loyalty is deemed a crucial factor with a significant impact on the firm's performance (Dowling & Uncles, 2014). Patronage plays a crucial role in motivating a loyal customer to patronize their relationship with the firm, by entirely supporting the firm's products or services. Despite the integral role served by loyalty, it remains spurious as customers could select to endure loyalty due to the switching costs involved or the lack of a better alternative. To sustain customer loyalty, firms are compelled to decipher the main prompts of loyalty amongst their customers, for the development of relevant strategies.

Conceptualization and measurement perspectives of customer loyalty constructs are diverse. In the behavioural meaning, loyalty is determined by repurchase capability, switching behaviour or long-term choice probability. In the attitudinal sense, loyalty is operationalized by emotional commitment or brand preference and is therefore assessed through resistance against superior alternatives, repurchase intention, intention to recommend and price tolerance (Brunner et al., 2010). Dick and Basu (1994) initiated the customer loyalty model presenting an ideal concept of the joint effects of attitude and behavior. The model proposes that customer loyalty is a combination of both behavioral (Word of Mouth and repeat patronage) and attitudinal (emotional attachment, trust, commitment and switching costs) measures of loyalty. Customer loyalty in the context of this study focused on the customer's repeat purchase intention exhibited in specific water bottling firms over a period (Wirtz & Lovelock, 2016).

Oliver (1999) suggested an enhanced four phased customer loyalty development measure (cognitive loyalty, conative loyalty, affective loyalty, and action loyalty), identifying essential issues relating to preference, commitment, and consistency, while emphasizing on situational influences and the marketing environment. This study adopted customer loyalty measures recommended by Oliver (1999), since it incorporates behavioural, attitudinal, situational influences and marketing effort aspects of loyalty.

1.1.3 Competitive Intensity

Competitive intensity defines the degree of rivalry firms encounter in the market characterized by actions and reactions of competitors in attempts to outdo each other to generate and safeguard economic returns (Haryanto et al. 2019). Competitive intensity

describes the likelihood that firms or business units utilize force by restricting other firm's gains through profits and market share in the same industry (Ahmed & Afza, 2019).

Industries are composed of a cluster of firms with similar offers and direct substitutes. The industry environment comprises a set of competitive circumstances which create both threats and opportunities. Every industry possesses a unique basic structure or a set of essential economic and technical features that intensifies competition. The level of competition within an industry is vital for the purposes of industry analysis and the development of strategies and positioning of the business (Porter, 1980; Cravens, 2012). High competition is evidenced by aggressive actions by rivals to attract and keep customers by delivering superior value to customers. Under intense competition, the firm relentlessly seeks more resources and opportunities aimed at crafting strategies to outdo competitors (Jaworski & Kohli, 1993).

Porter (1980) introduced a framework for analysis of attractiveness of the market based on five competitive forces comprising the bargaining power of suppliers, threat of new entrants, the bargaining power of buyers, intensity of rivalry, and the threat of substitute products. The five forces serve as drivers of the intensity of competition in the industry which are analyzed for strategic decisions. The most difficult competitive forces have an impact on an industry's profitability and are regarded as critical in the development of key competitive advantage strategies. Therefore, the manager's observation of the intensity of the five forces has an influence on the firm's development of appropriate strategies and firm characteristics (Tacheva, 2007).

According to Kohli and Jaworski (1991), competitive environment comprises competitive intensity, market, and technological turbulence. Bataineh and Zoabi (2011) considered customer value, competitor's differentiation strategy, resources and capabilities, leadership approach position in the market, service flexibility and timeliness in terms of service delivery as measures of competitiveness. The industry environment in the context of this study focused on the intensity of competition within the water bottling industry which was measured through Porter's five forces framework. The study adopted constructs of Porter's Five Forces model as measures of competitiveness, because of their usefulness in comprehending the strength of a firm's competitive position, while literature has also shown that they impact positively on firm performance.

1.1.4 Firm Performance

Firm performance is a key concern for stakeholders in the firm because it influences decisions, returns and reactions from investors, customers, and employees. Firm performance defines a firm's ability to realize its goals by utilizing resources in an efficient and effective manner (Daft & Marcic, 2013). However, there is a lack of concurrence on the explicit definition of performance (Richard et al. 2009; Silvestro, 2014; Vij & Bedi, 2016). Performance management is deemed as a fundamental aspect in articulating a firm's plan and possible results (Kaplan & Norton, 2001; Silvestro, 2014; Vij & Bedi, 2016). Firm performance depicts a critical pointer of a company's aptitude to pacify stakeholders, quantified in financial and operational measures, leveraging primary data to determine subjective performance and secondary data to gauge objective business performance or both. These circumstances compel firms to create practicable strategies and metrics for the monitoring of these strategies for competitive advantage.

Different scholars embrace dissimilar judgments regarding the important variables in the performance metrics of a firm. Venkatraman and Ramanujam (1986) observed a well-built connection between objective business performance and subjective business performance resolving that neither of the two outperforms the other. Studies show that the balanced scorecard has been adopted as a firm's strategy in streamlining organizational processes to inform key performance indicators (Kaplan & Norton,1992). The balance score card configures performance in four key dimensions comprising financial view, customer view, internal business processes and organizational learning and innovation. Similarly, Elkington (1998) established the Triple Bottom line (TBL) which provides a practical solution to address conflicts among stakeholders regarding sustainability through recognition of the critical role of the financial bottom line, social and environmental concerns at the heart of sustainability. Firm performance in the context of this study focused on the critical consequence of brand architecture in the water bottling firms. This study adopted the BSC model as a measure of firm performance, based on its ability to comprehensively review the performance of water bottling firms, through financial and operational measures, and metrics with a linkage to the long-term growth and success of the firm.

1.1.5 Water Bottling Firms in Nairobi City County

The study was undertaken in the water bottling firms in Kenya focusing on Nairobi City County. It was important to understand the extent to which firms in the industry rely on brand architecture to influence firm performance and this would have solved the issues of firm performance in the industry. There are several firms in the industry which are known for intentionally having similar brands that may easily confuse customers in terms

of bottle shapes, colours, contours and names. Nairobi city county is among the 47 counties in Kenya, apart from being the main city, comprising 17 constituencies, and an estimated annual population growth rate of 4 percent. Nairobi City County receives its water supply from various institutions including local authorities serving both rural and urban areas, alongside publicly owned bodies such as Nairobi Water and Sewerage Company. Increasing urbanization, shifts in climatic conditions and the growth of informal settlements has contributed to the perennial water shortages within Nairobi city county, depriving a significant portion of the current population access to clean drinking water. This has encouraged the emergence of informal water vendors. The demand for clean drinking water in Nairobi city county has caused the drilling of boreholes, and the establishment of numerous water bottling firms to mitigate the situation.

There were 209 major water bottling firms registered with KEBS based in Nairobi City County in Kenya as of November 2021. The ubiquitous and dull nature of water as a product engenders profound branding challenges for players in the industry, driving differentiation through labelling and packaging. Most of the firms within the water bottling industry have an annual capacity of more than 10,000 liters. Although customer loyalty can benefit a firm positively, evidence of loyalty is not apparent in the water bottling industry. As such, the importance of brand architecture as a marketing tool amidst the rising demand for bottled water, cannot be overemphasized. Furthermore, uncertainty prevails over the customer loyalty and firm performance relationship, despite the widespread adoption of branding strategies by water bottling firms.

1.2 Research Problem

Studies have shown that there is a relationship between brand architecture and firm performance. However, the studies have been insufficient in addressing the relative importance of brand architecture on firm performance. The mediating and moderating role of customer loyalty and competitive intensity respectively were expected to influence that relationship farther. Extant studies linked to brand architecture and firm performance predominantly investigated the direct relationships of the variables while considering different contexts other than the water bottling industry. Yeboah (2016) did a study on product branding (trademark cost and cost of advertising) and sales revenue at Unilever, Ghana. The study considered all the 400 product categories within the firm and established a positive outcome. However, the study did not consider the mediating role of customer loyalty and the moderating effect of competitive intensity in the relationship between brand architecture and firm performance.

Matarid et al. (2014) undertook a study on the influence of brand extension strategy (similarity, reputation of brand, familiarity) on brand equity among FMCG's in Egypt, and randomly sampled 415 consumers in one hypermarket. The study established a positive outcome, although it failed to consider the mediating role and moderating effect of customer loyalty and competitive intensity respectively in the relationship between brand architecture and firm performance.

Customer loyalty is an outcome of the real encounter between brand promise and customer experience. It has an association with firm performance in competitive markets. Though studies have shown that customer loyalty results from patronage of strong brands

and repeat purchases it is not clear that the role of customer loyalty in the relationship between brand architecture and firm performance would be significant. This study sought to examine the role of customer loyalty in the brand architecture - firm performance relationship.

Whereas competition in the industry can trigger switching behaviour by consumers, strong brands that create loyal customers can ward off competition by maximizing both rational and emotional benefits to consumers. In competitive industries, branding serves to differentiate the firm's products from competition. It also lowers the risks of clutter in marketing communication and converts marketing efforts into sales through conviction, product trial, continued usage, and loyalty. Despite the truth held in the above statement, it is not apparent whether competitive intensity would strengthen the relationship between brand architecture and firm performance. This study sought to examine competitive intensity as a moderator in the relationship between brand architecture and firm performance. The study bridges this gap by examining the mediation role of customer loyalty and the moderating effect of competitive intensity in the brand architecture and firm performance relationship for the generalizability of findings and significance of that relationship. This argument has never been tested.

The variables used in this study were tested among water bottling firms in Kenya. The water bottling industry is a highly competitive market characterized by brand proliferation, many sellers, and ease of market entry and exit. It was important to understand the extent to which firms in the water bottling industry could rely on brand architecture to influence their performance.

Previous studies done in the water bottling firms mainly focused on quality. However, no known study has tested the relationship between brand architecture, customer loyalty and competitive intensity on firm performance. This study bridges this gap by examining the intricate relationship between brand architecture and firm performance, with the mediation role of customer loyalty and moderation effect of competitive intensity in the effort to enhance firm performance.

Existing studies examining brand architecture and firm performance relationship revealed several inconsistencies related to the conceptualization and dimension of the variables, with some examining the link between branding strategies and firm performance whereas others examined the varying constructs of branding strategies. Zyglidopoulos et al. (2006) did a study in the USA on the influence of branding strategy on firm performance, and measured branding strategy using brand identity, advertising, patent, and legal protection of the firm's brands. The study measured performance of corporate branding using Return on Assets for three years and established a positive outcome.

Furthermore, Homburg et al. (2009) studied the effect of brand awareness (recall, recognition, brand knowledge, top mind) on firm performance among 300 B2B firms in Germany, and established a positive outcome, though the study did not consider the mediating and moderating effect of customer loyalty and competitive intensity respectively. Rahman et al. (2019) sought to establish the influence of brand equity - firm performance relationship among other variables, on 62 USA based firms using longitudinal data, and established a positive influence of brand equity on firm performance. Noteworthy is the fact that this study did not consider the brand architecture

and firm performance relationship, nor did it consider the mediating role and moderating effect of customer loyalty and competitive intensity respectively in the relationship between brand architecture and firm performance. The study measured financial performance using Tobin's q, while market-based performance was measured based on market share.

Whereas the above studies provide prima facie evidence on the link between branding strategy and firm performance, the operationalization of branding strategy was a mix of both brand equity and architecture, making it difficult to isolate the influence of brand architecture on firm performance. A section of scholars asserted that branding strategies indisputably contribute to enhanced performance (Zyglidopoulos et al., 2006; Rubera & Droge, 2013; Homburg et al., 2009; Rahman et al. 2019), while other scholars (Rao et al. 2004; Shahri, 2011; Hong & Diep, 2016) refuted this claim. Other studies contended that branding strategies can only impact firm performance through customer loyalty (Bowen & Chen, 2001; Kim et al., 2007). Additionally, a study by Shahri (2011) concluded that corporate brand strategy can result in losses if not well managed. While Hong and Diep (2016) suggested that broad brands can potentially expose firms to high risk.

Most of the studies involving brand architecture and firm performance used census, mixed model and longitudinal data and surveys. Ochoo et al. (2018) undertook a study among 122 staff within two multinational corporations in Kenya and focused on the effect of brand element, brand name, brand identity and brand personality on firm performance, which revealed a positive outcome. Data was collected using census survey design, and a structured questionnaire. Quantitative data was analyzed using descriptive and inferential statistics.

Nkari (2015) studied the impact of branding practices on performance among commercial farmers in Kiambu County, Kenya. The study considered the moderating effect of farmer's characteristics and the operating environment respectively. The study used descriptive cross-sectional survey design. The study focused on a population of 213 farmers out of which a sample of 140 farmers was derived, and data collected using semi-structured questionnaires, while analysis was undertaken through descriptive and inferential statistics. The outcome of the study revealed a statistically significant outcome on the relationship between branding practices and performance of commercial farmers. However, the study established that while the moderating effect of farmer's characteristics had a statistically significant effect on the relationship between branding practices and performance of commercial farmers, the moderating effect of the operating environment on the direct relationship was not statistically significant.

Even though literature investigating the mediating role of customer loyalty is scanty, there is also a deepened argument indicating that a powerful attitudinal loyalty to a brand must be exhibited to experience genuine loyalty (Reichheld, 2003). This study adopted descriptive cross-sectional survey design because the study was looking at the branding problem at one point in time among water bottling firms.

The foregoing analysis highlights conceptual, empirical, contextual, and methodological gaps to be addressed by the current study. Extant literature suggested a positive outcome on the link between brand architecture and firm performance. However, the indirect relationships display conspicuous gaps in the relationships between the variables as conceptualized in the current study. Hence, the current study sought to answer the question- What is the role of customer loyalty and effect of competitive intensity on the relationship between brand architecture and performance of water bottling firms in Nairobi City County, Kenya?

1.3 Research Objectives

The broad objective of the study was to determine the influence of brand architecture, customer loyalty and competitive intensity on performance of water bottling firms in Nairobi city county, Kenya. The specific objectives were as follows:

i. To determine the influence of brand architecture on performance of water bottling firms.
ii. To establish the role of customer loyalty in the relationship between brand architecture and performance of water bottling firms.
iii. To determine the effect of competitive intensity on the relationship between brand architecture and performance of water bottling firms.
iv. To establish the joint effect of brand architecture, customer loyalty and competitive intensity on performance of water bottling firms.

1.4. Value of the Study

The study aimed to contribute to relationship marketing and the resource advantage theories first by testing the intervening role of customer loyalty in the relationship between brand architecture and firm performance. Secondly, treating brand architecture as a higher-level organizational resource provided the opportunity to test the predictions of resource advantage theory. Whereas relationship marketing theory demonstrates that trust is a fundamental ingredient for successful customer relationships, the theory has not been tested widely in the branding context. This study intended to improve the existing knowledge base through the development of an integrated model joining brand architecture and firm performance variables through mediating and moderating variables, while highlighting the individual and combined impact of the study variables to establish their position on the relationship.

The findings of this study will no doubt provide valuable insight to practitioners on the critical role of customer loyalty and competitive intensity in enhancing the firm's performance. The study serves as a constructive guide for practitioners on the relevance of integrating a framework which incorporates brand architecture, customer loyalty and competitive intensity to enhance firm performance. The study will equip managers and practitioners within water bottling firms with practicable solutions on how brand architecture can be used to lessen the influence of competition on the performance of the firm by managing customer loyalty. The study also offered empirical findings within the context of a developing country considering that most extant studies have been undertaken in developed countries.

Policy guidelines provide a reference framework upon which the activities of the firm are based. The study generated information considered useful for formulating new and revising existing industry-level policies in the water bottling industry. Government agencies (KEBS, KAM and KRA) increasingly adopt market-based policies emphasizing key issues pertaining to strategies embraced by private enterprises. This study contributed to the improvement of policy through provision of valuable insights intended to enhance the existing guidelines pertaining to the handling of customer issues within water botting firms, and the management of customer loyalty in relation to augmenting competitiveness in the industry.

1.5 Chapter Summary

This chapter presented the background of the study, which drew a discussion of the key issues linked to the research topic revealing the relationship between extant literature and the knowledge gaps, that was considered critical in outlining the major thesis that directed this study. The chapter explained the anchoring theory and the two support theories adopted in this study. Additionally, the chapter defined the study variables based on conceptualizations by different scholars. The motivation and context of this study was also explained in this chapter. The research problem discussed conceptual gap analysis, contextual gap analysis and methodological gap analysis. The study had a broad objective and four specific objectives. The chapter also detailed the study question and value of the study to policy, practice, and theory.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section explained the theoretical and empirical literature review on brand architecture, customer loyalty, competitive intensity, and firm performance. The section presented an evaluation of the basis for identification of the knowledge gaps, conceptualization of the study and the formulation of the research hypotheses. The section commenced with a review of theories informing the study, followed by critical review of empirical studies.

2.2 Theoretical Foundation of the Study

The study adopted three theories which included one anchoring theory and two support theories. This study was anchored on relationship marketing theory (Morgan & Hunt, 1994) supported by resource advantage theory (Hunt, 1997) and the industrial organization economics theory (Porter, 2008). The postulations of the theories provided the foundation upon which the conceptual relationships among the variables are based. Therefore, the theories provided more comprehensive clarifications on the relationships among brand architecture, customer loyalty, competitive intensity, and firm performance.

2.2.1 Relationship Marketing Theory

This study was anchored on Relationship marketing theory (RMT) (Morgan & Hunt, 1994). Morgan and Hunt (1994) defined relationship marketing as ‘all activities directed towards establishing, developing and maintaining successful relational exchanges.’ Relationship marketing has gained credence in the domain of marketing knowledge.

Being a relatively new concept in the marketing discipline, relationship marketing has attracted definitions from different perspectives. Gronroos (1996) describes relationship marketing as a mutually beneficial process that involves identifying, creating, retaining, and improving relationships with customers and key stakeholders at a profit through mutual exchange involving the delivery of brand promise by the marketing firm. RMT postulates that both customers and firms have expectations and seek to benefit from that relationship. The theory argues that customers enter a relationship with firms when the perceived gain is greater than the costs incurred by customers in the relationship.

Relationship marketing theory attempts to explain relationship marketing and predict relationship antecedents, maintainers, and outcomes. The theory predicts that customers and brands develop a relationship based on perceptions. In this study the theory predicts that brand architecture can influence firm performance.

According to the theory, customers desire to engage with firms they trust because it reduces the risks of relationship exchanges, particularly where firms are reliable, of high integrity and competent. In addition, the theory argues that customers ascribe relationships with organizations whose values are congruent to those of the customers. The theory also holds that a well-maintained relationship with customers results in competitive advantage that in turn translates to superior financial performance for the firm (Gummesson, 2002; Hunt & Derozier, 2004).

Brand architecture is a strategy used by the organization to connect with the customers, build trust and ultimately create a relationship based on mutual exchange and gain. Brands connect with customers and create relationships by making promises that are relevant and valued by customers. The ability of a brand to satisfy customers builds trust,

communicates integrity and competence that strengthen bonds between the brand and customers. Customer loyalty is the immediate outcome of the brand's ability to deliver superior value by matching the offer to customer expectations. When perceived benefits delivered by the brand exceed costs both in monetary and non-monetary terms, loyalty is created. Increased loyalty is a strong driver to the firm's long-term financial performance (Alrubaiee & Al-Nazer, 2010).

Although the theory explains how brand architecture is indirectly associated with firm performance through customer loyalty, it is silent on the influence of competitive intensity on the firm's loyalty building efforts. RMT is criticized on the assumption that this type of relationship can only thrive in a stable market where competitors do not aggressively respond to the firm's branding strategies. Furthermore, the theory assumes rational behaviour on the part of consumers where benefits override costs to enter a relationship. This is sometimes not the case as purchase could be driven by other factors such as brand sympathy. Despite its criticism, RMT is deemed useful in this study in addressing brand architecture issues in a commoditized market.

2.2.2 Resource Advantage Theory

Resource Advantage Theory (RAT) Hunt, (1997) was adopted in this study as a support theory. It is an evolutionary, imbalance inducing theory of competition that explains firm performance through deliberate actions taken by the firm to gain a competitive advantage in the industry. RAT postulates that competitive processes are influenced by actions and reactions by rival firms in the industry and the behaviour of customers (Hunt, 1997).

RAT combines heterogenous demand theory with the resource-based theory of the firm. It argues that competing firms engage in constant fights for comparative advantages in resource profiles that yield competitive advantage and ultimately superior organizational performance.

RAT predicts that customer loyalty has a role to play in the relationship between brand architecture and firm performance. It contends that as soon as the firm gains competitive advantage, rival firms attempt to neutralize or dismantle the relative advantage through a variety of response strategies including brand imitation, resource substitution and innovation.

RAT adopts a broad definition of resources including tangible and intangible endowments to the firm that enable it to deliver superior products to the market more efficiently and effectively. Consistent with the resource-based view of the firm, resource advantage theory categorizes resources in terms of financial, physical, legal, human capital, relational and information oriented. Within the armpits of resource advantage theory, brands represent higher order resources that create positions of advantage for the firm in the industry.

However, the theory has been criticized for its suggestion that brands may be used inadvertently in a stiff competitive environment. Firms use brand architecture as an approach to create competitive advantage or neutralize the advantages enjoyed by competitors and consequently improve customer loyalty. Once established, customer loyalty leads to superior financial performance through repeat purchases, cross-selling, patronage, referrals, and tolerance to marginal price increases. Keller (1998) argued that

strong brands are inclined to create customer loyalty. Loyalty is a critical measure of brand performance (Hayes, 2008). Whereas the theory argues that creation of customer loyalty takes time, it is vague regarding the reasonable length of time it may take to develop loyalty and whether the creation of customer loyalty varies across various product categories and services. Despite its criticism, RAT was deemed useful in explaining firm performance through investment in brand architecture for competitive advantage.

2.2.3 Industrial Organization Economics Theory

Industrial Organization Economics Theory (IOET) is ascribed to both Mason (1939) and Bain (1968). The structure, conduct and performance (SCP) paradigm related to the IOET posits that the performance of the firm in a market is contingent on the dynamics of the industry that the firm competes in (Porter, 1981). IOET postulates that firms tend to achieve superior performance when alignment exists between the firm's strategy and decision-making mechanism (Porter, 1980). Barthwal (2004) argues that market structure emanates from varying dimensions including degree of seller concentration, intensity of buyer concentration, strength of product differentiation and the barriers of entry in the market. The initial perspective of the variable structure is the concentration of sellers within an industry, since the number of rival firms can influence the firm's strategy (Bain, 1968).

IOET assumes a causal linkage between the structure of a market in which a firm operates, its conduct, in terms of the strategic decisions as well as choices adopted by firms and performance. The market conduct points to the behavior of firms in achieving their goals (pricing strategies, advertising, research and development and investments).

The conduct of the firm is linked to its product strategies, advertising, and innovation (Tung et al., 2010). The theory predicts that competitive intensity can strengthen the relationship between brand architecture and firm performance. As competition intensifies, firms use brand architecture to respond and position themselves in ways that build their advantage over rivals. In essence, brand architecture operates at the level of firm conduct triggered by industry structure with the main goal focused on performance outcomes. Teece et al. (1997) suggest that an organization's performance can influence its competitor's performance and the market structure.

IOET (Porter, 2008) underscores the fact that industry attractiveness is reliant on the strength exhibited by the five forces, specifically the magnitude of competition within the industry, the bargaining power of suppliers, the bargaining power of buyers, and the threat of substitute products and threat of new entrants. Analysis of Porter's five forces is a key determining factor of a firm's capability. IOET is criticized for its tendency to highlight only a few critical aspects of structure, hence limiting its usefulness in resolving the variations in performance exhibited by different firms. Although the theory gives managers a mechanism for decision making, it is faulted for its shortcomings in considering the influences of the dynamic environment in which firms operate (Owino, 2014).

Despite criticisms leveled against IOET, the theory demonstrates its usefulness in determining the average profitability of an industry. IOET was useful in this study in directing the conceptualization between brand architecture and firm performance and provided a basis for assessing the level of competition within the water bottling industry.

2.3 Brand Architecture and Firm Performance

Branding assumes a significant role among several firms worldwide, based on the perceived contribution in terms of profitability, differentiation, customer loyalty and competitive advantage (Keller et al., 2020). Extant literature discloses that research on branding strategies has received growing attention (Olins, 1990; Aaker, 2004; Alessandri and Alessandri, 2004; Asberg, 2018). Noteworthy is the fact that majority of scholars predominantly focus on the role of the brand's strength to firm performance, whereas others focus on brand building methods (Aaker & Joachimsthaler, 2001; Yakimova & Beverland, 2005; Odoom, 2016). Several firms competing in consumer markets either possess or market various brands, while driving corporate strategic decisions associated with their portfolio of brands (Laforet & Saunders, 1994; Aaker, 2004). Scholars and practitioners alike are gradually shifting their focus on resources organized for the growth of marketing assets with the financial performance of the firm (Rust et al., 2004).

Existing literature emphasizes the effect of brand architecture on firm performance (Olins, 1990; Zyglidopoulos et al., 2006; Rubera & Droge, 2013; Rahman et al., 2019). The achievement of competitive advantage demands brand architecture that develops strong brands (Kotler & Armstrong, 2008; Sinclair & Seward 2008). Nevertheless, the existing literature reveals diverse arguments relating to the benefits of branding strategies, with several studies focusing on the direct impact of branding strategies on firm performance, while neglecting the indirect relationship, justifying further research to validate or refute these findings. Research investigating the direct association between branding strategies on the firm's performance can be categorized into two, with some studies investigating branding strategies and its influence on firm performance, and

others investigating the specific constructs of branding strategies and their association with firm performance. Previous studies demonstrate that brand architecture has a strong impact on various dimensions of firm performance including market share, marketing efficiency, profitability, and shareholder value (Rao et al., 2004; Morgan & Rego, 2009; Kapferer, 2012; Keller, 2012).

Zyglidopoulos et al. (2006) studied the effect of brand architecture on firm performance in the USA. The study operationalized brand strategy based on corporate identity on products brands, corporate identity in advertising and corporate patent in firm's products. The study established that branding strategies measures have a significant impact on firm performance. Firm performance was measured using return on assets over three years. Rahman et al. (2019) studied the relationship between corporate brand equity and firm performance moderated by corporate social responsibility. The strategy was tested using a data set of 62 USA firms/corporate brands. The study used market share as a measure of market-based performance, and financial performance was measured using Tobin's q. The study established a positive influence of brand equity on firm performance.

Hong and Diep (2016) studied the relationship between brand management (brand orientation, brand identity development and internal branding) and financial performance. The study sought views from 135 managers and entrepreneurs among Vietnamese SME's. The study results revealed that brand management constructs have an impact on firm performance although broad brands can expose the firm to risk. On the contrary, Shahri (2011) studied the impact of corporate brand strategy on performance among SBU's in Iran. The study focused on 26 experts with the aim of examining the indirect effect on the relationship between corporate brand strategy and performance of SBU's. The study outcome revealed no financial gain.

Most of the studies investigating the indirect association revealed a positive relationship, signifying that branding strategies can influence firm performance when supported by customer loyalty and customer satisfaction (Kim et al., 2007). The foregoing findings revealed that branding strategies constructs have different effects on firm performance necessitating the establishment of constructs with a significant impact on firm performance.

Furthermore, research supporting a positive outcome on the link between branding strategies and firm performance suggested that a robust attitudinal devotion towards a brand must feature to experience real loyalty (Reichheld, 2003; Turner & Wilson, 2006). Previous studies established contradictory findings pertaining to the association between brand architecture and the firm's performance, signifying that exposure of broad brands by firms is a high risk (Rubera & Droge, 2013; Castaldi & Giarratana, 2018). Larger brand portfolios have been found to be inefficient because they negatively impact manufacturing and distribution economies (Hill, Ettenson & Tyson, 2005) and force firms to spread thin their marketing expenditure (Kumar, 2003). Other scholars (Shahri, 2011; Rao et al., 2004) claim that attainment of a positive outcome between brand architecture and firm performance, is only sustainable if well managed. The foregoing reviews reveal inconsistencies of studies regarding the relationship between brand architecture and firm performance. Hence, further investigation is necessary in competitive industries where the value of brands is paramount.

2.4 Brand Architecture, Customer Loyalty, and Firm Performance

Brand architecture, customer loyalty and firm performance relationship remains highly unexplored in an integrated manner, despite the growing attention on branding strategies and customer loyalty relationship. This presented limited knowledge of the complexities associated with the relationships among the study variables. A firm's brand architecture generates a lasting brand equity via the customer reactions they create (Rao et al., 2004).

Relationship marketing theory links brand architecture to customer loyalty. However, studies reported different results regarding the variants of brand structures and their association with performance. Quelch and Kenny (1994) observed that proliferation of brands weakens customer loyalty and intensifies price-based competition. Kotler and Armstrong (2008) suggested that customer loyalty is critical for a firm's survival since it serves as a basis for the development of a sustainable competitive advantage. Conversely, Morgan and Rego (2009) argued that firms with many brands derive more performance benefits compared with their peers whose brand portfolio consists of limited number of brands.

Existing studies also considered customer loyalty using different measures with some focusing on both behavioural and attitudinal, while others focused on behavioural measures (Dick & Basu, 1994; Rizan et al., 2020). A considerable strand of literature suggested that brand architecture can contribute to performance, in the presence of a considerable level of customer loyalty and satisfaction (Bowen & Chen, 2001; Bennet & Thiendle, 2004; Kim et al, 2007). However, several studies focus on the satisfaction loyalty link (Mittal & Kamakura, 2001; Genzi & Pelloni, 2004) with evidence demonstrating that customer loyalty is an outcome of customer satisfaction (Hoq & Amin, 2011).

The indirect influence of brands on performance through third variables is documented in literature. Laforet and Saunders (1999) established that corporate branding influenced sales performance through customer loyalty. Similarly, Bowen and Chen (2001) studied the relationship between customer loyalty, customer satisfaction and firm performance, among 564 guests in the hotel industry using the survey method and focus groups. The findings of the study revealed that enhancement of customer loyalty can influence the firm's performance through reduction of marketing costs and improved profits. Afande (2015) studied the effect of customer loyalty on supermarkets in Nyeri town in Kenya. The study used the case study method with focus on a single supermarket. The study findings revealed that the image of the supermarket and competition influenced customer loyalty.

While existing studies (Reichheld & Sasser, 1990; Bowen & Chen, 2001; Afande, 2015) suggested a positive outcome on the link between customer loyalty and firm performance, inconsistencies in the direction and magnitude of the effect of customer loyalty on firm performance were noted. Keisidou et al. (2013) studied the effect of customer loyalty, customer satisfaction on the financial performance of the banking sector in Greece. The study operationalized customer loyalty on attitude and behaviour and established that neither customer satisfaction nor customer loyalty could influence firm performance. Contradictory views by Shoemaker & Lewis (1999) suggested a variation between customer loyalty and customer satisfaction, implying that satisfaction is not a requirement for loyalty. Previous studies confirmed a weak outcome pertaining to the link on customer loyalty and firm performance (Oliver, 1999; Keisidou et al. 2013) suggesting that customer loyalty may largely be driven by high switching costs deterring a shift to competition.

2.5 Brand Architecture, Competitive Intensity and Firm Performance

Studies that examine the relationship between brand architecture, competitive intensity and firm performance are scant. This study sought to investigate the effect of competitive intensity on the relationship between brand architecture and firm performance. Understanding the underlying structure of a firm is a key factor in determining the firm's brand strategies and consequently enhancing its performance. Competitive intensity in the context of this study referred to the level of competitive actions in the water bottling industry that is characterized by similarity in products, stiff competition, and strong price competition (Zhang et al., 2020).

The dominant theme of industry analysis, strategic options and competition is commanded by the value chain and Porter's five forces model (Porter, 1981). The profitability of the firm is established by the structure and competitive dynamic forces in the industry. Lichthenthaler (2009) linked business survival to intensity of competition in the industry. Highly competitive environments drive adoption of brand architecture geared towards competitive advantage (Desai & Keller, 2002).

The intensity of competition varies from one industry to another, necessitating appraisal of the firm's environment for strategic fit and competitive advantage. Alignment of brand architecture with the market environment demands consistent scanning of industry competition (Cravens, 2012). Although brand architecture is developed to cope with the effect of competition on firm performance, majority of the strategies are centered on perception, creating a deficiency in scientific knowledge linked to the influence of competitive intensity on performance outcomes.

Previous studies relating to competitive intensity and firm performance suggested that firm performance is contingent on the competitive environment in which it operates (Richardo & Wade, 2001; Daft, 2001). Hayati et al, (2022) examined the moderating effect of competitive intensity on the relationship between risk governance and bank performance. The study was based on a sample of 10 listed banks in Kuwait stock exchange. The study used panel data regression analysis and secondary data. The study findings revealed that competitive intensity had a significant impact on the relationship between risk governance and bank performance.

A study by Johnny (2006) investigated the moderating effect of competitive intensity on the relationship between innovative efforts and firm performance. The study findings established that competitive intensity had a significant effect on the relationship between innovative efforts and firm performance. While existing studies reported significant findings linked to the impact of competitive intensity on firm performance, majority of the findings were inconsistent in both their direction and magnitude of the impact of competition on firm performance (Kling & Smith, 1995; Andres et al., 2009; Ahmed & Afza, 2019).

Gitahi (2016) established a negative influence of competitive environment on the link between organizational capacity and firm performance of listed companies in Kenya. In contrast, Owino (2014) established positive influence of industry competition on the relationship between organizational culture and firm performance of microfinance institutions in Kenya. Nevertheless, negligible effort has been expended in investigating the moderating influence of competitive intensity on the link between brand architecture and firm performance. Yet, the effectiveness of brand architecture is hampered by challenges linked to highly competitive environments.

Although the foregoing studies disclosed the relationship between two variables at a time (brand architecture and firm performance and competitive intensity and firm performance), they were deficient in integrating the three variables. Most studies focused on branding strategies, industry environment and firm performance, while studies on the moderating role of competitive intensity revealed varied outcomes. This study therefore sought to bridge that gap by examining the moderating effect of competitive intensity on the relationship between brand architecture and firm performance for the generalization of findings.

2.6 Brand Architecture, Customer Loyalty, Competitive Intensity and Firm Performance

Rahman and Aremi (2014) observed that firms adopt brand architecture based on market segmentation strategy that is aligned to the business objectives of the firm. Extant literature on the direct relationship revealed that the implementation of branding strategies contributes to the creation of a unique image, market segmentation and a basis for price differentiation culminating into enhanced firm performance (Zyglidopoulos et al., 2006; Sinclair & Seward, 2008; Rubera & Droge, 2013; Ochoo et al., 2018). Nevertheless, a group of scholars also advanced varying opinions, suggesting that the branding strategies - firm performance relationship is dependent on other factors (Bowen & Chen, 2001; Reichheld, 2003; Rao et al., 2004; Kim et al., 2007; Strebinger, 2014).

In as much as brand architecture has not been given sufficient research attention (Keller, 2019), studies on the direct influence between customer loyalty and firm performance on the one hand; and competitive intensity's direct influence on firm performance are documented by previous studies. However, research focusing on the influence of brand architecture, customer loyalty and competitive intensity on performance using an integrative framework is missing. Hence, the current study was a step forward towards closing this gap.

The current study is premised on previous studies that reviewed the link between two variables at a time, considering firm performance as the criterion variable, while the rest were handled as predictor variables. The study examined the joint effect of brand architecture, customer loyalty and competitive intensity on firm performance. Table 2.1 presented a summary of knowledge gaps synthesized from the review of empirical literature.

Table 2.1: Summary of Literature Review and Knowledge Gaps

Authors	Focus of the study	Methodology	Main Findings and Conclusions	Knowledge Gap	Focus of current Study
Hayati et al. (2022)	Moderating effect of competitive intensity in the relationship between risk governance and bank performance on Kuwait banks	Panel data set of 10 listed banks in Kuwait stock exchange and secondary data	Competitive intensity had a significant impact on the relationship between risk governance and bank performance	Study focused on bank performance among banks in Kuwait. The study did not investigate the moderating role of competitive intensity in the relationship between brand architecture and firm performance	Study tested the moderating effect of competitive intensity on the brand architecture - firm performance relationship
Rahman et al. (2019)	Moderating effect of social responsibility on brand equity - firm performance relationship	Longitudinal study. Panel data set of 62 USA firms/corporate brands. Measured market-based performance using market share, used Tobin's q to measure financial performance	Positive influence of brand equity on firm performance	Study focused on USA firms/corporate brands.	The context of this study is water bottling firms in Nairobi
Ochoo et al. (2018)	Branding Strategies - performance of Multinational Corporations in Kenya	Data gathered using census survey among 122 staff within two MNC's in Kenya	Positive influence of branding strategies on the and performance of multinational corporations	Study focused on staff within MNC's in Kenya. Study did not investigate the mediating role of customer loyalty and the effect of competitive intensity on brand architecture	Study sought to establish the mediating role of customer loyalty and moderating role of competitive intensity on brand architecture - firm performance relationship.
Gitahi (2016)	Relationship between organizational capacity and performance of listed companies among other variables	Census survey among managers in finance and business strategy in 62 listed companies on the Nairobi Stock exchange	Established that competitive environment was not greater than the individual effect on firm performance. Competitive environment was not significant	Operationalized competitive environment using competition, power customer and leadership response	The study sought to determine the moderating effect of competitive intensity on brand architecture- firm performance relationship.

Authors	Focus of the study	Methodology	Main Findings and Conclusions	Knowledge Gap	Focus of current Study
Yeboah (2016)	Product branding - sales revenue relationship of listed companies in Ghana	Used secondary and primary data, non-financial indicators of performance	Established a positive association between product branding and sales revenue. Product branding more impactful when continuously applied	Study focused on listed companies in Ghana and did not consider mediating role of customer loyalty and the effect of competitive intensity	Study sought to establish the mediating role of customer loyalty and the moderating effect of competitive intensity on brand architecture – firm performance relationship in Nairobi.
Hong and Diep (2016)	Brand management - business performance relationship on Vietnamese SME's	Study sought views from 135 managers and entrepreneurs	Broad brands can expose an organization to risk	Study focused on SMES in Vietnam. Study did not focus on the mediating role of customer loyalty and moderating role of competitive intensity	Study sought establish the mediating role of customer loyalty and the moderating effect of competitive intensity on brand architecture – firm performance relationship in Nairobi.
Nkari (2015)	Branding practices among commercial farmers in Kiambu County, Kenya	Data collected from 213 commercial farmers using semi-structured questionnaire	Findings revealed a positive result on the branding practices -firm performance relationship. The moderating effect of the operating environment was not significant on the branding practices - performance of farmers relationship.	Study considered the moderating effect of the operating environment on the relationship between branding practices and performance of commercial farmers in Kiambu, Kenya	Study tested the moderating effect of competitive intensity on the brand architecture - firm performance relationship
Afande (2015)	Effect of customer loyalty on supermarkets in Nyeri Town	Case study method Qualitative and quantitative methods used. 12 supermarkets.	Image of supermarkets and competition affects customer loyalty	Customer loyalty is considered as a criterion variable. Case study on supermarkets.	Study sought to establish the mediating role of customer loyalty on the brand architecture – firm performance relationship in Nairobi.

Authors	Focus of the study	Methodology	Main Findings and Conclusions	Knowledge Gap	Focus of current Study
Matarid et al. (2014)	Brand extension strategy and brand equity of FMCG's in Egypt	Focus on a single supermarket. Random sampling of 415 consumers. Used Spearman correlation for hypothesis testing.	Established a positive relationship between branding practices and brand equity	Focus on FMCG's in Egypt Study used random sampling of415 consumers	The context of this study is water bottling firms in Nairobi.
Keisidou et al. (2013)	Customer loyalty, customer satisfaction-financial performance relationship on the banking sector in Greece	Operationalized customer loyalty on attitude and behaviour and omitted situational and marketing factors	Established that both customer loyalty and customer satisfaction do not affect financial performance	Focused on the banking sector in Greece. The study considered customer loyalty as a criterion variable.	Study sought to establish the mediating role of customer loyalty on the brand architecture - firm performance relationship in Nairobi.
Rubera and Droge (2013)	Branding strategy and sales performance in USA	Examined relations using Tobin's q to measure performance. Random effects panel analysis	Established a positive correlation between branding strategies and sales performance	Focus on firms in USA	The context of this study is water bottling firms in Nairobi.
Shahri (2011)	Effectiveness of corporate brand strategy on firm performance of SBU's in Iran	The Delphi method used to study 26 experts. Used snowball sampling	Established no evidence of financial gain linked to performance.	Study focused on SBU's in Iran. Used the Delphi method and snowball sampling to study 26 experts	The context of this study is water bottling firms in Nairobi.
Homburg et al. (2009)	Effect of brand awareness on firm performance among B2B firms in Germany	SBU's considered as the unit of analysis	Established a positive result on the brand awareness - firm performance relationship	Study used different branding constructs (recall, recognition, brand knowledge, top of mind). Study focused on B2B firms in Germany	Study used corporate branding, house of brands and mixed branding as constructs for brand architecture.
Johnny (2006)	Competitive intensity in the relationship between innovative efforts and firm performance	The study used 2 accounting-based measures to gauge performance. The study used Herfindahl index as a substitute for competitive environment	Established a negative relationship between competitive intensity and firm performance	The study focused on 500 manufacturing firms in North America. The study focused on the moderating effect of competitive intensity on the relationship between innovative efforts and firm performance.	Study sought to establish the moderating effect of competitive intensity on the relationship between brand architecture and firm performance

Authors	Focus of the study	Methodology	Main Findings and Conclusions	Knowledge Gap	Focus of current Study
Zyglidopoulos et al. (2006)	Brand strategy, corporate reputation, business strategy and financial performance in USA	Measured financial performance using average ROA for 3 years	Established a positive outcome between brand strategy and business strategy	Study considered branding strategy constructs (corporate identity on products and brands, corporate identity in advertising, and corporate patent in firm's products and brands)	Study context is water bottling firms in Nairobi.
Rao et al. (2004)	Branding strategy and intangible value of the firm in USA	Tobin q ratio used to operationalize performance	Corporate brand strategy can be beneficial only if well managed	Study focused on firms in the USA	The context of this study is water bottling firms in Nairobi.

Source: Current Researcher 2022

2.7 Conceptual Framework

The conceptual model illustrated in Figure 2.1 hypothesized the influence of brand architecture on firm performance via customer loyalty as a mediating variable and competitive intensity as a moderating variable.

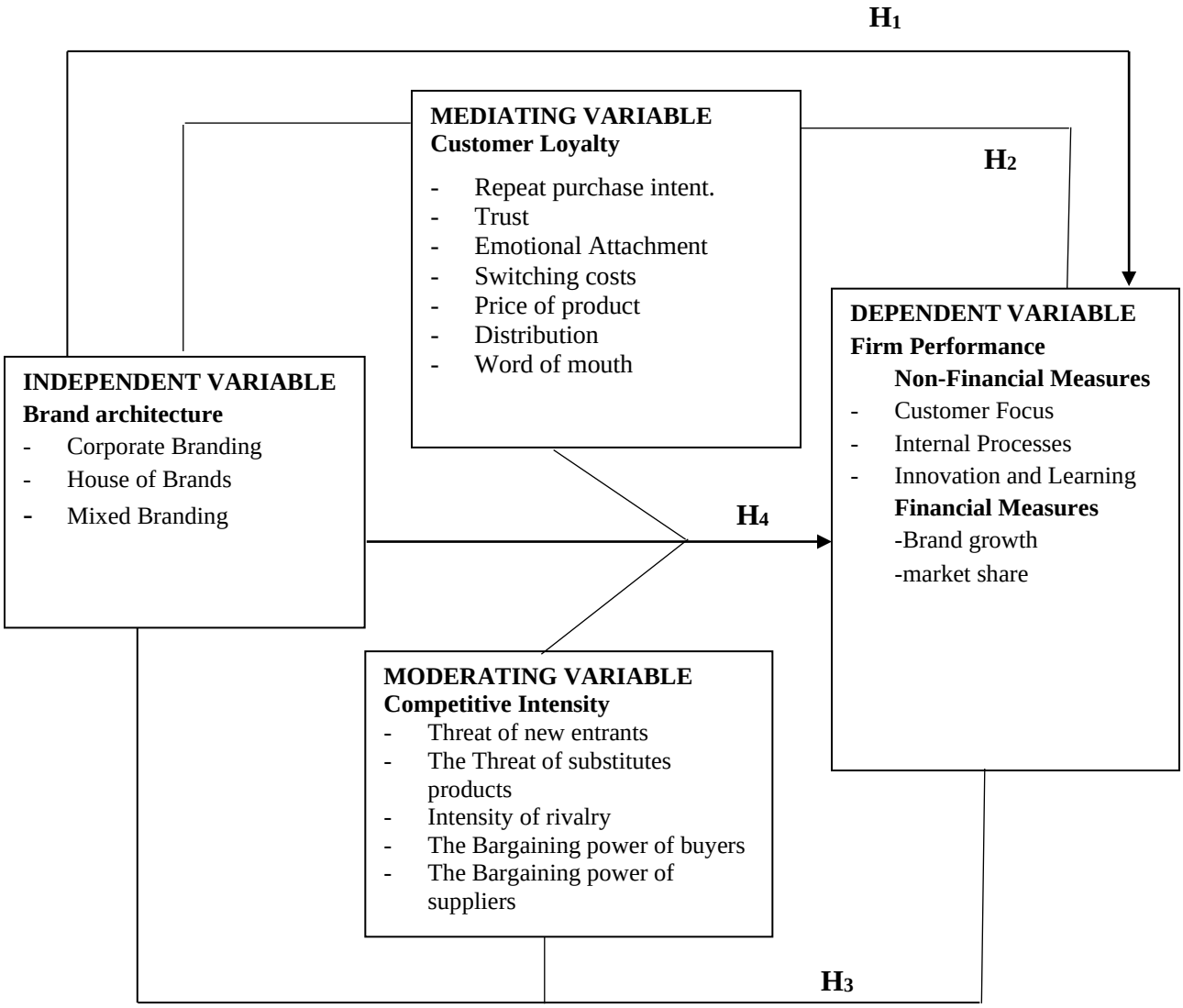

Figure 2.1: Conceptual Model

Source: Researcher, 2022

The conceptual framework shown in Figure 2.1 revealed the existence of a direct link between brand architecture (predictor variable), firm performance (criterion variable) as articulated in the review of empirical and conceptual literature. The framework illustrates the mediating and moderating influence of customer loyalty and competitive intensity respectively on the association between brand architecture and firm performance. This culminated into a reflection of the associated combined effect of the predictor variables on the criterion variable.

2.8 Research Hypotheses

The following conceptual hypotheses were derived from the relevant literature based on the relationship illustrated within the conceptual model in Figure 2.1.

Ho_1: Brand architecture does not influence firm performance.

Ho_2: The relationship between brand architecture and firm performance is not mediated by customer loyalty.

Ho_3: The relationship between brand architecture and firm performance is not moderated by competitive intensity.

Ho_4: The joint effect of brand architecture, customer loyalty, and competitive intensity does not influence firm performance.

2.9 Chapter Summary

This chapter discusses the conceptual framework. The chapter discussed relationship marketing theory, resource advantage theory and industrial organization economics theory as anchoring and support theories. The chapter also discussed literature review based on empirical studies. The conceptual framework was shown in this chapter as well as the hypothesis of the study. The chapter finally discussed the summary of research gaps.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This section presented a discourse on the philosophical bearing and blueprint of the planned study. A description of the target population, the sampling design and the method for data gathering and analysis is explained. In addition, the chapter presented a synopsis on the operationalization of the study variables, reliability, validity, alongside hypotheses testing.

3.2 Research Philosophy

Research philosophy reflects the researcher's views in the explanation of phenomena and is reliant on the examination of the expansion of information (Saunders et al., 2009). Scientific research is directed by two key paradigms specifically epistemology and ontology that shape the research philosophy. Epistemology defines how knowledge is received and gathered and how the truth can be established. It attempts to address the difference between sufficient and insufficient knowledge. Epistemology is driven by three major beliefs that knowledge can be measured through scientific rules and techniques, knowledge can be interpreted and explained, and knowledge can also be explained and interpreted using scientific designs. Ontology defines the world and the nature of reality in the world (Creswell, 2012; Saunders et al., 2015). It believes that reality is indirectly constructed based on individual interpretations and is also subjective.

There are four research philosophies of science that are commonly used namely positivism, constructivism/interpretivism and pragmatism/phenomenology and realism. Positivism is recognized as a fundamental epistemological paradigm that supports social studies due to its foundation in natural and applied science. The Positivism paradigm of

epistemology holds that science and scientific research is perceived as the avenue to realize world truth. Positivists believe that a singular truth exists in the world, and they are concerned about the accuracy and replicability of research and the reliability of the observations and the generalizability of the outcome. Positivists frequently use deductive reasoning for research and prefer experiments since they are conducive for testing of cause and effect of associations through manipulations and observations (Aliyu et al., 2014). Positivists apply quantitative method of research, and they perceive that the objective of research is to define only observable phenomena that can be objectively measured, dismissing emotions, feelings and thoughts as knowledge that cannot be observed or measured.

Creswell (2013) opines that social constructivism, also identified as interpretivism, is considered an interpretive framework deemed important in the conception and construction of individual interpretations that align with distinct experiences. Interpretivism suggests that to comprehend human action, individuals are compelled to observe the world from the perspective of the players (Uddin & Hamiduzzaman, 2009). Constructivism holds a contrary view to positivism and criticizes the positivist view. Constructivism believes that the world is defined by human beings' observation of truth which can vary from one context to another. Constructivists apply qualitative research methods in their experiments to facilitate testing of a cause-and-effect relationship owing to manipulation and observation. The focus is mainly on unstructured interviews which permits the gathering of rich data aligned to the contextual uniqueness of the world being studied.

Pragmatism, also known as phenomenology, attempts to articulate the nature of a concerned phenomenon and realize it through the lenses of the actors in its context. Phenomenology portrays matters as they are and not as the researcher supposes that they are. It is considered universal other than reductionist since the phenomenon is not broken down, but rather it is studied as it is. Contrary to other research philosophies, pragmatists incorporate both quantitative and qualitative approaches in a single study (Saunders et al., 2011). Pragmatists focus on the practical aspect of the research outcome if it can be used in resolving a problem (Fay, 1996; Creswell, 2012; Ogaga, 2017). It perceives that the current truth can change in future.

The current study adopted the positivism paradigm of epistemology as the ideal philosophy since it was preceded by theory which the researcher used to develop hypotheses and research questions and objectives. The hypotheses were subsequently tested to support the articulation of laws studied in the literature and the same was reviewed in alignment with the findings of the study. The positivist paradigm uses quantitative approach of research causing the researcher to be directed by objectivity hence hindering manipulation of the outcome of the study.

3.3 Research Design

The research design provides the blueprint which directs the various stages of the study, specifically the collection, measurement, and analysis of data (Cooper & Schindler, 2008; Bryman & Bell, 2007). The study adopted a descriptive cross-sectional survey design since data was gathered at a single point in time based on multiple study variables. Descriptive cross-sectional survey design leverages on investigations aimed at describing

the phenomena that is under inquiry by establishing the characteristics associated with the subject population. Studies that align with descriptive cross-sectional survey are deemed useful in instances where the researcher intends to verify the direction and strengths of the relationship between or among the variables.

The design was considered suitable for this study since it purposed to describe the association among varied study variables namely brand architecture, customer loyalty, competitive intensity, and firm performance through the gathering of a large amount of data from a specific population of interest. According to Mugenda and Mugenda (2008), cross sectional surveys are embraced in studies whose general objective is to establish the presence or not of significant associations amongst the study variables at some point. Several scholars namely (Cooper and Schindler, 2011; Creswell, 2012) posit that numerous studies in business and marketing research adapt descriptive cross-sectional survey methods.

The choice of research design was deemed appropriate for this research due to its initiation from the researcher's reflections on the philosophical and theoretical foundations of the study, alongside the methodological approaches. Studies that have adopted cross sectional survey design include (Ndubai, 2016 & Ogaga, 2017).

3.4 Population of the Study

The population of the study was 430 water bottling firms registered with Kenya Bureau of standards as at, November 2021. The study focused on water bottling firms that were legally registered, undertaking bottling of water in Nairobi City County and have KEBS standardization mark of quality. The list of firms was attached in Appendix 3.

The selection of the water bottling industry was planned for this study owing to the fusion of firms with varying characteristics, the ubiquitous and dull nature of water even as the commoditized nature of the industry drives firms to embrace branding strategies to differentiate their products in the market. The data gathered was applied in the explanation of the effect of brand architecture, customer loyalty and competitive intensity on firm performance. The managers within the chosen water bottling firms were considered as the respondents, and their views were sought.

3.5 Sample Design

The study had a sample size of 209 major water bottling firms in Nairobi City County, registered by KEBS which was calculated based on Krejcie and Morgan table. The unit of analysis for the current study was water bottling firms. since brand architecture is an attribute of firms that is considered useful in enabling customers to recognize their preferred brands with ease. The employees considered as targets for this study were either marketing managers, operations managers, and chief executive officers (CEO) who were specifically picked, because of their custodian role of relevant information relating to the study variables. This study assumed a confidence level of 95% since majority of companies and social science research leverage on alpha level of 0.05 (Israel, 2009).

3.6. Data Collection

This study leveraged only primary data which was gathered through administration of a structured questionnaire. Quantitative data was gathered using a five-point Likert scale questionnaire, targeted at managers of the water bottling firms in Nairobi City County. Previous studies that have adopted a structured questionnaire include Owino (2014) and Adede (2017).

Prior to administering the questionnaire, the targeted respondents were guaranteed that their responses would be kept completely confidential. The decision to target three managers was driven by their roles within the sampled organizations that expressly granted them custody of the relevant information associated with brand architecture, customer loyalty, competitive intensity, and firm performance. This is consistent with Campbell (1995) who posits that crucial informants ought to be knowledgeable about the matters being studied and exhibit a willingness to communicate the information. The questionnaire targeted at the managers was handled via the drop and pick approach, to allow the respondents ample time to respond for enhancement of the accuracy of responses and response rate.

The questionnaire was administered through a research assistant whose skills were enhanced via prior training geared towards rapport building with respondents, interviewing skills, in addition to maintenance of ethical practices while gathering data. The response rate was enhanced by the research assistant through seeking contact with the respondents to solicit for appointments prior to actual visits to administer the questionnaire. The respondents were issued with a letter of introduction from the University of Nairobi outlining the scope of the study and informing them of their voluntary participation in the study. The questionnaire captured a blend of questions including a few open-ended questions as well as closed ended questions. The closed ended questions were guided by a five-point Likert scale ranging from not at all to a very large extent. Similar studies leveraging on Likert scales include Nkari (2015) and Adede (2017). The questionnaire was targeted at managers and was divided into five sections, with section A (background information), section B (brand architecture), section C (customer loyalty), section D (competitive intensity) and section E (firm performance).

3.7 Reliability and Validity Tests

Cronbach alpha (1951) was adopted in the study to test for internal consistency based on individual competencies in SPSS. Blunch (2008) suggests that an alpha value greater than 0.9 is indicative of an excellent internal consistency, however if it is more than 0.7, it is deemed acceptable. Excellent internal consistency implies alignment of the study items. The study considered the views of equivalence reliability and internal consistency (Cooper & Schindler, 2011). The scores of matching events among the water bottling firms were compared to the test for the equivalence of measurements. Earlier studies by Beneke et al. (2015) adopted alpha coefficient of 0.67, whereas Owino (2014) adopted 0.7 as good measure of reliability. Nunally (1978) postulates a Cronbach coefficient ranging between 0.5 to 0.7 as acceptable. The suggested value for the different constructs is commonly benchmarked at the standard level of 0.7 and above. The current study adopted a measure of reliability of 0.7 as the cutoff goal as suggested by (Nunally, 1978).

Reliability is considered as the stability through which measurements when simulated under different circumstances exhibit related outcomes (Bollen, 1989; Nunally, 1978). The reliability of an instrument or questionnaire was considered alongside the consistency as well as dependability of the scores revealed. Exploratory factor analysis (EFA) is a statistical approach that enhances the reliability of the measurement scale through the identification of unsuitable items that are extractable through investigation of the presence of relationships (Netemeyer et al., 2003). EFA was conducted on the study variables through use of Statistical Package for the Social Sciences version 25.

Validity articulates the meaningfulness of the research components (Drost 2011). Validity is a classic assessment criterion applicable in science, that studies the level to which conclusions drawn in a study offer a precise description or explanation of outcomes (Cooper & Schindler, 2011). Four approaches are considered in establishing validity specifically construct validity, content validity, criterion validity (predictive) and face to face validity. Pre-testing of the questionnaire was undertaken among 5 water bottling firms to establish any weaknesses in the questionnaire. The pilot test assisted the researcher to gauge validity of the instrument pertaining to relevance, clarity and interpretation of questions and duration of time involved, and adjustments made where required. The researcher also engaged doctoral supervisors at the school of business who are qualified researchers to examine and assess the instrument for content validity. The exercise helped the rectification of cases where double edged, and ambiguous questions were sighted.

This study assumed both construct and face to face validity to gauge the level to which the scale items measure the existence of the target constructs (Cooper & Schindler, 2016). Construct validity was tested using factor analysis to detect the efficacy of the specific measures on the constructs. Face-to-face validity was tested through deliberations on the questionnaire with marketing experts who are familiar with the responses that the questions sought to obtain. Improvement of the questionnaire was reliant on the outcomes from the pilot study.

3.8 Operationalization of the Variables

Sekaran (2005) states that operationalization simplifies the scaling down of conceptual thoughts into apparent behavior and personality that are measurable. Table 3.1 summarized the operational domains of the variables and their measurement scales. The

study variables included brand architecture, customer loyalty, competitive intensity, and firm performance. Brand architecture was the independent variable for this study and was operationalized based on the measures in (Laforet & Saunders, 1994; Rubera & Droge, 2013; Nkari, 2015). Several authors have defined brand architecture in varied ways. This study adopted measures applied by Laforet and Saunders (1994) that considered corporate branding, house of brands and mixed branding.

Customer loyalty was the mediating variable in this study. Based on broad theoretical and empirical examination, customer loyalty was operationalized on behavioural, attitudinal, marketing environment and situational factors advanced by (Oliver, 1999). Dick and Basu (1994) had earlier operationalized customer loyalty based on behavioral and attitudinal measures.

Competitive intensity was the moderating variable and through theoretical and empirical exploration was measured using Porter's five forces model (Porter, 1980). The moderating variable strengthens the relationship between the predictor and the criterion variable, in essence acting as a catalyst. Porter's five forces model provides an understanding of the competitive intensity within an industry. The measures included bargaining power of buyers, bargaining power of suppliers, threat of new entrants, threat of substitutes and rivalry among competition.

The dependent variable for this study was firm performance and the study used both non-financial and financial performance measures to examine firm performance. The balanced score card (Kaplan & Norton, 1994) was used for financial and non-financial measures namely customer perspective, internal business processes, learning and innovation. Financial performance measures for this study included brand growth and market share.

Table 3.1: Operationalization of Study Variables

Variable	Nature of Variable	Operational Indicators	Measurement Scale	Literature Anchorage	Sections
Brand architecture	Independent Variable	• Corporate Branding • House of Brands • Mixed Brands	Direct measure 5-point Likert scale	Laforet and Saunders (1994) Rao et al. (2004) Rubera and Droge (2013) Nkari (2015)	Section A 1-5 Section B (6- 9)
Customer Loyalty	Mediating Variable	• Repeat purchase intent. • Word of mouth • Trust • Emotional attachment • Switching Costs • Price of product • Distribution	5-point Likert scale	Dick and Basu (1994) Oliver (1999)	Section C (10)
Competitive intensity	Moderating Variable	• Intensity of Rivalry • The Threat of substitutes • Threat of new entrants • The Bargaining Power of Buyers • The Bargaining Power of Suppliers	5-point Likert scale	Porter (1980) Carbonell et al. (2011)	Section D (11)
Firm Performance	Dependent Variable	**Non-financial** • Customer perspective • Internal business Processes • Learning and Innovation **Financial** • Brand Growth • market share	5-point Likert scale Secondary Data	Kaplan and Norton (1992)	Section E (12)

Source: Researcher, 2022

3.9 Diagnostic Tests and Data Analysis

Statistical tests are reliant on several assumptions associated with variables which are applicable in the analysis. Assumptions centered on normality, homogeneity, linearity, and multicollinearity were tested along the lines of (Osborne & Waters, 2002). Linearity linked with data implies that the values of the criterion variable for each increment of a predictor variable lies along a straight line and for this the study leveraged on scatter plots.

Multicollinearity occurs in scenarios where a high level of correlation exists between two predictor variables, and this was revealed using Variance Inflation factor alongside tolerance test. Normality of distribution was verified through Shapiro Wilk test. In scenarios where it is established that the Shapiro -Wilk significant value is lower than 0.05 this can be perceived as a deviation from normality.

Homoscedasticity occurs when the variance of errors of the predictor variable differs across the data, which can culminate in distortion of the outcome intensifying the probability of type 1 error (Hair et al., 2010). In this study the assumptions associated with homoscedasticity were gauged through Levene's test.

Simple regression analysis was used to determine the direct relationship between brand architecture and firm performance (Fairchild & Mackinnon, 2009). The mediating role of customer loyalty on the brand architecture - firm performance relationship was tested through path analysis. The effect of competitive intensity on the brand architecture -firm performance relationship was tested through stepwise regression analysis. Multiple regression analysis was used to test the patterns of relationships between brand

architecture, customer loyalty, competitive intensity, and firm performance. Pearson's product moment correlation (r) tested the form and robustness of the study variables. The coefficient of determination (R^2) tested the discrepancy between the predictor and criterion variables, thus the model's goodness of fit.

In this study, data analysis was undertaken using descriptive statistics namely standard deviation and average scores. The patterns of relationships between constructs of brand architecture, customer loyalty, competitive intensity and firm performance was tested using multivariate statistical analysis. A composite index was computed for the four study variables namely brand architecture, customer loyalty, competitive intensity, and firm performance to support the multivariate scrutiny, correlation, and regression.

Table 3.2: Research Objectives, Hypotheses and Data Analytical Models

Objective	Hypotheses	Analysis Method	Interpretation
To determine the influence of brand architecture on firm performance.	**Ho_1:** brand architecture does not influence firm performance	Simple Regression Analysis $Y=\beta 0+\beta_1 BA+\varepsilon$ Where: Y = composite score of performance $\beta 0$ = Regression Constant β_1= Regression coefficient BA = composite score of brand architecture ε = Error Term	R^2 to evaluate the variation in performance due to BA. t-test to determine the significance of BA. F-Test to gauge the robustness and significance of the regression model.
To establish the role of customer loyalty on the brand architecture-firm performance relationship.	**Ho_2:** The brand architecture - firm performance relationship is not mediated by customer Loyalty	Path Analysis $Y= \beta_0 + bX + \varepsilon$ (To test the direct relationship between X & Y $M= \beta_1 + aX + \varepsilon$ (To test if independent variables predict mediator) $Y= \beta_2 + bM + \varepsilon$ (To test if mediator variable predicts Y) $Y= \beta_3 + c1X + bM + e$ (multiple regression with X&M predicting Y)	R^2 - Determines the degree of change in performance that is attributable to BA and CL F - tests overall significance of the model β - The contribution of each variable to the model P Value (determines the significance of the

Objective	Hypotheses	Analysis Method	Interpretation
		Where X and M represent independent and mediating variables, βare intercepts, are the effect of X on the mediator, c1 the effect of X on Y controlling M, b is the effect of M on Y, while Ɛ is the error term.	model) To assess the mediating effect, step 1 to 3 needs to be significant i.e., p<.05; and step 4 when controlling for mediation (Customer loyalty), the influence of independent variable (brand architecture) needs to be significant.
To determine the effect of competitive intensity on the brand architecture - firm performance relationship.	**Ho_3:** The brand architecture - firm performance is not moderated by competitive intensity.	Stepwise Regression Analysis $Y= \beta0+\beta_{31} BA +Ɛ$ $Y= \beta0+\beta_{31} BA+ \beta_{32} CI +Ɛ$ $Y= \beta0+\beta_{31} BA+ \beta_{32} CI * \beta_{33}Z+Ɛ$ Where: Y= Composite score of performance BA = brand architecture CI =competitive intensity Z= Interaction term of BA and CI β0=Regression Constant β_{31}..... β_{33} =Regression Coefficient Ɛ = Error Term	R^2 to assess the extent of change in performance that is attributed to BA and CI -F-test to evaluate the robustness and significance of the regression model -t-test to determine significance of individual variables -P-value to determine statistical significance
To establish the joint effect of brand architecture, customer loyalty, and competitive intensity on firm performance.	**Ho_4:** The joint effect of brand architecture, customer loyalty, and competitive intensity does not influence firm performance.	Multiple Regression Analysis $Y =\beta_0 + \beta_{41} BA+ \beta_{42}CL+ \beta_{43} CI+ Ɛ$ Y = Composite score of performance β0=Regression Constant β_{41} …. β_{42} … β_{43}= Regression coefficients BA =Composite score of brand architecture CL= Customer loyalty CI= Competitive Intensity Ɛ = Error Term	R^2- Determines amount of change in performance attributable to BA, CL, and CI F-tests overall significance of the regression model t-test to determine the significance of individual variables. β –The contribution of each variable to the model

Source: Researcher, 2022

3.10 Chapter Summary

This chapter articulates the research methodology for conducting this study. The chapter explicitly illustrates the inquest philosophy, research design, data collection instrument, reliability, and validity of the data instruments. The study had a population of 430 water bottling firms in Nairobi city country registered by KEBS and a sample size of 209. The chapter further elucidates the operationalization of the study variables and statistical data methods that were utilized namely descriptive statistics and regression analysis. Primary data was collected from the field, coded, and cleaned prior to analysis using the statistical Package of Social Sciences version 25, and the findings are presented in tables and charts. The chapter was concluded by illustrating analytical models that were utilized for data analysis and hypotheses testing.

CHAPTER FOUR

DATA ANALYSIS AND FINDINGS

4.1 Introduction

This chapter presented the analysis of the data, which comprised, response rate, reliability test, demographic outputs, factor analysis, descriptive measures of the study variables and, in line with the survey objectives. The primary objective of this study sought to investigate the influence of brand architecture, customer loyalty and competitive intensity on the performance of water bottling firms. Descriptive cross-sectional survey was adopted for this study, and the managers within the water bottling firms were considered as the unit of observation, while the unit of analysis was the water bottling firms. Descriptive statistics were discussed in this chapter.

4.2 Response Rate

A total of 209 questionnaires were distributed to the major water bottling firms within Nairobi City County registered by KEBS, however, out of this, 142 responded, realizing a 67.9 percent response rate which is deemed adequate as it compares well with Babbie (2004), who suggested that a response rate of more than 80 percent is excellent, 60 percent to 80 percent is considered good while 50 percent to 60 percent is moderate. Other studies which got similar response rates comprise 66 percent for (Gichuru, 2018), 69.5 percent for Ombaka (2014), 67.7 percent for (Kinoti, 2012), thus, a response rate of 67.9 was considered good. The study targeted a single respondent who was either the CEO, operations manager, or marketing manager. Single respondents are deemed more reliable and valid (Lin & Schaeffer, 1995; Narver & Slatter, 2000).

4.3 Reliability Test

The study used Cronbach alpha (α) to measure reliability. Several scholars concur that Cronbach value from 0.5 is adequate and good for reliability test (Asikhia, 2009, Bagozzi and Yi, 2012). The study construed alpha coefficient of 0.5 and above as suitable and acceptable reliability. The study adopted a value of 0.7 and above as reliable (Nunally, 1978). The outcomes are shown in Table 4.1.

Table 4.1: Reliability

Variables	No of Items	Cronbach Alpha	Comment
Brand Architecture	11	.862	Reliable
Customer Loyalty	27	.752	Reliable
Competitive Intensity	25	.753	Reliable
Performance	29	.768	Reliable
Overall	**87**	**.783**	**Reliable**

Source: Primary data, 2022

The findings in Table 4.1 indicate that the questionnaire was overall reliable, that is Cronbach alpha equal 0.783>0.7. This justified the reliability of the data applied to draw assumptions from the theoretical concepts. Specifically, each study variable was reliable; brand architecture had the highest Cronbach alpha of 0.862, followed by performance with a Cronbach alpha of 0.768. Competitive intensity had an alpha of 0.753 while customer loyalty had an alpha of 0.752. The results confirmed that the tool used was fit for further analysis.

4.4. Validity Test

The study adopted construct validity. Construct validity was determined using factor analysis which facilitated the reduction of data through factor loading consequently disclosing statements which had the greatest impact on the variables. Sampling adequacy tests that demonstrate the suitability of items for further analysis were also undertaken using both Kaiser-Meyer-Olkin (KMO) and Bartlett's test with a synopsis of the outcome presented in Table 4.2.

Table 4.2: Kaiser -Meyer-Olkin (KMO) and Bartlett's Test

Factors	KMO Test	Bartlett's test of Sphericity		
		Approx. Chi-Square	df	Sig.
Brand Architecture	0.577	79.964	45	0.003
Customer Loyalty	0.511	289.822	142	0.000
Competitive Intensity	0.698	281.806	142	0.000
Firm performance	0.571	143.362	142	0.008

Source: Primary data, 2022

The outcome of the test presented in Table 4.2 reveals that the scales had KMO values ranging from 0.5 to values larger than 0.7 as recommended by Williams et al. (2012) who endorsed values starting from 0.5 and above as appropriate for sampling adequacy. KMO >0.5 means that the sample is adequate. P-value<0.05 for Bartlett's test of sphericity signifies that factor analysis is valid, revealing that the variables are highly correlated and could be decreased into less factors.

The sampling adequacy for brand architecture was significant (KMO = 0.577>0.5, P-value = 0.003< 0.05) hence factor analysis was considered valid. Customer loyalty was significant at (KMO = 0.511>0.5, P-value < 0.05) validating factor analysis. The sampling adequacy for competitive intensity was significant (KMO = 0.698>0.5, P-value < 0.05) validating factor analysis. Firm performance was significant at (KMO = 0.571>0.5, P-value = 0.008< 0.05) supporting factor analysis. This trend confirms that the statements in each study variable were correlated hence justifying reduction into factors. Bartletts test of sphericity which verifies whether the samples emanate from populations with identical variances also produced P-Value < 0.05 revealing a satisfactory degree of sampling adequacy.

Table 4.3: Communalities in Factor Analysis

Communalities	Initial	Extraction
Competition is intense in our industry	1.000	.632
Firms in our industry engage in branding rivalry	1.000	.729
There is rapid introduction of new products in our industry	1.000	.756
Price competition is intense in our industry	1.000	.640
New firms are winning customer loyalty due to fancy branding	1.000	.589
Capital requirements hinder the effectiveness of our branding	1.000	.724
Our competitors use branding as their competitive strength	1.000	.710
Our industry experiences several promotion wars	1.000	.765
Our firm adopts branding as a competitive strategy	1.000	.610
Buyers in our industry demand for quality products	1.000	.709
Buyers in our industry dictate terms as opposed to accepting what is offered by our firm	1.000	.781
Buyers in our industry demand for concessions and large discounts?	1.000	.705
A small number of buyers in our industry contribute to a large proportion of sales	1.000	.777
Buyers in the industry do not dictate terms but accept what is offered by our firm	1.000	.728
Suppliers in our industry demand and gain high concessions	1.000	.743
Suppliers of our products are a critical input in our organization's products	1.000	.786
Suppliers in our industry exercise power through price determination	1.000	.694
Our industry has a small number of suppliers who contribute to a large proportion of the industry's inputs	1.000	.706
Our competitors develop brands that are like the brands we offer	1.000	.625
The product branding within our industry poses similarity challenges to our products.	1.000	.701
Our industry experiences immense pressure from substitute products	1.000	.761
Our products are unique and difficult for competition to imitate	1.000	.641
Our firm' business has experienced growth due to new branding	1.000	.689
Our firm's market share has increased consistently due to new branding	1.000	.752
Our firm ensures financial stability through diversification of its levels of funding sources	1.000	.681
Our firm leverages on reduced customer complaints to measure customer loyalty	1.000	.702

Communalities	Initial	Extraction
Customer complaints matter to our firm	1.000	.724
Our firm has an established customer feedback mechanism	1.000	.666
Our firm is responsive to customer needs	1.000	.744
Our firm's product branding appeals to our new generation customers	1.000	.677
The level of customer centricity is enhanced through researching customer needs	1.000	.616
Our firm regularly surveys its competitor's branding experiences	1.000	.745
Our firm experiences the effect of repeat customers	1.000	.646
Our firm enjoys a larger market share compared to our competitors	1.000	.679
Our customers experience satisfaction with the pricing of our products	1.000	.661
Our firm uses established metrics to monitor internal controls and policies	1.000	.688
Our firm focuses on delivering new products aligned to market changes	1.000	.626
Our firm regularly monitors and adapts to the business environment	1.000	.680
Our firm regularly trains employees in alignment with the environmental trends	1.000	.655
Our firm uses research and development to assess the trends in the business environment	1.000	.692
Our firm enhances customer value creation through being attentive to external challenges	1.000	.695
Our firm regularly reviews its product development efforts to ensure alignment with customer needs	1.000	.694
Our firm monitors its image and reputation regularly	1.000	.765
Our staff are among the well praised in the industry	1.000	.603
Our firm has adopted empowerment and growth measures	1.000	.774
Our firm regularly trains employees in alignment with the environmental trends	1.000	.721
Our firm has a research and development process that guides the implementation of new ideas	1.000	.692
Our firm adopts easily to new technology	1.000	.740
Our firm strongly encourages and embraces innovations	1.000	.704
Our firm's products mirror evolving environmental trends	1.000	.679
Our firm consistently adopts new ideas	1.000	.718
Extraction Method: Principal Component Analysis.		

Source: Primary Data, 2022

Table 4.3 reveals that all extraction values were above 0.5, suggesting that the statements were appropriate for data collection. Extraction values ranged from 0.589 to the highest at 0.786, this suggests that the statements were appropriate.

4.4.1 Principal Factor Analysis

Principal factor analysis was carried out to identify the factors representing each study variable. Principal component factor analysis reduces data into factors whereby the main factor represents the highest variance followed by the subsequent factors, respectively. Additional tests for validity were done using principal component factor analysis and eigen value ≥ 1, and each of the study variables was reduced into appropriate factors as follows. The factors were also rotated using Varimax Rotation Method. The outcomes reveal that the factors associated with all the study variables were valid indicators of the study hypotheses.

(I) Results for Brand Architecture Variance

As indicated in Table 4.4, brand architecture was reduced into three factors accounting for 48.169 percent. The three factors were corporate brand, house of brands and mixed brands.

Table 4.4: Total Variance Explained for Brand Architecture

	Initial Eigenvalues			Rotation Sums of Squared Loadings		
Component	**Total**	**% of Variance**	**Cumulative %**	**Total**	**% of Variance**	**Cumulative %**
Corporate brand	3.427	22.846	22.846	2.665	17.765	17.765
House of brands	2.124	14.160	37.005	2.536	16.907	34.672
Mixed brands	1.674	11.163	48.169	2.024	13.496	48.169

Extraction Method: Principal Component Analysis.

Source: Primary data, 2022

(II) Results for Customer Loyalty Variance

The results in Table 4.5 indicate that customer loyalty was reduced into seven factors accounting for 56.354 percent. The seven factors were: repeat purchase intent, trust, emotional Attachment, switching costs, price of product, distribution, and word of mouth.

Table 4.5: Total Variance Explained for Customer Loyalty

	Initial Eigenvalues			Rotation Sums of Squared Loadings		
Component	**Total**	**% of Variance**	**Cumulative %**	**Total**	**% of Variance**	**Cumulative %**
Repeat purchase intent	5.865	21.724	21.724	4.261	15.780	15.780
Trust	2.162	8.006	29.729	3.074	11.386	27.166
Emotional attachments	1.815	6.721	36.450	1.874	6.942	34.108
Switching costs	1.499	5.551	42.001	1.636	6.061	40.169
Price of product	1.484	5.495	47.496	1.590	5.889	46.058
Distribution	1.220	4.520	52.016	1.457	5.396	51.454
Word of mouth	1.171	4.338	56.354	1.323	4.900	56.354

Extraction Method: Principal Component Analysis.

Source: Primary data, 2022

(III) Results for Competitive Intensity Variance

The results in Table 4.6 indicate that competitive intensity was reduced into five factors accounting for 44.184 percent. The five factors were, threat of new entrants, the threat of substitutes products, intensity of rivalry, the bargaining power of buyers and the bargaining power of suppliers.

Table 4.6: Total Variance Explained for Competitive Intensity

	Initial Eigenvalues			Rotation Sums of Squared Loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
Threat of new entrants	3.259	13.035	13.035	2.594	10.377	10.377
The Threat of substitutes products	2.629	10.516	23.551	2.473	9.890	20.267
Intensity of rivalry	1.917	7.668	31.220	2.232	8.927	29.194
The Bargaining power of buyers	1.637	6.547	37.767	1.989	7.955	37.149
The Bargaining power of suppliers	1.604	6.417	44.184	1.759	7.035	44.184

Extraction Method: Principal Component Analysis.

Source: Primary data, 2022

(IV) Results for Firm Performance Variance

The results in Table 4.7 show that firm performance was reduced into four factors accounting for 40.452 percent. The four factors were customer focus, innovation and learning, internal processes, and financial measures.

Table 4.7: Total Variance Explained for Firm Performance

	Initial Eigenvalues			Rotation Sums of Squared Loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
Customer Focus	5.336	18.400	18.400	4.366	15.057	15.057
Internal Processes	3.010	10.379	28.779	2.698	9.304	24.361
Innovation and Learning	1.876	6.468	35.247	2.665	9.191	33.552
Financial Measures	1.509	5.205	40.452	2.001	6.900	40.452

Extraction Method: Principal Component Analysis.

Source: Primary data, 2022

4.5 Demographic Results

This section covered the respondent's profile in terms of place of company incorporation, years of operations, size of the establishment, current position in the organization, years served in the organization. Table 4.8 shows the outcomes for the demographic analysis.

Table 4.8: Demographic Results

Items		Frequency (f)	Percent (%)
Place of registration/incorporation	Local	141	99.3
	Foreign	1	0.7
	Total	**142**	**100**
Years of operation in Kenya	1-2yrs	17	11.9
	3-5yrs	31	22
	6-10yrs	63	44.7
	11-15yrs	22	15.4
	>20yrs	9	6.0
	Total	**142**	**100**
Size of the Establishment (No of permanent staff)	<50	93	65.5
	50-100	25	17.6
	100-500	11	7.7
	>500	13	9.2
	Total	**142**	**100**
Current Position	CEO/MD	11	7.8
	Operations Manager	128	90.1
	Marketing Manager	14	9.9
	Total	**142**	**100**
Years served in the Organization	<1yr	6	4.2
	1-2yrs	82	57.7
	3-5yrs	41	28.9
	>5yrs	13	9.2
	Total	**142**	**100**

Source: Primary Data, 2022

The results in Table 4.8 indicate that most of the firms (99.3 percent) were incorporated locally while only 0.7 percent were foreign. This means majority of the firms are of Kenyan origin thus promoting entrepreneurship. In terms of years of operation in Kenya, 44.7 percent of the firms had been in operation for 6–10 years, followed by 22 percent with 3-5 years of operations, 14.9 percent with 11-15 years of operation, 12.1 percent

having been in operation for 1-2 years and the rest of 6.4 percent having operated for over 20 years. This is an indication that most of the firms have operated in Kenya for over 6 years a sign that they were conversant with the Kenyan market. The size of the firms was measured by the number of permanent staff which indicated that most of the firms are small, that is, 65.5 percent of the firms employ less than 50 staff on a permanent basis. Most of the firms, 83.1 percent, fell under SMEs, that is firms with less than 500 employees. Only 9.2 percent of the firms employed more than 500 staff on a permanent basis.

Respondents' current position in the firms cuts across the three top management levels, that is, 90.8 percent were operations managers, 7.8 percent were CEO/MD and 1.4 percent were marketing managers. This meant that the information collected was considered appropriate for the study as the respondent's duties were directly linked to the study variables. In terms of years served in the current position, the analysis revealed that most of the respondents had been in their current positions for a period of 1 to 5 years. Specifically, 57.7 percent had been in their current position for 1-2 years, followed by 28.9 percent having served in the current position for a period of 3-5 years. Only 9.2 percent had been in their current position for over 5 years.

4.6 Descriptive Statistics of the Study Variables

Descriptive analysis was used to reveal the responses obtained from the respondents on the study variables namely brand architecture, customer loyalty, competitive intensity, and firm performance. The respondents were expected to state their degree of concurrence with specific statements. Descriptive were interpreted in terms of mean, standard deviation, and coefficient of variation.

4.6.1 Brand Architecture

The study sought to determine the level of adoption of brand architecture among water bottling firms in Nairobi City County, in Kenya. The respondents were asked to disclose the extent to which their firms employed brand architecture. The rating was undertaken using a Likert scale of 1- 'Not at all' to 5 –; Very large extent'. Table 4.9 shows a summary of the results highlighting the three items that were used to gauge the level of application of brand architecture.

Table 4.9: Results for Brand Architecture

	Mean Score	SD	CV %
Corporate Branding	**4.189**	**0.7474**	**18**
House of Brands	**2.7494**	**1.1868**	**43**
Mixed Branding	**3.8865**	**1.30066**	**33**
Overall	**3.4797**	**1.0388**	**30**

Source: Primary Data 2022

The mean score ranged from 2.7494 to 4.189. Brand architecture was operationalized using corporate branding, house of brands and mixed branding. The findings revealed the overall mean score on brand architecture as (Mean score =3.4797, SD=1.0388, CV=30%). The mean score of 3.4797 was an indication that to a moderate extent firms perceive brand architecture as a vital marketing strategy. The SD score of 1.0388 was an indication of the high variability of responses provided by the respondents, while the high CV score of 30 % was an indication that majority of firms are highly unlikely to employ brand architecture as a strategy. This outcome suggested that firms mainly leverage on branding based on the logo and design.

4.6.2 Brand Architecture classification

The study sought to establish the adoption of the various brand architecture classification by firms. Respondents were required to specify their level of adoption of the different brand architecture classification. Table 4.10 shows that 93 percent of firms adopted corporate branding, while house of brands and mixed branding both registered 3.5 percent each. This is an indication that most of the firms have adopted corporate branding.

Table 4.10: Results for Brand Architecture Classification

Item		Frequency (f)	Percent (%)
Brand Architecture Classification	Corporate Branding	132	93
	House of Brands	5	3.5
	Mixed Branding	5	3.5
	Total	**142**	**100**

Source: Primary Data 2022

4.6.3 Corporate Branding Measure

Corporate branding refers to how a firm's image or identity is presented to its customers. From the results highlighted in Table 4.11 the average mean score on corporate branding ranged from 3.936 to 4.838.

Table 4.11: Results for Corporate Branding Measure

	Mean Score	SD	CV %
Corporate Branding			
Our firm focuses on brand Name	4.838	0.38844	8
Our firm focuses on pack design	4.1277	0.65303	16
Our firm focuses on brand colors	3.9362	0.79474	20
Our firm focuses on logos (Graphic Design)	4.0563	0.8652	21
Our firm focuses on Symbol (sign)	3.9437	0.88945	23
Our firm focuses on trademark (Identifier)	4.234	0.95348	23
	4.189	**0.7474**	**18**

Source: Primary Data 2022

Corporate branding had the highest rating (Mean score = 4.189, SD = 0.747, CV =18%). The mean score achieved was an indication that to a large extent most firms adopt corporate branding. The CV score of 18% suggested that firms are highly likely to adopt corporate branding, while the SD score of 0.747 showed low variability in the responses obtained.

Specifically, brand name revealed a high mean rating (Mean score = 4.838, SD = 0.388, CV =8%). This was an indication that to a large extent firms adopt brand names as a corporate branding strategy. The CV score of 8% suggests a very high likelihood that firms will adopt brand name, while the SD score 0.388 revealed the low variability in the responses.

The least score was the statement that sought to establish whether firms adopt brand colors in their corporate branding (Mean score = 3.936, SD = 0.794, CV =20%). The mean score indicated that to a moderate extent firms adopt brand colors in their corporate branding efforts. The CV score of 20% suggests that firms are highly likely to employ brand colors in their corporate branding to differentiate their products from the competition. The SD Score of 0.794 revealed that there was moderate variability in the responses obtained. The results revealed that to a large extent majority of firms consider corporate branding essential in defining the firm's characteristics, personality, values, and purpose, which can prompt customers to build a preference for a firm's products over that of the competition.

4.6.4 House of Brands Measure

House of brands is a brand architecture strategy employed by firms, where individual brands adopt their own brand identity. Table 4.12 reveals that the mean score for house of brands ranged from 1.7846 to 4.2878. House of brands showed a mean score of (Mean score = 2.749, SD = 1.1868, CV=33%). The mean score of 2.749 on house of brands implied that to a small extent firms adopt house of brands as a branding strategy. The CV of 33% is an indication that firms are highly unlikely to adopt house of brands as a branding strategy. The SD of 1.18 reveals that there was a high variability in the responses obtained.

Table 4.12: House of Brands Measure

House of Brands			
Our firm adapts family name	2.0438	1.24185	61
Our firm adapts corporate name	4.2878	1.18716	28
Our firm adapts a generic (common) name	3.0368	1.09144	36
Our firm extends name to new product	2.5942	1.19389	46
Our firm name reflects place of Origin	1.7846	1.21989	68
	2.7494	**1.1868**	**43**

Source: Primary Data 2022

4.6.5 Mixed Branding Measure

Mixed branding defines a type of branding strategy that entails the adoption of two or more brand names to market similar products to varied audiences. From the summary provided in Table 4.13, the mean score for mixed branding ranged from 3.8085 to 3.9645.

Table 4.13: Mixed Branding Measure

Mixed Branding			
Our firm adapts family name	3.8085	1.24163	33
Our firm adapts distinct brand identities	3.9645	1.35968	34
	3.8865	**1.30066**	**33**

Source: Primary Data 2022

Mixed branding showed a mean (Mean score = 3.8865, SD = 1.30, CV=33%). The mean score was an indication that firms to a moderate extent adopt mixed branding as a branding strategy. The SD score of 1.30 suggested a high variability among the data of observations. Furthermore, the CV score 33% revealed that firms are highly unlikely to adopt mixed branding as a brand strategy.

The overall mean score for house of brands was (Mean score =2.7494, SD=1.1868, CV= 43%). The CV score of 43% is an indication that firms are unlikely to employ House of brands as a strategy. Respondents were required to state their concurrence with specific statements related to house of brands as follows, adapting corporate name (Mean score= 4.287, SD = 1.18, CV=28%), adapting a generic common name (Mean score = 3.036, SD = 1.091, CV=36%) and extending name to new product (Mean score = 2.594, SD = 1.19, CV =46%). House of brands strategy commercializes all products within a firm's portfolio under different brand names. The low mean score on house of brands is an indication that although firms apply house of brands as a strategy it's not fully optimized. This can be attributed to the fact that branding focused on subset brands often requires significant resources to undertake.

The outcomes in Table 4.13 show that the overall score for mixed brands was (Mean score =3.8865, SD=1.30066, CV=33%). Mixed branding means leveraging on two or more brand names to market similar products to different segments. The CV score of 33% implied that firms are highly unlikely to embrace mixed branding. Mixed branding subconstruct key indicators were distinct corporate identities (Mean score = 3.96, SD = 1.35, CV=34%), adapting corporate name (Mean score= 3.808, SD = 1.24, CV=33%).

The study findings revealed that respondents perceived that the adoption of mixed branding was highly unlikely to provide enhanced performance. This could be attributed to the limitation of resources that hinders firms from engaging in varied branding initiatives.

4.7 Descriptive statistics for Customer Loyalty

Customer loyalty defines the highest acceptance level of a brand by customers displayed by a customer's buying behaviour. Table 4.14 summarizes the outcome of the seven items that were used to gauge the level of customer loyalty with the mean score ranging from 2.51 to 4.04 to. Loyalty is a key tool that firms leverage to influence performance. Customers have an opportunity to continue being loyal to a brand during their lifetime once they create a close emotional attachment with a product based on the perceived value they receive during their interaction with the brand. Table 4.14 reveals a summary of findings regarding customer loyalty.

Table 4.14: Summary of Descriptive Statistics for Customer Loyalty

Descriptive Statistics	**N**	**Mean Score**	**SD**	**CV (%)**
Customer Loyalty				
Repeat purchase intent	142	4.04	0.76	**18.7**
Word of mouth	142	3.86	0.74	**19**
Price of product	142	3.61	1.2036	**33.3**
Distribution	142	3.5713	0.8232	**23**
Trust	142	3.10	0.68	**22**
Switching costs	142	2.94	0.81	**27.4**
Emotional Attachment	142	2.51	0.72	**29**
Overall score	**142**	**3.376**	0.82	**24**

Source: Primary Data, 2022

Table 4.14 shows the overall mean score of customer loyalty as (Mean score =3.376, SD=0.82, CV= 24%). The mean score of 3.376 implied that to a moderate extent firms are likely to use customer loyalty to influence their performance. The CV score of 24% suggests that there is a moderate likelihood that firms will employ customer loyalty to enhance their performance. Although customer loyalty is perceived as significant in maintaining market share and the ultimate survival of firms, it has not been fully optimized by firms. This can be attributed to resource constraints owing to the SME nature of the water bottling industry. The SD score of 0.82 is an indication that there was a low variation in the responses obtained.

Table 4.14 revealed that repeat purchase intent had the highest mean score (Mean score = 4.04, SD = 0.76, CV=18.7). These findings showed that firms to a large extent are likely to rely on repeat purchase intent to enhance customer loyalty. This was also confirmed by the CV score of 18.7 which indicated the high likelihood that firms will focus on repeat purchase intent to achieve customer loyalty.

The lowest score was the indicator on emotional attachment (Mean score = 2.51, SD= 0.72, CV=29%). The mean score of 2.51 revealed that to a small extent emotional attachment affects customer loyalty in the water bottling industry. Furthermore, the CV score of 29% indicated that firms are moderately likely to focus on emotional attachment to achieve customer loyalty.

4.7.1 Repeat Purchase Intent Measure

Repeat purchase intent is a significant customer acquisition tool that is integral in marketing to new customers. Repeat purchase intent defines the level of customer loyalty to a brand. Respondents were expected to state their concurrence with specific statements associated with repeat purchase intent. Five statements were used to gauge repeat purchase intent as shown in Table 4.15 below.

Table 4.15: Results for Repeat Purchase Intent

Descriptive Statistics	**N**	**Mean Score**	**SD**	**CV (%)**
Repeat Purchase Intent				
Our brands are preferred compared to other brands	142	4.2746	0.84392	**19.7**
Our brands represent good value for money to our customers	142	4.1197	0.70943	**17.2**
Our brands present a sense of loyalty and trust	142	4.000	0.70459	**17.6**
Our brands are continually purchased by our customers	142	3.9437	0.73199	**18.6**
Our brands are likely to be recommended to others	142	3.8451	0.80156	**21**
Average score	**142**	**4.037**	**0.7583**	**18.8**

Source: Primary Data, 2022

As shown in Table 4.15 the mean score of the five statements had an upper limit of 4.27 and a lower limit of 3.845. The overall average mean score for repeat purchase intent was (Mean=4.037, SD= 0.7583, CV=18.8%). The mean score of 4.037 reveals that to a large extent firms focus on repeat purchase intent to determine customer loyalty. The CV score of 18.8% suggested that firms are highly likely to focus on repeat purchase intent to enhance customer loyalty. The SD score of 0.7583 is an indication that there was low variation in the responses.

The highest mean score was the statement that sought to establish whether the firm's brands are the most preferred compared to other brands (Mean score=4.27, SD=0.843, CV=19.7%). The mean score is an indication that to a large extent the firm's brands are likely to be preferred to other brands triggering repeat purchase intent. The CV score of 19.7% revealed that water bottling firms are highly likely to use brand preference to determine repeat purchase intent. The lowest mean score was the statement that sought to establish if the firm's brands are likely to be recommended to others (Mean score =3.845, SD=0.80156, CV=21%). The mean score is an indication that to a moderate extent repeat purchase intent will be determined by the number of referrals. The CV score of 21% implies that there is a high likelihood that repeat purchase intent among firms was determined by the degree of customer referrals.

The summary provided in Table 4.15 reveals that to a large extent firms are reliant on repeat purchase intent in driving customer loyalty. There was no huge disparity in the responses obtained for repeat purchase intent as revealed by the SD score of 0.7583.

4.7.2 Word-of-Mouth Measure

Word of mouth refers to the recommendations for a product or service that are spread from one individual to another. It occurs when customers subconsciously become advocates of a firm's products based on the degree of satisfaction that they obtain from the product which is shared with friends and other colleagues. Respondents were asked to give their opinion about statements associated with word of mouth in the water bottling industry. Four statements were used, and the results are tabulated in the Table 4.16 below:

Table 4.16: Results for Word of Mouth

Descriptive Statistics **Word of Mouth**	N	Mean Score	SD	CV (%)
Our brands represent good value for money to your customers	142	4.0634	0.73624	**18**
Our brands are likely to be purchased by our customers on their next purchase	142	3.943	0.64987	**16.5**
Our brands are recommended to others by friends and family	142	3.7606	0.82453	**22**
Our brands are often recommended by other people for purchase	142	3.6761	0.7584	**21**
Average score	**142**	**3.8608**	**0.7423**	**19.4**

Source: Primary Data, 2022

As shown in Table 4.16 the mean score of the four statements had a lower limit of 3.6761 and upper limit of 4.0634. The overall average mean score for word of mouth was (Mean score=3.8608, SD=0.7423, CV=19.4%). The mean score is an indication that to a moderate extent firms focus on word of mouth to achieve customer loyalty. The SD score of 0.7423 suggests that there was a low variability in the responses obtained, while the CV score of 19.4% revealed that firms are highly likely to leverage on word of mouth to enhance customer loyalty.

The statement that sought to establish whether the firm's brands represent good value for money to customers had the highest mean score (Mean score=4.0634, SD=0.73624, CV=18%). The mean score of 4.06 is an indication that customers to a large extent perceive that the brands offered to them represent good value for their money. The CV score of 18% revealed that customers are highly likely to purchase brands that they believe offer them value for their money. The SD score of 0.73624 suggests that there was low variability among the responses obtained.

The statement with the lowest mean score was the one that sought to establish whether the firm's brands are often recommended by other people for purchase (Mean score=3.6761, SD=0.7584, CV=21%). The mean score of 3.6761 was an indication that the recommendation of a firm's brands by other people is manifested to a moderate extent among firms. The CV score of 21% further confirms that brands offered by firms are moderately likely to be recommended by other people for purchase. The SD score of 0.7584 showed a low variability among the responses.

4.7.3 Trust Measure

Trust is a key element for consumers. Consumers prefer to interact with brands which they can trust as they are purchasing products. Despite the issue of trust being crucial, it is, however, not clear that trust would enhance customer loyalty. Table 4.17 shows the results for trust.

Table 4.17: Results for Trust

Descriptive Statistics **Trust**	**N**	**Mean Score**	**SD**	**CV (%)**
Our customers feel that our brand offers them quality	142	4.2746	0.7913	**18.5**
Our customers are ready to defend our brands despite bad publicity that they may be exposed to	142	3.5563	0.7947	**22**
Our customers trust that they can rely on our brand for the promises that it makes	142	3.507	0.76951	**22**
Our customers exhibit trust on our products	142	1.0709	0.3712	**35**
Average score	**142**	**3.1022**	**0.6817**	**22**

Source: Primary Data, 2022

As shown in Table 4.17 the mean score of the four statements had a lower limit of 1.0709 and upper limit of 4.2746. The overall average mean score for trust was (Mean score =3.1022, SD=0.6817, CV=22%). The mean score of 3.1022 implies that to a moderate extent trust is employed by firms to achieve customer loyalty. The CV score of 22% implies that firms within the water bottling industry are moderately likely to rely on trust to enhance customer loyalty. Although brands act as powerful marketing assets, and common beacons of trust to customers in simplifying their purchase decisions, trust has not been optimized among firms. The respondents were required to specify their degree of concurrence with specific statements linked to trust.

The statement with the highest CV score was the one that sought to determine whether customers exhibit trust in the firm's products (Mean score =1.0709, SD=0.3712, CV=35%). The CV score of 35% demonstrated that customers were highly unlikely to buy a firm's products based on trust. A consumer's distrust of a brand can cause them to be less inclined to purchase a firm's brands and hence not display loyalty.

The least mean score was the statement that sought to determine whether customers feel that the firm's brand is honest (Mean score =4.2746, SD=0.7913, CV=18.5%). The mean score was an indication that to a large extent firms rely on brand honesty to determine customer loyalty. The CV score of 18.5% further suggests that there is a high likelihood that honesty is considered integral in building customer loyalty among firms in the water bottling industry.

4.7.4 Emotional Attachment Measure

Emotional brand attachment is a key construct in marketing, since it articulates the intensity of the bond that exists between consumers and their preferred brands. The stronger the bond between a customer and a brand, the more likely a repeat purchase intent would occur, and that relationship can translate into profitability. Respondents were required to indicate the degree to which they concur with specific statements linked to emotional attachment within the water bottling industry. Table 4.18 shows a summary of the two items that were used to gauge the level of emotional attachment in the water bottling industry.

Table 4.18: Results for Emotional Attachment

Descriptive Statistics	**N**	**Mean Score**	**SD**	**CV (%)**
Emotional Attachment				
Our customers easily switch to another brand if they experience problems with our brand	142	2.6549	0.82454	**31**
Our customers complain to other people if they experience problems with our brand	142	2.3592	0.59955	**25**
Average score	**142**	**2.5071**	**0.712**	**28.4**

Source: Primary Data, 2022

Table 4.18 reveals that the average score of the two statements linked to emotional attachment ranged from 2.3592 to 2.6549. The overall mean score for emotional attachment was (Mean score =2.5071, SD=0.712, CV=28.4%). The mean score of 2.5071 implies that emotional attachment is unlikely to be adopted in the water bottling firms.

The CV score of 28.4% suggests that firms are moderately likely to use emotional attachment to drive customer loyalty. The results suggest that although customers often use rational considerations that include promotions and price to determine purchase preference, emotional attachment is not optimized in driving firms.

The highest mean score was the statement that sought to establish whether customers will automatically switch to another brand if they experience problems with the current one (Mean score=2.6549, SD=0.82454, CV=31%). The mean score suggests that to a small extent firms will rely on emotional attachment to drive customer loyalty. The CV score of 31% is an indication that firms are highly unlikely to use emotional attachment to drive customer loyalty. The SD score suggests that there was a low variation in the responses.

The least mean score was the statement that sought to determine whether customers will complain to other people if they experience problems with the current brand (Mean score=2.3592, SD=0.59955, CV=25%). The mean score of 2.3592 implies that to a small extent customer complaints against firms will influence customer loyalty. This suggests that dissatisfied customers will silently switch to other brands. The CV score of 25% suggests that firms are moderately likely to complain to other people if they experience problems with the firm's brand.

4.7.5 Switching Costs Measure

Switching costs refers to the prices that consumers pay when they switch products or brands. Switching costs can be deemed as psychological, time based, monetary, and effort based. Switching costs are considered as one of the key antecedents of repurchase behaviour. Respondents were required to specify their level of concurrence with specific statements related to switching costs between firms. A summary of the two items that were used to gauge the level of switching costs among the firms interviewed is captured in Table 4.19.

Table 4.19: Results for Switching Costs

Descriptive Statistics	N	Mean Score	SD	CV (%)
Switching Costs				
Our customers exhibit alternative preference to our products	142	2.9859	0.78988	**26**
Our customers complain about the quality of our products	142	2.8944	0.82262	**28.4**
Average score	**142**	**2.9401**	**0.8063**	**27.4**

Source: Primary Data, 2022

From the results displayed in Table 4.19 the average score of the two statements linked to switching costs ranged from 2.8944 and 2.9859. The overall mean score for switching costs was (Mean Score=2.9401, SD=0.8063, CV=27.4). The mean score of 2.9401 is an indication that to a small extent firms consider switching costs to gauge customer loyalty. The CV score of 27.4% is an indication that firms are moderately likely to employ switching costs to gauge customer loyalty. The SD score of 0.8063 suggests high variation in the responses.

The highest mean score was the statement that sought to establish whether customers exhibit alternative preference for the firm's products (Mean score =2.9859, SD=0.78988, CV=26%). The mean score of 2.9859 suggests that to a small extent firms consider switching costs to determine customer loyalty. The CV score of 26% is an indication that firms are moderately likely to use switching costs to drive customer loyalty.

The least mean score was the statement which sought to establish whether customers complain about the quality of the firm's products (Mean score =2.8944, SD=0.82262, CV=28.4%). The mean score suggests that to a moderate extent switching costs will drive customer loyalty among firms. The CV score of 28.4% is an indication that firms will moderately likely use switching costs to determine customer loyalty.

Switching costs bestows some advantages on firms, with a direct influence on customer loyalty. However, the study's findings reveal that most firms currently use switching costs to a moderate extent in determining customer loyalty. The study outcomes are attributable to the level of competition among firms and the kind of products provided. The nature of the product makes it vulnerable to competition, thus making it easy for customers to switch to other brands. Switching costs are one of the critical antecedents of repurchase behaviour that can serve to reduce a customer's sensitivity to price and satisfaction level. Higher switching costs are positively associated with customer loyalty.

4.7.6 Price of Product Measure

Price is considered a key element of the marketing mix. Consumers tend to associate the price level with the quality of a product, whereas value relates to perception of the product and anticipated satisfaction. Respondents were expected to specify their degree of concurrence with specific statements associated with the price of the product among firms. Table 4.20 summarizes the findings of the six items that were used to gauge the price of the product.

Table 4.20: Results for Price of Product

Descriptive Statistics	N	Mean Score	SD	CV (%)
Price of Product				
Our prices are established on cost-based pricing	142	4.0355	0.81426	**20**
Our prices are often altered based on the competitor's reaction	142	3.9078	1.220	**31**
Our prices are based on the value that we offer to our customers	142	3.8714	0.67688	**17.5**
Our customers feel that our products are priced within their budget	142	3.7376	0.66166	**18**
Our customers prefer our products due to the competitive price	142	3.5816	0.74791	**21**
Our customers are willing to pay a higher price for the competitor's product	142	2.539	0.83253	**33**
Average score	**142**	**3.6122**	**0.82554**	**23.5**

Source: Primary Data, 2022

The results shown in Table 4.20, reveal that the average score of the six statements ranged from 2.539 to 4.0355 and. The overall mean score for price of the product was (Mean score =3.6122, SD=0.82554, CV=23.5%). The mean score of 3.6122 implies that to a moderate extent firms are likely to use price as a strategy to gain customer loyalty. The CV score of 23.5% suggests that firms are moderately likely to employ price as a strategy to enhance customer loyalty.

The highest mean score was the statement that sought to determine whether prices are established on cost-based pricing (Mean score =4.036, SD=0.81426, CV=20%). The mean score was an indication that to a large extent firms apply cost-based pricing in the determination of the prices of their products. The CV score of 20% suggests a high likelihood that firms will have their prices established on cost-based pricing to gain customer loyalty.

The lowest mean score was the statement that sought to determine whether customers would be prepared to pay a premium price for the competitor's product (Mean score =2.539, SD=0.83253, CV=33%). The mean score of 2.539 is an indication that to a small extent water bottling firms use pricing to determine customer loyalty. The CV score of 33% suggests that customer loyalty is highly unlikely to be employed by firms to determine price. This can be attributed to the commoditized nature of the water bottling industry, which may result in firms employing similar pricing strategies to achieve customer loyalty. The SD score of 0.83253 is a display of the high variability in the responses obtained.

The results can be attributed to the abundant nature of water as a product which creates a challenge when it comes to differentiation. Most firms experience challenges linked to price optimization since they tend to use cost-based pricing and sales led pricing. Furthermore, the small size of the firms creates a limitation in the employment of elaborate strategies among most players, due to the resource constraints.

4.7.7 Distribution Measure

Distribution channels are critical for businesses in the successful distribution and marketing of a firm's products. They assist time, place, and possession utilities. Respondents were required to state their level of concurrence with specific statements linked to distribution of the product. A summary of the results of the five items that were used to gauge the distribution of the product in the water bottling industry is provided in Table 4.21.

Table 4.21: Results for Distribution

Descriptive Statistics	N	Mean Score	SD	CV (%)
Distribution				
Our customers buy our products from various retail outlets	142	4.2357	0.83632	**19.7**
Our distribution channels are efficient in meeting our customers' needs	142	3.695	0.68602	**18.6**
Our distribution strategy provides access to a wide segment access for our products	142	3.461	0.75136	**21.7**
Our customers buy our products from our premises	142	2.8936	1.01912	**35**
Average Score	**142**	**3.5713**	**0.8232**	**23**

Source: Primary Data, 2022

From the results in Table 4.21, the average rating for the five scores ranged between 4.2357 to 2.8936. The overall mean score for distribution was (Mean score=3.5713, SD=0.8232, CV=23%). Respondents were required to reveal their level of alignment with statements linked to distribution. The mean score of 3.5713 on distribution suggests that to a moderate extent firms on distribution strategies to enhance customer loyalty. The CV score of 23% suggests that firms are moderately likely to employ distribution strategies to achieve enhanced customer loyalty. This can be attributed to the undeveloped sales channels among firms coupled with intense competition, enhanced transaction costs, limited access to finance and geographic isolation which places the firms at risk.

The highest score was the statement that sought to determine whether customers buy the firm's products from various retail outlets (Mean score =4.2357, SD=0.83632, CV=19.7%). The mean score of 4.2357 reveals that large firms use distribution strategies to determine customer loyalty. The CV score of 19.7 suggests that firms are highly likely to use distribution to drive customer loyalty. The SD score of 0.83632 is an indication of the high variability in the responses obtained.

The lowest mean score was the statement that sought to establish whether customers buy products from the firm's premises (Mean score =2.8936, SD=1.01912, CV=35%). The mean score suggests that to a small extent most firms leverage on distribution strategies to achieve customer loyalty. The CV score of 35% implies that firms are highly unlikely to use distribution to achieve customer loyalty. This implies that most of the products produced by firms are purchased from various other outlets such as supermarkets. This can be explained by resource constraints that most of the firms find themselves encumbered with, hindering them from employing elaborate distribution strategies.

Implementation of the most efficient distribution strategies for a firm is integral in the achievement of both revenue and customer loyalty. Organizations choose to employ multiple distribution channels to align with their varied customer needs. Most of the firms have not optimized distribution channels in the achievement of both revenue and customer loyalty. This can be attributed to the limitation in resources, owing to the SME nature of the industry.

4.8 Descriptive Statistic for Competitive Intensity

Competitive intensity refers to the factors that impact the degree of competition. Respondents were required to state their alignment with the attributes associated with competitive intensity to gauge their opinion based on several constraints on a Likert scale of 1 to 5 with 'Not at all' represented by 1 and 'To a very large extent' represented by 5. The study adopted Porters (1980) five competitive forces to measure the level of competitive intensity. Competitive intensity was measured using intensity of rivalry, threat of new entrants, bargaining power of buyers, bargaining power of suppliers and threat of substitute products. Analysis of the responses was undertaken using mean scores, standard deviation, and coefficient of variation. The respondents scores are illustrated in the following sub section. Table 4.21 shows the summary of the results for intensity of rivalry.

4.8.1 Intensity of Rivalry Measure

Intensity of rivalry among competitors defines the intensity with which firms within an industry push their competitors and reduce each other's profitability. Respondents were required to specify their level of concurrence with specific statements related to intensity of rivalry. Table 4.22 details the results of the eight items that were used to gauge the level of intensity of rivalry. The average score of the eight statements on intensity of rivalry ranged between 3.5352 and 4.4043.

Table 4.22: Results for Intensity of Rivalry

Intensity of Rivalry	N	Mean	SD	CV (%)
Competition is intense in our industry	142	4.4043	0.65442	14.8
Firms in our industry are engaged in branding rivalry	142	4.3732	0.54067	12.3
There is rapid introduction of new products in our industry	142	4.2254	0.96311	22.7
Price competition is intense in our industry	142	4.0986	0.67698	16.5
Our firm is fast in adopting new branding ahead of competitors	142	3.8803	0.76707	19.8
Our value propositions easily replicated by competition	142	3.8732	0.73281	18.9
There are several promotion wars in our industry	142	3.831	0.78072	20.5
Our firm adopt branding as a competitive strategy	142	3.5352	0.68065	19.4
Average Score	**142**	**4.0277**	**0.7246**	**17.99**

Source: Primary Data, 2022

The overall mean score on the statement linked to intensity of rivalry was (Mean score =4.0277, SD=0.7246, CV=18%). The mean score of 4.0277 suggests that to a large extent firms consider the intensity of rivalry in gauging the level of competition within their industry. The CV score of 17.99% is an indication of the high likelihood firms adopt intensity of rivalry to gauge the intensity of competition. This can be attributed to the existence of several players of equal size and market share, and similar products within the industry.

The statement with the highest mean score was the one that sought to establish the intensity of competition within the industry (Mean score = 4.40, SD = 0.65, CV =14.8%). The mean score of 4.4 suggests that to a large extent the water bottling industry is characterized by stiff competition. The CV score of 14.8% is an indication that firms are highly likely to experience competitive intensity. The SD score of 0.65 implies that there was a low level of variation in the responses obtained. The results reveal the commoditized nature of the water bottling industry, could lead to loss of market share to low-cost providers.

The statement with the lowest mean score was the one that sought to establish if firms adopt branding as a competitive strategy (Mean score=3.53, SD=0.68, CV=19.4%). The mean score of 3.53 suggests that to a moderate extent firms use branding to counter competitor action. The CV score of 19.4% shows that firms are moderately likely to embrace branding to counter competition. Most firms suffer from resource constraints linked to finance, and capacity constraints associated with innovation restricting them from taking elaborate initiatives to counter competition.

4.8.2 Threat of New Entrants Measures

The threat of new entrants refers to the simplicity with which prospective players can enter an industry. Industries characterized by low restrictions tend to attract several players culminating in enhanced competitive intensity. Respondents were expected to identify concurrence with specific statements related to the threat of new entrants. Table 4.23 illustrates the four statements that were utilized to assess the threat of new entrants.

Table 4.23: Results for Threat of New Entrants Measure

Threat of New Entrants	N	Mean Score	SD	CV (%)
New firms are winning customer loyalty due to fancy branding	142	3.9014	0.68737	17.6
Capital requirement hinders the effectiveness of our branding	142	3.8028	0.74605	19.6
Our competitors use branding as their competitive strength	142	3.6831	0.69822	19
New entrants are gaining market share through customer loyalty	142	3.4366	0.82052	23.87
Average scores	**142**	**3.7059**	**0.7381**	**19.9**

Source: Primary Data, 2022

The results in Table 4.23 reveal the average score of the four statements on threat of new entrants ranging from 3.4366 to 3.9014. The overall score for threat of new entrants was (Mean score = 3.71, SD = 0.73, CV =19.9%). The mean score of 3.71 suggests that to a moderate extent the threat of new entrants shapes the intensity of competition among firms. The result was further complemented by the CV of 19.9% that suggests a high likelihood that the threat of new entrants is used gauge the level of competitive intensity. This outcome can be explained by low brand loyalty among firms, and low initial capital investment required to set up water bottling firms. The SD score of 0.7381 is an indication of the high variability in the reactions obtained.

The statement with the highest score was the one that sought to establish whether new firms entering the industry are winning customer loyalty due to fancy brands (Mean score=3.9014, SD=0.68737, CV =17.6%). The mean score of 3.9014 reveals that to a moderate extent the threat of new entrants is used by firms to gauge the level of competitive intensity. The CV score of 17.6% reveals that new firms entering the water bottling industry are highly likely to invest in branding to upset existing brand loyalties. The SD score of 0.68737 suggests that there was a low variability in the outcomes obtained.

The least score was the statement that sought to understand whether new entrants are gaining market share through customer loyalty among firms (Mean score =3.4366, SD=0.821, CV =23.87%). The mean score of 3.4366 suggests that to a moderate extent new entrants in the water bottling industry are gaining market share through customer loyalty. The CV score of 23.87% implies that new entrants in the water bottling industry are moderately likely to gain market share through customer loyalty. The SD score of 0.821 is an indication of the high disparity in the outcomes received from the respondents. The outcome suggests that firms have not optimized customer loyalty to enhance their market share.

4.8.3 Bargaining Power of Buyers Measure

The bargaining power of buyers is the force employed by buyers on firms to drive them to offer similar products or services at a competitive price. Respondents were asked to identify their degree of concurrence with specific bargaining power of the buyer statements. Table 4.24 shows the five statements that were used to measure the bargaining power of buyers.

Table 4.24: Results for Bargaining Power of Buyers

Bargaining Power of Buyers	N	Mean	SD	CV (%)
Buyers in our industry demand quality products	142	4.2113	0.84912	20.16
Buyers in our industry dictate terms as opposed to accepting what is offered by our firm	142	3.9789	0.82915	20.8
Buyers in our industry demand for concessions and large discounts	142	3.9437	0.64987	16.5
A small number of buyers in our industry contribute to a large proportion of sales	142	3.4859	0.77858	22.3
Buyers in our industry do not dictate terms but accept what is offered by our firm	142	2.6901	0.96155	35.74
Average scores	**142**	**3.6619**	**0.8136**	**22.2**

Source: Primary Data, 2022

From the results shown in Table 4.24. The average score of the five statements on bargaining power of buyers ranged between 2.901 to 4.211. The overall mean score for bargaining power of buyers was (Mean score =3.6619, SD=0.8136, CV=22%). The mean score of 3.6619 suggests that to a moderate extent bargaining power of buyers specifies the level of competitive intensity in the water bottling industry. The CV of 22% is an indication that the bargaining power of buyers is moderately likely to be used by firms in determining competitive intensity. This trend can be attributed to the fact that substitute products in the water bottling industry cannot offer the same satisfaction provided by water.

The statement with the highest score was the one which sought to determine whether buyers in the industry demand quality products (Mean score= 4.21, SD= 0.84, CV=20.16%). The mean score suggests that buyers in the water bottling industry to a large extent use the quality of the product to manage competitive intensity. The CV score of 20.16% suggests that buyers in the water bottling industry are highly likely to focus on quality products to manage competitive intensity. The results reveal that firms are likely to focus on quality products to enhance customer loyalty and manage the level of competitive intensity. This further implies that if a customer is satisfied with a firm's product, they will likely engage in repeat purchase and recommend the product to others.

The statement with the least score was the one that sought to establish if buyers do not dictate terms and accept what is offered by firms (Mean score =2.6901, SD=0.9616, CV=35.74). The mean score of 2.6901 suggests that to a small extent buyers in the water bottling industry do not dictate terms and accept what is offered. The CV score of 35.74 is an indication that there is a very low likelihood that buyers in the water bottling industry do not dictate terms and accept what is offered. This result implies a low bargaining power of buyers.

4.8.4 Bargaining Power of Suppliers Measure

The bargaining power of suppliers is one the five forces which define the degree of competitive intensity within a firm's market. Respondents were asked to identify their level of concurrence with specific bargaining power of the supplier statements. Table 4.25 shows the four statements that were used to establish the bargaining power of suppliers.

Table 4.25: Results for Bargaining Power of Suppliers

Bargaining Power of Suppliers	N	Mean Score	SD	CV (%)
Suppliers in our industry demand and gain high concessions	142	3.8873	0.79981	20.6
Suppliers of our products are a critical input in our organization's products	142	3.831	0.64105	16.7
Suppliers in our industry exercise power through price determination	142	3.8239	0.6663	17.4
Our industry has a small number of suppliers who contribute to a large proportion of the industry's inputs	142	3.4437	0.84656	24.6
Overall Score	**142**	**3.7465**	**0.7384**	**19.7**

Source: Primary Data, 2022

As shown in Table 4.25 the average score of the four statements on the bargaining power of suppliers ranged between 3.4437 to 3.8873. The overall score for bargaining power of suppliers was (Mean score = 3.75, SD = 0.75, CV =19.7%). The mean score of 3.75 suggests that to a moderate extent suppliers in the industry are reliant on the buyers. The results further reveal that buyers in the industry are sensitive to price and that their switching costs are low, a factor that can be attributed to commoditization of the industry. The CV score of 19.7% suggests that there is high likelihood for buyers in the industry to exhibit price sensitivity and low switching costs. The SD score of 0.75 shows that there was a low variation in the responses obtained.

The statement with the highest score was the one that sought to determine whether suppliers in the water bottling industry demand and gain high concessions (Mean score = 3.88, SD = 0.79, CV =20.6%). The mean score of 3.88 reveals that to a large extent suppliers in firms demand and gain high concessions. The SD score of 0.79 reveals the high variability in the respondents' responses. The results suggest that buyers in the water bottling industry rely heavily on sales from suppliers, while the switching costs of buyers are also high. The results further reveal that substitutes in the water bottling industry are unavailable.

The statement with the least mean score sought to determine whether the water bottling industry has a small number of suppliers who contribute to a large proportion of the industry's input (Mean Score =3.44, SD=0.846, CV=24.6%). The mean score of 3.44 is an indication that to a moderate extent suppliers contribute to a large proportion of the industry's input. The CV score of 24.6% further suggests that there is a very low likelihood that suppliers will contribute to a large percentage of the input in the water bottling industry. The SD score of 0.846 implies that there was a high variability in the responses obtained.

4.8.5 Threat of Substitutes Measure

The threat of substitutes impacts the intensity of competition for firms within an industry and how it can impact the firm's ability to realize profitability. The respondents were asked to specify the degree of their concurrence with statements related to the threat of substitutes. Table 4.26 shows the four statements that were used to establish the threat of substitute products.

Table 4.26: Results for Threat of Substitute Products

Threat of Substitute Products	N	Mean Score	SD	CV (%)
Our competitors develop brands that are like the brands that we offer	142	3.8944	0.56753	14.6
The product branding within our industry poses similarity challenges to your products	142	3.8451	0.69747	18.1
There is immense pressure from substitute products in our industry	142	3.7887	0.82368	21.7
Our products are unique and difficult for competition to imitate	142	3.2606	0.75962	23.3
Overall score	**142**	**3.6972**	**0.7121**	**19.3**

Source: Primary Data, 2022

From the results shown in Table 4.26 the average score on the four statements on threat of substitute ranged between 3.2606 to 3.8944. The overall mean score for threat of substitutes was (Mean score =3.6972, SD=0.7121, CV=19.3%). The mean score reveals that to a moderate extent the threat of substitutes will affect competitive intensity among firms.

The highest score was the statement that sought to determine whether firms within the water bottling industry are familiar with the strong substitutes that are readily available to their customers (Mean score = 3.89, SD = 0.57, CV=14.6%). The mean score suggests that to a large extent most firms lack full information. It is also an indication that substitutes in this industry can rarely offer similar convenience to buyers, while all other types of beverages tend to cost more.

The statement that garnered the least score was the one that sought to establish whether the products provided in the water bottling industry are difficult for competition to imitate (Mean score =3.2606, SD=0.75962, CV=23.3%). The mean score on this statement suggests that to a moderate extent consumer switching costs could be high making it difficult for consumers to easily opt for substitute products. The score achieved implies the absence of close substitutes for bottled water.

The outcome shows that the prices of substitute products could be higher than that of bottled water making it difficult for easy switching by consumers to the competitor's product. The overall score on threat of substitutes was (Mean score =3.6972, SD =0.7121, CV= 19.3%). This can be attributed to the intensity of competition among firms, high consumer switching costs, high price of substitute products compared to bottled water and the absence of a perfect substitute for bottled water.

4.8.6 Competitive Intensity Measure

Competitive intensity drives firms to adopt brand architecture strategies that facilitate managers in coping with the opportunities and threats presented by the competition for competitive advantage. A summary of the descriptive statistics of competitive intensity are captured in Table 4.27 below.

Table 4.27: Results for Competitive Intensity

Description	N	Mean Score	SD	CV (%)
Intensity of rivalry	142	4.0277	0.7246	18
Bargaining power of suppliers	142	3.7465	0.7384	19.7
Threat of new entrants	142	3.7059	0.7381	19.9
Threat of substitutes	142	3.6972	0.7121	19.3
Bargaining Power of buyers	142	3.6619	0.8136	22.2
Overall score	**142**	**3.8052**	**0.7447**	**19.6**

Source: Primary Data, 2022

Table 4.27 shows the results for the overall average mean score for the output of competitive intensity operationalized in this study (Mean score =3.81, SD= 0.7447, CV=19.6%). The mean score suggests that competitive intensity exists to a large extent among firms. The CV of 19.6% suggests that firms are highly likely to be affected by competitive intensity, while the SD score of 0.7447 indicates that there was a low discrepancy in the responses. This can be credited to the large number of players in the industry who compete for the same market share, coupled with the low barriers to entry and exit. The situation is further aggravated by the similarity in bottled water products.

Intensity of rivalry had the highest mean score of 4.02, followed by bargaining power of suppliers with a mean score of 3.7465. Threat of substitutes had an SD score of 0.7121, while intensity of rivalry had a CV of 18%. The threat of new entrants had the lowest mean score of 3.7059. This implies that to a large extent the respondents perceived that intensity of rivalry is high in the water bottling industry. Competitive intensity is considered to exist to a large extent among firms as revealed by the mean score of 4.04.

Intensity of rivalry had the highest ranking among the five forces (Mean score = 4.02, SD = 0.72, CV=18%). The mean score of 4.02 is an indication that to a large extent the intensity of rivalry among firms is high. The CV score of 18% suggests that the intensity of rivalry among firms is highly likely to affect competitive intensity. This can be attributed to the existence of several similar size competitors in the water bottling industry, together with low consumer switching costs and highly undifferentiated products. This implies that most firms easily replicate competitor prices for survival in the market.

The industry is characterized by consumers who easily switch from one brand to another, and several small players who sell similar products at comparable prices. The scenario displayed among firms reveals that there are minimal regulatory requirements for new players seeking to enter the industry. The findings further display low barriers to distribution channels and supply chains, while it is evident that popular brand names attract a higher level of customer loyalty.

The least mean score was the one on the bargaining power of buyers (Mean score =3.6619, SD =0.8136, CV=22.2%). The mean score suggests that to a moderate extent the bargaining power of buyers shapes the level of competitive intensity among firms. The CV score of 22.2% reveals that bargaining power of buyers among firms will moderately likely affect competitive intensity. The results show that the bargaining power of buyers among firms is moderate. This can be attributed to the fact that buyers in the industry are less concentrated compared to the sellers, while they also do not purchase large volumes.

4.9 Descriptive Statistic for Organizational Performance Measure

The study leveraged indicators of the balanced score card (Kaplan and Norton, 1992) to operationalize financial measures using financial perspective, customer perspective, internal process and innovation and learning. The study utilized descriptive statements which were presented to the respondents built on a 5-point Likert scale with 1 representing ‘Not at all’ and 5 representing ‘To a large extent’, to establish the level of performance among the indicators within the water bottling firms. The respondents were required to specify their level of concurrence with specific statements related to organizational performance.

4.9.1 Financial Perspective Measure

A financial perspective outlines a firm's growth theme. The perspective adopts objectives and measures that are considered critical in the achievement of both productivity and growth strategies. It focuses on three key areas that are linked to cost reduction, revenue growth and enhancement of productivity. The financial perspective in the balanced score card serves as a reminder to firm managers that enhanced quality of products or services can translate into improved financial performance. Table 4.28 reveals the results of the descriptive statistics for financial perspective.

Table 4.28: Results for Financial Perspective

	N	Mean Score	SD	CV (%)
Financial Perspective				
Our firm's business experienced growth due to new branding	142	3.6831	0.64544	17.5
Our firm ensures financial stability through diversification of its levels of funding sources	142	3.4366	0.7761	22.3
Our firm's market share has increased consistently due to new branding	142	3.3028	0.70449	21
Average Score	**142**	**3.4742**	**0.7087**	**20.3**

Source: Primary Data, 2022

The results shown in Table 4.28 reveal that the overall mean score under financial perspective was (Mean score =3.4742, SD= 0.7087, CV=20.3%). The moderate score reveals that firms to a moderate extent apply financial perspective in gauging their firm performance. The CV score of 20.3% further suggests that firms are unlikely to use financial perspective to gauge their performance. This can be attributed to low investment in branding, which in turn can be explained by the limitations of adopting brand architecture as a strategy in influencing firm performance.

The statement with the highest score under financial perspective was the one that sought to determine whether the firm's business experienced growth because of new branding (Mean score =3.6831, SD= 0.64544, CV =17.5%). The mean score suggests that to a moderate extent firms experience growth due to branding. The CV score of 17.5% reveals that firms are highly likely to engage in branding to determine growth. The SD score of 0.6454 is an indication of the low variability in the responses observed.

The statement with the least mean score was the one that sought to establish whether the firm's market share increased constantly due to new branding (Mean score =3.3028, SD=0.70449, CV =21%). The results revealed that to a moderate extent firms experience increased market share because of new branding. This outcome suggests that branding may not be fully optimized in the water bottling industry owing to factors that point to resource constraints.

4.9.2 Customer Perspective Measure

Customer perspective relates to how customers perceive the firm. Firms require processes that can be employed in the management of complaints since complaints perform a crucial role in the way that customers perceive a firm. Complaints are likely to highlight dissatisfaction, and the extent of dissatisfaction a firm is capable of enduring provides an important strategic decision that would be driven by analysis of the degree of complaints. Table 4.29 shows the results for customer perspective.

Table 4.29: Results for Customer Perspective

Customer Perspective	N	Mean Score	SD	CV (%)
Customer complaints matters to your firm	142	4.0071	0.52775	13
Our customers are satisfied with the pricing of our products	142	3.7535	0.60946	18.5
Our firm is responsive to customer needs	142	3.7254	0.74514	20
The level of customer centricity is enhanced through researching customer needs	142	3.7183	0.74725	20
Does your firm experience the effect of repeat customers?	142	3.6338	0.68911	19
Our firm's product branding appeals to our new generation customers	142	3.6268	0.62579	17
Our firm leverages on reduced customer complaints to measure the level of customer loyalty	142	3.5282	0.72144	20
Our firm has an established customer feedback mechanism	142	3.5141	0.70193	20
Our firm regularly surveys its competitors branding experiences	142	3.3099	0.86034	26
Our firm enjoys a larger market share than our competitors?	142	3.2606	0.68084	21
Average Score	**142**	**3.6078**	**0.6909**	**19.21**

Source: Primary Data, 2022

The results in Table 4.29 reveal that the average score on the ten statements on customer perspective ranged between 3.2606 to 4.00. The average mean score for customer perspective was (Mean score =3.6078, SD = 0.6909, CV =19.21%). The CV score of 19.21% suggests that firms are highly likely to adopt customer perspective to enhance their firm performance. This can be explained by the fact that business entities require a process for managing customer complaints as a preemptive measure, making it possible to view the firm's performance through the customer's eyes.

The statement with the highest score was the one that sought to establish whether customer complaints matter to the firm (Mean score = 4.00, SD = 0.53, CV =13%). The mean score reveals that to a large extent customer complaints are critical for water bottling firms in proving customer satisfaction and hence loyalty. The CV score of 13% suggests that firms are highly likely to use customer perspective in the management of customer complaints.

The results reveal a moderate score that can be attributed to the limitation of resources to facilitate elaborate research initiatives that can provide competitive advantage. The specific ratings from the fifth to the last score were: our firm experiences the effect of repeat customers (Mean score = 3.63, SD = 0.69, CV =19%), our firm's product branding appeal to new generation customers (Mean = 3.62, SD = 0.63, CV= 17%), company leverages on reduced customer complaints to measure the level of customer satisfaction (mean score =3.5282, SD=0.72144, CV =20%), company has an established feedback loop to engage its customers to improve performance (Mean score =3.5141, SD =0.70193, CV=20%), company regularly surveys its customers on their branding experiences (Mean score =3.3099, SD= 0.86034, CV=26%), and company has a larger market share than the competition(Mean score =3.2606, SD=0.68084, CV=21%).

4.9.3 Internal Business Process Measure

Internal business process viewpoint underscores the significance of business processes and its significance on customer satisfaction and the quality of products offered by the firm. This creates a compelling reason for firms to identify and measure their distinctive competencies and the critical processes that they should emphasize on. The achievement of goals associated with the internal processes should be linked to performance measures and employee behaviour. Table 4.30 shows the results for internal business processes.

Table 4.30: Results for Internal Business Process

Internal Process	N	Mean Score	SD	CV (%)
Our firm monitors its image and reputation regularly	142	4.0141	0.93008	23.2
Our firm uses established metrics to monitor internal controls and policies	142	3.7113	0.63671	17.2
Our firm regularly monitors and adapts to the business environment	142	3.6901	0.65432	17.7
Our firm enhances customer value creation through being attentive to external challenges	142	3.6479	0.68621	18.8
Our firm uses research and development to review the effects of changes in its business environment	142	3.5775	0.78392	21.9
Our firm regularly trains employees in alignment with the environmental trends	142	3.5423	0.77755	21.95
Our firm regularly reviews its product development efforts to ensure alignment with customer needs	142	3.5282	0.80507	22.8
Our firm focuses on delivering new products aligned to market changes	142	3.4014	0.58419	17.17
Our staff are among the well praised staff in the industry	142	3.2482	0.87958	27.1
Average Score	**142**	**3.5957**	**0.7486**	**20.8**

Source: Primary Data, 2022

The results shown in Table 4.30 reveal ratings under internal business process statements with scores ranging from 3.2482 to 4.0141. The overall score was (Mean score =3.5957, SD=0.87958, CV=20.8%). The mean score (Mean score =3.5957, SD=0.87958, CV=20.8%) suggests that to a moderate extent firms adopt internal business processes to gauge their firm performance. The CV score of 20.8% reveals that firms are moderately likely to adopt internal business processes to gauge performance. This implies that firms acknowledge that internal business processes are integral in the mitigation of the changing targets for success and intense competition, though it has not been optimized.

The highest score was the statement that sought to determine if the firm monitors its image and reputation regularly (Mean score =4.014, SD=0.9301, CV=20.8%). The results suggest that to a large extent firms gauge their image and brand reputation as one of the initiatives to maintain their internal processes. The CV score of 20.8% reveals that firms are moderately likely to gauge their image and brand reputation regularly.

The least score was the statement that sought to establish whether the firm's staff are among the well praised staff in the industry (Mean score =3.25, SD=0.88, CV=27%). The mean score reveals that to a moderate extent firms consider staff compensation as a crucial factor in enhancing firm performance. The CV of 27% suggests that firms are moderately likely to focus on employee motivation to drive value in the firm. For firms to achieve their performance targets, performance measures should relate to employee behaviour to align with the strategic direction linked to employee action. This can be explained by the scarcity of resources among firms.

4.9.4 Innovation and Learning Measure

Innovation and learning perspective explain the firm's capability to continuously enhance and create value. It highlights the intangible assets such as skills and competencies that are integral in maintaining the firm's internal processes. Due to the constant changes in the targets for success and intense competition, firms are compelled to make continuous improvements to their existing offers and processes. This exemplifies the need for firms to learn and innovate to satisfy future needs. Table 4.31 shows the results for the output for innovation and learning.

Table 4.31: Results for Innovation and Learning

Innovation and Learning	N	Mean Score	SD	CV (%)
Our firm consistently adopt new ideas	142	4.0352	0.96324	23.9
Our firm adopts easily to new technology	142	4.007	0.9109	22.7
Our firm has adopted empowerment and growth measures	142	3.8028	0.28628	7.53
Our firm strongly encourages and embraces innovations	142	3.7535	0.84372	22.4
Our firm's products mirror evolving environmental trends	142	3.6761	0.73946	20.1
Our firm has research and development process that guides the implementation of new ideas	142	3.4718	0.73121	21.06
Our firm regularly train employees in alignment with environmental trends	142	3.4577	0.6906	19.97
Average Score	**142**	**3.7434**	**0.7379**	**19.7**

Source: Primary Data, 2022

Table 4.31 reveals the scores under innovation and learning ranging from 3.4577 to 4.0352. The overall score for innovation and learning was (Mean score =3.7434, SD=0.7379, CV=19.7%). The results suggest that to a moderate extent firms have embraced innovation and learning as a measure of performance. The CV score of 19.7% implies that firms are highly likely to adopt innovation and learning as a measure of firm performance.

The highest score under innovation and learning was the statement that sought to establish whether the firm consistently adopts new ideas (Mean score = 4.03, SD = 0.96, CV=23.9%). The mean score suggests that to a large extent firms adopt new ideas to enhance their firm performance. The SD score of 0.96 shows there was a great difference in the responses obtained.

The lowest mean score was the statement that sought to establish whether the firm regularly trains its employees in alignment with the environmental trends (Mean score =3.457, SD=0.691, CV=19.97%). The mean score suggests that to a moderate extent firms use training of employees to enhance their competencies. The results imply that continuous improvement measures associated with training and other key areas are necessary for firms in the achievement of their performance goals. Firms constantly need to learn how to innovate and satisfy their varied customer needs.

4.9.5 Summary of Organizational Performance

The overall scores were obtained from computing the average scores for both financial and non-financial indicators and deriving the mean score of the combined measures. Table 4.32 displays a summary of the results.

Table 4.32: Summary of Descriptive Statistics on Organizational performance

Summary of descriptive statistics on Organizational performance	N	Mean Score	SD	CV (%)
Innovation and learning	142	3.7434	0.7379	19.71
Customer Perspective	142	3.6078	0.6909	19.2
Internal Business Process	142	3.5957	0.7486	21.3
Financial Perspective	142	3.4742	0.7087	20.3
Average score	**142**	**3.6229**	**0.8599**	**24**

Source: Primary data, 2022

Table 4.32 shows that innovation and learning had the highest rating (Mean score = 3.74, SD = 0.73, CV=19.7%) followed by customer perspective (Mean score = 3.61, SD = 0.69, CV=19.2%), internal business process (mean score= 3.59, SD=0.74, CV=20.8%) and financial perspective (Mean score = 3.47, SD = 0.71, CV=20.3%). The results reveal that most firms display a better performance on non-financial perspective compared with

their performance on financial perspective. Noteworthy is the fact that there is a minimal difference between the two outcomes, and both are considered as moderate. This outcome can be attributed to the intense competition within the water bottling industry, that compels most of the firms to rely on other means of differentiation due to the low margins occasioned by price pressures.

These findings are an indication that most of the firms adopt non-financial performance measures to gauge their performance. This outcome presents the need for firms to recognize the essence of converting improved operational performance into improved financial performance through branding strategies.

4.9.6 Summary of Descriptive Analysis

Table 4.33 displays the outcomes from the three independent variables of the study (brand architecture, customer loyalty and competitive intensity) and the criterion variable (firm performance). While the results of the predictor and criterion variables were linked to the respondent's perception built on a 5-point Likert scale.

Table 4.33: Summary of Descriptive Statistics

Thematic Area	Item Description	N	Mean Score	SD	CV (%)
Brand	Corporate branding		4.189	0.7474	18
Architecture	House of brands	142	2.7494	1.1868	43
	Mixed branding		3.8865	1.300	33
Average Scores			**3.4797**	**1.0388**	**30**
Customer	Repeat purchase Intent.		4.037	0.7564	18.7
Loyalty	Word of mouth	142	3.8609	0.7423	19.2
	Trust		3.1022	0.6819	21.9
	Emotional Attachment		2.5071	0.721	28.8
	Switching costs		2.9401	0.8063	27.4
	Price of Product		3.6122	1.2036	33.3
	Distribution		3.5713	0.8232	23.1

Thematic Area	Item Description	N	Mean Score	SD	CV (%)
Average scores		**142**	**3.5144**	**0.8536**	**24**
Competitive Intensity	Intensity of rivalry	142	4.0277	0.7246	18
	Bargaining power of suppliers		3.7465	0.7384	19.7
	Threat of New entrants		3.7059	0.7381	19.9
	Threat of Substitute products		3.6972	0.7121	19.3
	Bargaining power of Buyers		3.6619	0.8136	22.2
Average Scores		**142**	**3.8052**	**0.7447**	**19.6**
Firm performance	Financial performance	142	3.4742	0.7087	20.3
	Customer perspective		3.6078	0.6909	19
	Internal business process		3.5957	0.7486	21
	Innovation and learning		3.7434	0.7379	19.7
Average Scores		**142**	**3.6229**	**0.8599**	**24**
Overall Score			**3.6056**	**0.8743**	**24.4**

Source: Primary Data, 2022

The results in Table 4.33 display the average mean scores for the selected study variables. The results reveal that competitive intensity had the highest rating (Mean score =3.8052, SD=0.7447, CV=19.6%), followed by firm performance (Mean score =3.6229, SD=0.8599, CV=24%), then customer loyalty (Mean=3.5144, SD=0.8536, CV=24%), while brand architecture had the lowest mean score (Mean score =3.4797, SD=1.0388, CV =30%). The overall mean score was (Mean score =3.6056, SD=0.8743, CV=24.4%). This outcome suggests that competition is dominant in the water bottling industry compelling firms to adapt marketing strategies that include brand architecture to build relationships with their customers and achieve superior performance. This can be attributed to the level of commoditization in the industry which compels players to compete on price other than differentiation linked to branding. The outcome manifests a limitation of financial resources which is evidenced by the inertia by firms to participate in active branding initiatives.

4.10 Chapter Summary

This study had four objectives that stated that to: determine the influence of brand architecture on performance of water bottling firms; establish the role of customer loyalty in the relationship between brand architecture and performance of water bottling firms; determine the effect of competitive intensity on the relationship between brand architecture and performance of water bottling firms; establish the joint effect of brand architecture, customer loyalty and competitive intensity on performance of water bottling firms. Diagnostic test findings were discussed in this chapter as well as the response rate. Other respondents' biographic data were also discussed in this chapter. The chapter also analyzed the descriptive statistics based on the four study variables namely brand architecture, customer loyalty, competitive intensity, and firm performance.

CHAPTER FIVE

TEST OF HYPOTHESES AND DISCUSSION OF RESULTS

5.1 Introduction

This chapter presents the analysis of the data, which comprises of diagnostic tests outputs, in line with the objectives of the survey, which involved the preparation of the data, analysis as well as reporting. Primary data was collected, coded, and analyzed using the statistical package of social sciences, and the findings are presented in tables and graphs.

5.2 Tests of Statistical Assumptions

Diagnostic tests evaluate the model assumptions. The data gathered was subjected to several tests namely multicollinearity, normality, homogeneity, and linearity. The study tested whether the observations have a significant undue influence on the analysis as outlined below.

5.3 Multicollinearity

Multicollinearity tests the presence of high correlation between the independent variables. The existence of high correlation causes a bias on the estimations of the model. The study used both tolerance and variance inflation factors. Tolerance>0.1 and variance inflation factor <10 indicates that there is no problem of multicollinearity. The findings are presented in Table 5.1.

Table 5.1: Collinearity Diagnostics

	Collinearity Statistics	
(Constant)	Tolerance	VIF
Brand Architecture	0.274	3.647
Customer Loyalty	0.304	3.290
Competitive Intensity	0.282	3.551

Source: Primary Data, 2022

Table 5.1 shows that all the variables were not highly correlated with each other. Specifically, brand architecture (tolerance = 0.274>0.1, VIF = 3.647<10), customer loyalty tolerance = 0.304>0.1, VIF = 3.290<10) and competitive intensity tolerance = 0.282>0.1, VIF = 3.551<10). The multicollinearity tolerance varied from 0.274 to 0.304, while the reciprocal VIF ranged from 3.290 to 3.647 which is less than the proposed threshold of 10 according to (Robinson & Schumacher, 2009). The assumption of multicollinearity was satisfied. Thus, the three variables proved their relevance in the model. For this study the values associated with both VIF, and tolerance level suggest that this analysis did not have a significant multicollinearity problem.

5.4 Normality

Normality tests confirm whether the data observes a normal distribution or asymmetrical distribution. Violation of this assumption implies that the true picture of the relationship amongst the variables is not achieved. The study used both Shapiro Wilk test and Q-Q plots. As a rule of thumb when the points lie nearer to the line of best fit (Q-Q plots) at 45 degrees, the distribution is considered normal. Further Shapiro Wilks test P-value >0.05 confirms normal distribution.

Table 5.2: Normality Test

	Shapiro-Wilk		
	Statistic	**df**	**Sig.**
Firm Performance	0.934	142	0.069
Brand Architecture	0.935	142	0.065
Customer Loyalty	0.944	142	0.067
Competitive Intensity	0.944	142	0.071

Source: Primary Data, 2022

Table 5.2 shows that customer loyalty, competitive intensity, brand architecture and firm performance were all normally distributed, that is Shapiro Wilk test p-value<0.05. This confirmed that the assumption of normality was satisfied. Further the Q-Q plots in figure 5.1 showed that the observations for brand architecture, customer loyalty, competitive intensity and organizational performance lie well along the line of best fit of 45 degrees.

5.5 Homogeneity Test

Homogeneity refers to homoscedasticity and heteroscedasticity. Homoscedasticity is the assumption of constancy of variance of errors. Violation of this assumption culminates into heteroscedasticity; thus, the regression estimators are not considered the best linear unbiased estimators (BLUE). The study used Levene's test to gauge the equality of variances for the variables. A p-value>0.05, reveals constancy in the variance of errors (homoscedasticity) otherwise there is assumption of heteroscedasticity. The results are tabulated in Table 5.2.

Figure 5.1, Figure 5.2, and Figure 5.3 shows that normality of data was attained because all the dots enclave along the line of best fit.

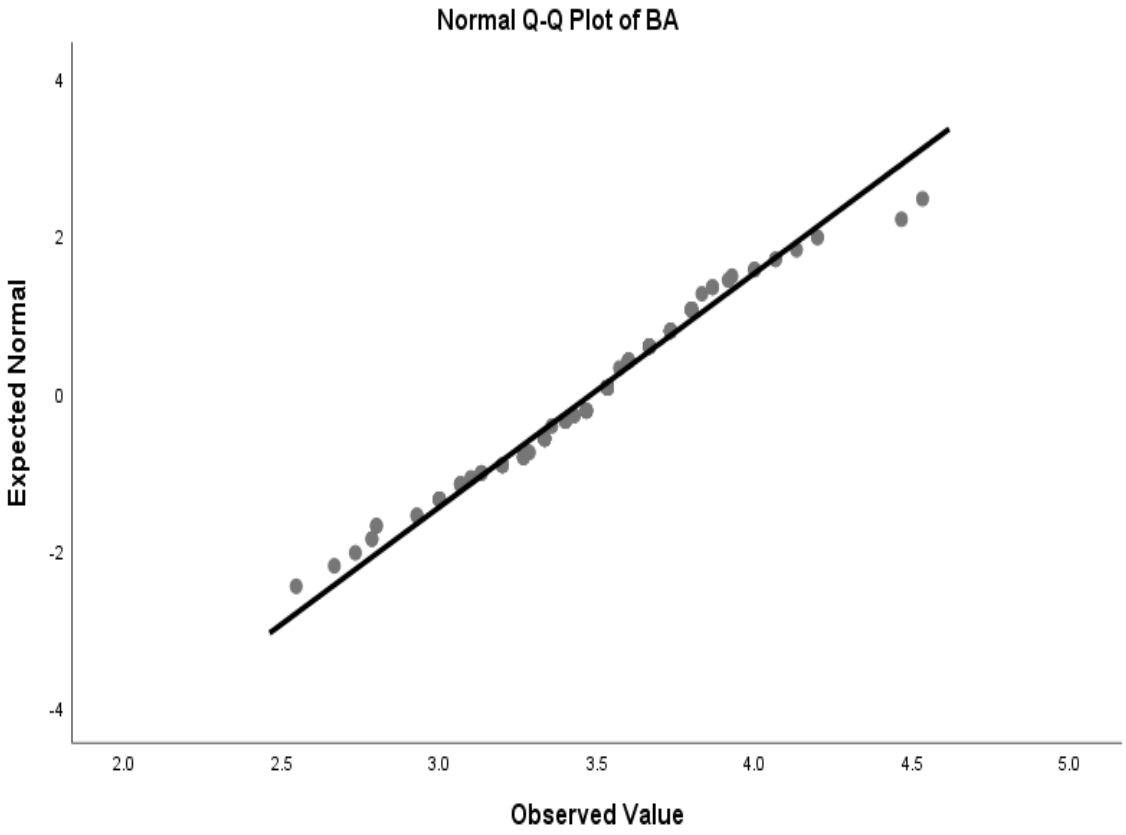

Figure 5.1: Q-Q Plot for Brand Architecture

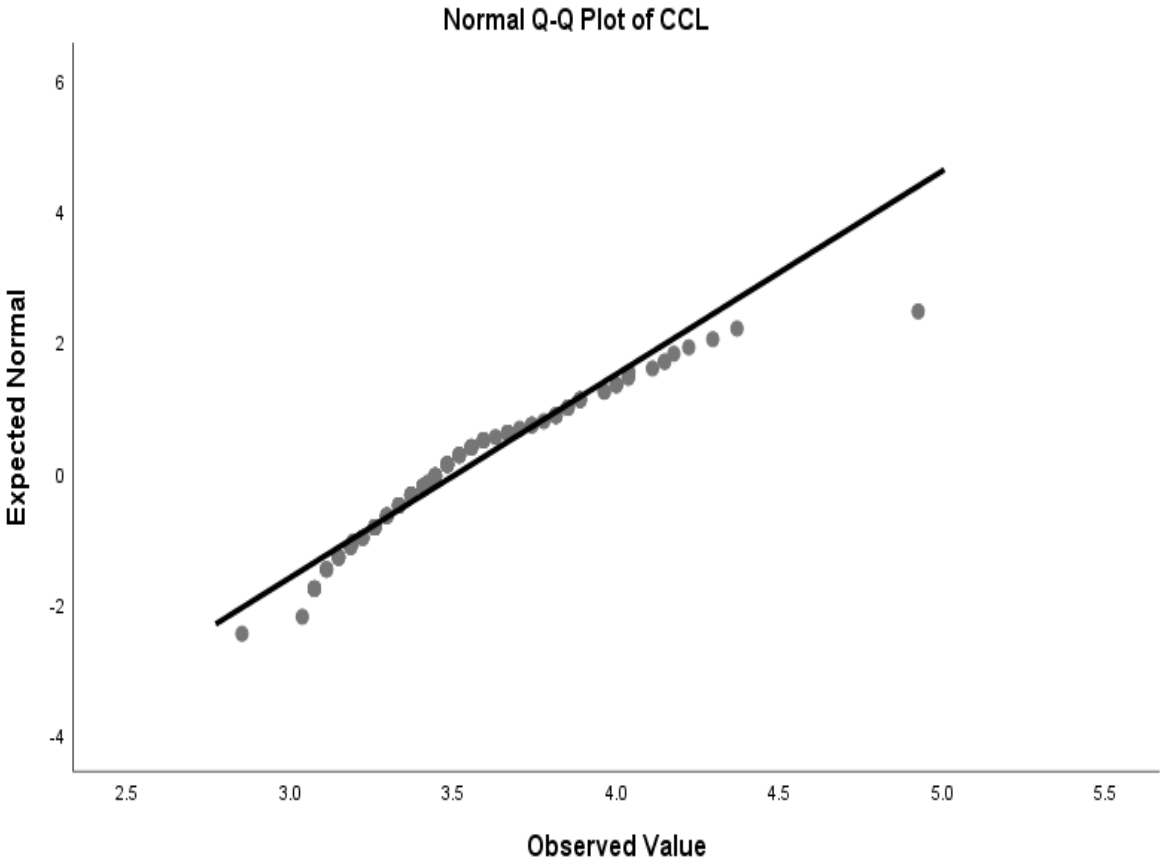

Figure 5.2: Q-Q Plot for Customer Loyalty

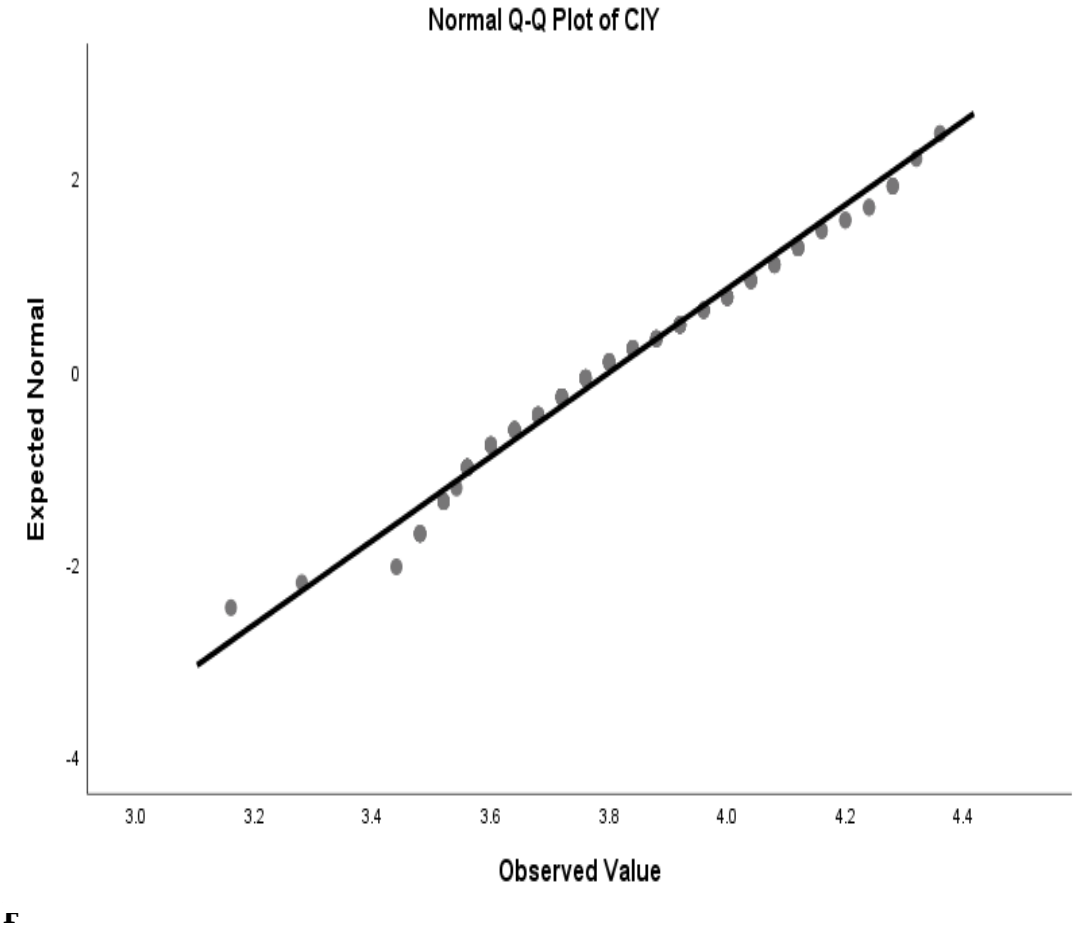

Figure 5.3: Q-Q Plot for Competitive Intensity

Table 5.3: Homogeneity Test

Variables	Levene Statistic	df1	df2	Sig.
Brand Architecture	6.464	15	23	0.065
Customer Loyalty	14.024	15	23	0.062
Competitive Intensity	36.979	15	23	0.069

Source: Primary Data, 2022

The results shown in Table 5.3 indicate that brand architecture had p-value= 0.065>0.05, customer loyalty had p-value=0.062>0.05 and competitive intensity had p-value =0.069>0.05. This suggests that the variance of errors for each variable was constant, thus the assumption of homoscedasticity was satisfied. All the four assumptions of linear regression model were satisfied hence further analysis on correlation and regression could be performed.

5.6 Hypotheses Testing

This study was premised on the presence of a brand architecture – firm performance relationship, with this relationship mediated by customer loyalty and moderated by competitive intensity. This section of the study describes the outcome of the tests of hypotheses obtained from the study variables. It also introduces the outcomes of the test of hypotheses obtained from the study variables.

The study leveraged four null hypotheses based on the specific objectives and conceptual framework of the study. The four null hypotheses were formulated and verified: brand architecture does not influence firm performance; customer loyalty does not mediate the brand architecture - firm performance relationship; competitive intensity does not

moderate the brand architecture - firm performance relationship; and the joint effect of brand architecture, customer loyalty, and competitive intensity does not influence firm performance.

Firm performance is a variable that has got two competing dimensions namely financial and non-financial. It was important for this study to examine the relationship of the predictor variables (brand architecture, customer loyalty, competitive intensity) on either dimension of firm performance. However, in the joint effect of brand architecture, customer loyalty, competitive intensity, and firm performance, a composite analysis was used. This was important to bring out the effectiveness of both financial and non-financial dimensions as a single dependent variable.

Hypothesis one for the direct relationship was tested using simple linear regression analysis. Hypothesis two for mediation role of customer loyalty was tested using four path analysis (Baron & Kenny, 1973). Hypothesis three for moderation effect of competitive intensity was tested using stepwise regression analysis and hypothesis four for the joint effect was tested using multiple linear regression analysis. The findings of the hypotheses were tested using goodness of fit (R^2), overall model significance (F-test), individual significance (t-test). The results are presented as follows.

5.6.1 Test of Hypothesis

The section commences with the presentation of the outcomes of the direct relationship followed by the indirect relationships. The findings of the hypotheses were tested using goodness of fit (R^2), overall model significance (F-test), individual significance (t-test). The results are presented as follows.

5.6.2 Brand Architecture and Firm Performance

The first objective of the study sought to establish the brand architecture -firm performance relationship. The variable comprised corporate branding, house of brands and mixed brands. The survey participants were required to declare their concurrence with specific statements on the way brand architecture was handled in their respective firms. To evaluate the brand architecture -firm performance relationship, the following hypothesis was formulated and tested.

Ho_1: Brand architecture does not influence firm performance.

On the other hand, firm performance was regressed on brand architecture based on financial analysis. The results of financial analysis regression are shown in Table 5.4.

Table 5.4: Brand Architecture and Financial Firm Performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.832	0.692	0.69	0.68178

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	146.374	1	146.374	314.904	.000b
	Residual	65.075	140	0.465		
	Total	211.449	141			

Coefficients[a]

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta		
(Constant)	0.515	0.153		3.368	0.001
Brand Architecture	0.756	0.043	0.832	17.746	0.000

Source: Primary Data, 2022

The findings in Table 5.4 show that, goodness of fit of the model (R^2) = 0.692. This reveals that brand architecture accounts for 69.2% of the variation in financial firm performance. This shows that brand architecture explains 69.2% variation in financial firm performance beside other factors not reflected in this model explaining 30.8%. The

F-value was 314.904 and p-value < 0.05 threshold signifying that there is a significant influence on the brand architecture - financial firm performance relationship. Brand architecture was individually significant (β = 0.756, t = 17.746, p-value <0.05). This provides sufficient evidence to reject the null hypothesis, that brand architecture does not influence financial firm performance. The predictive model is:

FP = 0.515 + 0.756BA

Where: P= composite score of financial firm performance

0.515 is the y-intercept (constant)

BA = Composite score of BA

0.832= Increase in performance of firm for every one unit increase in BA

P= Financial Performance

BA = Brand Architecture

The coefficient of brand architecture shows that for each one unit increase in brand architecture, financial firm performance increases by 0.832 units. This implies that as a firm employs brand architecture its performance is likely to increase by 0.832 units, suggesting that brand architecture is a key factor in enhancing firm performance.

5.6.3 Mediating Role of Customer Loyalty on the Relationship between Brand Architecture and Financial Firm Performance.

The second objective sought to establish the role of customer loyalty in the brand architecture- firm performance relationship. The objective was formulated into the following hypothesis: Ho_2: Customer loyalty does not mediate the relationship between brand architecture and financial firm performance.

5.6.4 Regression Results for Customer Loyalty on the Relationship between Brand Architecture and Financial Firm Performance

Step One: The Effect of Brand Architecture on Financial Firm Performance

In step one financial firm performance was regressed on brand architecture to establish the existence of a direct relationship. The findings are presented in Table 5.6. The results show that, goodness of fit of the model (R^2) equals 0.692. This means that brand architecture accounts for 69.2% of the variation in financial firm performance. The model was overall significant (F = 314.904, P-value <0.05). Brand architecture was individually significant (R = 0.832, t = 17.746, β=0.756, p-value<0.05). The results established that step one was significant, hence confirming step one in testing mediation paving way for step two.

Table 5.5: Regression Results of Brand Architecture and Financial Firm Performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.832a	0.692	0.69	0.68178

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	146.374	1	146.374	314.904	.000b
	Residual	65.075	140	0.465		
	Total	211.449	141			

Coefficients[a]

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta		
(Constant)	0.515	0.153		3.368	0.001
Brand Architecture	0.756	0.043	0.832	17.746	0.000

Source: Primary Data, 2021

Step Two: The Effect of Brand Architecture on Customer Loyalty

In step two customer loyalty was regressed on brand architecture. The findings in Table 5.5 revealed that brand architecture accounts for 63.6% of the variation in customer loyalty. The model was overall significant (F = 244.84, P-value <0.05). The beta coefficient was positive at (β = 0.798, t = 15.648, p-value <0.05), indicating that brand architecture significantly influences customer loyalty. This implies that for every unit increase in brand architecture, there was 0.798 increase in firm performance by a similar unit, while the performance was at 0.695 when brand architecture was at zero. Step two of mediation was satisfactory, leading to step three.

Table 5.6: Brand Architecture and Customer Loyalty

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.798	0.636	0.634	0.81633

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	163.164	1	163.164	244.84	.000 b
	Residual	93.295	140	0.666		
	Total	256.458	141			

Coefficients[a]

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig.
(Constant)	0.695	0.183		3.791	0.000
Brand Architecture	0.799	0.051	0.798	15.648	0.000

Source: Primary Data, 2022

Step Three: The Effect of Customer Loyalty on Financial Firm Performance

This step regressed performance on customer loyalty. The results in Table 5.7 shows that, goodness of fit of the model (R^2) equals 0.638. This means that customer loyalty accounts for 63.8% of the variation in the firm's financial performance. The model was overall significant (F = 246.219, P-value<0.05). Customer loyalty was individually significant (β = 0.725, t = 15.691, p-value<0.05). Thus, step three was significant, confirming step three in testing mediation and paving the way for step four.

Table 5.7: Summary of Regression Results of Customer Loyalty and Financial Firm Performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.798	0.638	0.635	0.73992

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	134.801	1	134.801	246.219	.000b
	Residual	76.648	140	0.547		
	Total	211.449	141			

Coefficients[a]

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	0.603	0.167		3.61	0.000
Customer Loyalty	0.725	0.046	0.798	15.691	0.000

Source: Primary Data, 2022

Step Four: Effect of Brand Architecture and Customer Loyalty on Financial Firm Performance

In step four, firm performance was regressed on brand architecture and customer loyalty. The findings in Table 5.8 revealed that brand architecture and customer loyalty accounted for 74.2% of the variation in financial firm performance. The model of brand architecture on firm performance in the presence of customer loyalty was significant (β=0.488, F = 200.08, t = 0.536, p-value <0.05).

Table 5.8: Summary of Regression results of Brand Architecture, Customer Loyalty, and Financial Firm Performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.862	0.742	0.738	0.62624

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	156.936	2	78.468	200.084	.000 b
	Residual	54.512	139	0.392		
	Total	211.449	141			

Coefficients[a]

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	0.282	0.148		1.908	0.058
Brand Architecture	0.488	0.065	0.536	7.513	0.000
Customer Loyalty	0.336	0.065	0.371	5.19	0.000

Source: Primary Data, 2022

Step four was significant. Table 5.8 shows that partial mediation took effect. The beta coefficient results show that the beta coefficient for brand architecture was 0.488. When customer loyalty was introduced, the beta coefficient was 0.336 which was significant. The significant and positive beta coefficient of 0.336 implied that there was partial mediation. The results indicate that customer loyalty only complements brand architecture in explaining changes in firm performance. The results imply that the hypothesis that indicated the relationship between brand architecture and firm financial performance is not mediated by customer loyalty was not supported. The predictive model becomes.

FP= 0.282+0.488BA + 0.336CL

Where:

FP= firm financial Performance

BA = Brand Architecture

CL = Customer Loyalty

The study tested the role of customer loyalty on the brand architecture -firm performance relationship. Customer loyalty was hypothesized to mediate the brand architecture and firm performance relationship. On the other hand, results on the regression of firm performance on brand architecture non-financial analysis were shown separately.

5.6.5 Brand Architecture and non-financial Firm Performance

Table 5.9 shows a positive outcome on the brand architecture -firm non-financial performance relationship (R= 83.9). This implies that the goodness of fit model (R^2=0.704). The outcome signified that brand architecture accounts for 70.04% of the variation in non-financial firm performance. Analysis of variance (ANOVA) was used to evaluate the significance of the regression analysis model.

Table 5.9: Brand Architecture and Non-financial Performance

Model Summary				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.839	0.704	0.702	0.67638

ANOVA[a]					
	Sum of Squares	df	Mean Square	F	Sig.
Regression	152.638	1	152.638	333.645	.000b
Residual	64.048	140	0.457		
Total	216.686	141			

Coefficients[a]					
	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig.
(Constant)	0.448	0.152		2.95	0.004
Brand Architecture	0.772	0.042	0.839	18.266	0.000

Source: Primary Data, 2022

The results in Table 5.9 were found to be significant (F = 333.645, P-value <0.05), which reflected the significance of the model at 95% confidence level. The beta coefficients outcome reveals that a unit change in brand architecture impacts performance of water bottling firms by 0.839 and the change is significant (p-value <.05). Brand architecture was individually significant (β = 0.772, t = 18.266, p-value <0.05). Performance of firm would be 0.448 (by intercept) when brand architecture is at zero. The predictive model is.

FnP = 0.448 + 1 0.772BA + ε

Where: P= is firm performance (non-Financial)

β =0.448 is the y-intercept (constant)

BA = Brand architecture

Based on the above outcome, there exists enough evidence to reject the null hypothesis, that brand architecture does not influence non-financial firm performance. This implies that the null hypothesis was rejected and alternative hypotheses **Ho_1** was supported. The outcome of the coefficient of brand architecture shows that for every unit increase in brand architecture, non-financial performance increases by 0.839 units.

5.6.6 Mediating Role of Customer Loyalty on the Relationship between Brand Architecture and non-financial Performance

Step One: The Effect of Brand Architecture on Non-Financial Performance

In step one non-financial firm performance was regressed on brand architecture to establish the existence of the direct relationship. The results are presented in Table 5.10 show that, goodness of fit of the model (R^2) = 0.704. This means that brand architecture accounts for 70.4 percent of the variation in non-financial firm performance. The outcome was (F = 333.645, P-value <0.05) which reveals the significance of the model at 95% confidence level. Brand architecture was individually significant (β = 0.772, t = 18.266, p-value <0.05). The significant results meant that step one was supported, hence the test proceeded to step 2.

Table 5.10: Brand Architecture and Non-financial Performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.839	0.704	0.702	0.67638

ANOVA[a]

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	152.638	1	152.638	333.645	.000b
Residual	64.048	140	0.457		
Total	216.686	141			

Coefficients[a]

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig.
(Constant)	0.448	0.152		2.95	0.004
Brand Architecture	0.772	0.042	0.839	18.266	0.000

Source: Primary Data, 2022

Step Two: The Effect of Brand Architecture on Customer Loyalty

In step two customer loyalty was regressed on brand architecture. The findings in Table 5.11 reveal that brand architecture accounts for 63.6% of the variation in customer loyalty. The model was found to be significant (F = 244.847, P-value <0.05). Brand architecture was found to have a significant impact on customer loyalty (β = 0.798, t = 15.648, p-value <0.05). Step two of mediation was deemed satisfactory, leading to step three.

Table 5.11: Brand Architecture and Customer Loyalty

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.798	0.636	0.634	0.81633

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	163.164	1	163.164	244.847	.000b
	Residual	93.295	140	0.666		
	Total	256.458	141			

Coefficients[a]

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig.
(Constant)	0.695	0.183		3.791	0.000
Brand Architecture	0.799	0.051	0.798	15.648	0.000

Source: Primary Data, 2022

Step Three: The Effect of Customer Loyalty on Non-Financial Firm Performance

In step three non-financial firm performance was regressed on customer loyalty. The results presented in Table 5.12 shows that, goodness of fit of the model (R^2) equals 0.65. This implies that customer loyalty accounts for 65% of the variation in non-financial firm

performance. The model was found to be significant (F = 259.987, P-value<0.05). Customer loyalty was found to be individually significant (β = 0.741, t = 16.124, p-value <0.05). Thus, step three was considered significant in testing mediation, allowing progression to step four.

Table 5.12: Summary of Regression Results of Customer Loyalty and non-financial Firm Performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.806	0.65	0.647	0.73602

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	140.843	1	140.843	259.987	.000b
	Residual	75.842	140	0.542		
	Total	216.686	141			

Coefficients[a]

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	0.534	0.166		3.218	0.002
Customer Loyalty	0.741	0.046	0.806	16.124	0.000

Source: Primary Data, 2022

Step Four

In step four, firm performance was regressed on brand architecture and customer loyalty. The results in Table 5.13 show that brand architecture and customer loyalty accounted for 75.6% of the variation in non-financial firm performance. The model of brand architecture on non-financial firm performance in the presence of customer loyalty was significant (R=0.869, R^2 =0.756, β = 0.346, t = 5.41, p-value<0.05). The model was found to be significant (F = 215.148, P-value <0.05).

Table 5.13: Regression results of Brand Architecture, Customer Loyalty, and Non-Financial Firm Performance

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.869	0.756	0.752	0.61694		
ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	163.779	2	81.89	215.148	.000b
	Residual	52.906	139	0.381		
	Total	216.686	141			
Coefficients[a]						
	Unstandardized Coefficients			Standardized Coefficients		
	B	Std. Error		Beta	t	Sig.
(Constant)	0.208	0.145			1.429	0.155
Brand Architecture	0.496	0.064		0.539	7.763	0.000
Customer Loyalty	0.346	0.064		0.376	5.41	0.000

Source: Primary Data, 2022

The resulting predictive model becomes.

FnP = 0.208 + 0.496**BA** + 0.346**CL**+**ε**

Where:

FnP = non-financial performance

BA = Brand Architecture

CL = Customer Loyalty

5.6.7 Moderating effect of Competitive Intensity on the Relationship Between Brand Architecture and Non-Financial and Financial Firm Performance

The results of financial firm performance and non-financial firm performance are presented in Table 5.14 and 5.15 respectively.

Table 5.14: Results for Competitive Intensity on the Relationship between Brand Architecture and Non-Financial Firm Performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.839	0.704	0.702	0.67638
2	.881	0.776	0.773	0.59087
3	.902	0.813	0.809	0.54162

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	152.638	1	152.638	333.645	.000b
	Residual	64.048	140	0.457		
	Total	216.686	141			
2	Regression	168.157	2	84.079	240.825	.000b
	Residual	48.529	139	0.349		
	Total	216.686	141			
3	Regression	176.203	3	58.734	200.219	.000b
	Residual	40.482	138	0.293		
	Total	216.686	141			

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	0.448	0.152		2.95	0.004
	Brand Architecture	0.772	0.042	0.839	18.266	0.000
2	(Constant)	0.121	0.141		0.854	0.395
	Brand Architecture	0.427	0.064	0.464	6.71	0.000
	Competitive Intensity	0.478	0.072	0.461	6.667	0.000
3	(Constant)	0.142	0.13		1.097	0.274
	Brand Architecture	0.246	0.068	0.267	3.632	0.000
	Competitive Intensity	0.296	0.074	0.285	3.976	0.000
	Interaction Term	0.283	0.054	0.404	5.237	0.000

a. Dependent Variable: Performance (non-financial)

b. Predictors: (Constant), brand architecture

c. Predictors: (Constant), brand architecture, competitive intensity

d. Predictors: (Constant), brand architecture, competitive intensity, interaction term

The results in Table 5.14 show that model 1 is statistically significant with brand architecture and non-financial firm performance contributing (R^2 = 0.704, F = 333.645, p-value< 0.05, β = 0.772, t = 18.266, p-value = 0.000<0.05). Brand architecture

contributed R^2 =0.704 variations on non-financial firm performance. Model 2 was statistically significant with brand architecture and competitive intensity contributing (R^2 = 0.776, F = 240.825, p-value< 0.05, β = 0.478, t = 6.667, p-value <0.05). The introduction of competitive intensity caused a significant R^2 increase of 0.07 from 0.704 to 0.776. This is an indication that both brand architecture and competitive intensity contribute 0.776 in the variability of non-financial firm performance.

Model 3 shows that when the interaction term was introduced, the explanatory power significantly improved from 0.776 to 0.813. This represented a significant R^2 of 81.3%. The results for the interaction term were significant (β = 0.283, t = 5.237, p-value <0.05). Hence, the hypothesis that the relationship between brand architecture and firm performance is not significantly moderated by competitive intensity was not supported. This means that competitive intensity moderates the relationship between brand architecture and non-financial firm performance.

From the study findings the regression model explaining the variations in firm performance due to the moderating effect of competitive environment was stated as follows:

FnP = 0.142+ 0.246BA + 0.296 CI + 0.283+ε

Where:

FnP = non-financial firm Performance

BA = Brand architecture

CL = Customer Loyalty

Interaction Term of brand architecture and Competitive Intensity

Table 5.15: Results for Competitive Intensity on the Relationship between Brand Architecture and Financial Firm Performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.832	0.692	0.690	0.6818
2	.873	0.762	0.758	0.6020
3	.895	0.801	0.796	0.5528

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	146.374	1	146.374	314.904	.000b
	Residual	65.075	140	0.465		
	Total	211.449	141			
2	Regression	161.071	2	80.535	222.209	.000b
	Residual	50.378	139	0.362		
	Total	211.449	141			
3	Regression	169.279	3	56.426	184.656	.000b
	Residual	42.169	138	0.306		
	Total	211.449	141			

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	0.515	0.153		3.368	0.001
	Brand Architecture	0.756	0.043	0.832	17.746	0.000
2	(Constant)	0.197	0.144		1.368	0.174
	Brand Architecture	0.42	0.065	0.462	6.481	0.000
	Competitive Intensity	0.465	0.073	0.454	6.368	0.000
3	(Constant)	0.219	0.132		1.654	0.100
	Brand Architecture	0.238	0.069	0.261	3.435	0.001
	CI, CI* BA	0.281	0.076	0.274	3.703	0.000
	(Constant)	0.286	0.055	0.413	5.183	0.000

a. Dependent Variable: Performance (Financial)

b. Predictors: (Constant), Brand Architecture, Competitive Intensity, competitive intensity * Brand architecture.

The results in Table 5.15 shows that in model 1, the relationship between brand architecture and financial firm performance was significant (R^2 = 0.692, F = 314.904, p-value <0.05, β = 0.756, t = 17.746, p-value <0.05). This is an indication that brand architecture contributed to 69.2% in the variation in financial firm performance. Model 2 was also significant (R^2 = 0.762, F = 222.209, p-value<0.05, β = 0.42, t = 6.481, p-value

<0.05). There was a significant R^2 increase of 7% from 0.692 to 0.762. Thus, model 2 was significant paving way for step three. In model 3 the interaction term was introduced, and the explanatory power significantly improved to 80.1%. This represented a significant R^2 of 3.9% from 0.762 to 0.801. The findings for the interaction term were significant (β = 0.286, t = 5.183, p-value <0.05). Thus, the hypothesis that the relationship between brand architecture and firm performance is not significantly moderated by competitive intensity was not supported. This means that competitive intensity moderates the relationship between brand architecture and financial firm performance.

The coefficient outcomes show that the beta value reduced from 0.42 to 0.286 following the introduction of the interaction term (β=0.286, t=5.183, p-value<0.05). This implies that for every unit increase of competitive intensity in the relationship between brand architecture and financial firm performance, the financial performance changed by 0.286 units. This reveals a partial moderation. From the study findings the regression model explaining the variations in overall firm performance due to the moderating effect of competitive environment was stated as follows:

FP = 0.219+ 0.238 BA + 0.281 CI + ε

Where:
FP = firm financial performance

BA = Brand architecture

CL = Customer Loyalty

Interaction Term of brand architecture and Competitive Intensity

5.6.8 Joint Effect of Brand Architecture, Customer Loyalty, and Competitive Intensity on Firm Performance.

The fourth objective sought to establish the joint effect of brand architecture, customer loyalty and competitive intensity on firm performance. The following hypothesis was formulated and tested.

H_{O4}: The joint effect of brand architecture, customer loyalty and competitive intensity does not influence firm performance.

Multiple linear regression analysis was used to test the joint effect for both financial and non-financial firm performance. The results are presented in Tables 5.16 and 5.17 respectively.

Table 5.16: Multiple Regression for Joint Effect of the Variables (Non-Financial)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.453[b]	.205	.188	.31194	.155	13.477	2	138	.000

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3.468	3	1.156	11.880	.000[c]
	Residual	13.429	138	.097		
	Total	16.897	141			

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	.985	.570		1.727	.086	-.143	2.113		
	BA	.238	.079	.232	3.007	.003	.081	.394	.971	1.029
	CL	-.163	.087	-.152	-1.875	.063	-.335	.009	.876	1.142
	CI	.626	.121	.416	5.185	.000	.387	.865	.895	1.117

a. Dependent Variable: Performance

b. Predictors: (Constant), brand architecture, competitive intensity, customer loyalty

Table 5.16, show results of the joint effect of brand architecture, customer loyalty and competitive intensity on firm performance was significant and greater (R^2 = 0.205, F = 11.880, p-value<0.05). Collectively, brand architecture, customer loyalty and competitive intensity accounted for 20.5% percent of the variations in firm performance. The hypothesis that the joint effect of brand architecture, customer loyalty, competitive intensity, and non-financial firm performance was statistically significant was not supported (β = -.163, p-value>0.05).

The beta coefficients reveal that competitive intensity (β =0.626) contributes more than the other variables in articulating non-financial firm performance. The contribution of customer loyalty (β =-.163) to non-financial firm performance is lowest compared to the contribution of brand architecture (β =0.238) to the variability in non-financial firm performance. This result implies that customer loyalty is strong on the individual relationship however, it tends to lose its explanatory power (β = -.163) on the joint effect. Additionally, the findings reveal that when brand architecture is intensified, customer loyalty is assured hence firms do not have to invest heavily in attracting customer loyalty.

The findings supported the influence of brand architecture on firm performance (non-financial) and satisfactorily explained the joint effect of brand architecture, customer loyalty and customer intensity on non-financial firm performance. The outcome was statistically significant, and the hypothesis was supported. It can therefore be concluded that firms should consider adoption of all the variables, namely brand architecture, customer loyalty, competitive intensity to improve their performance. The predictive model for the joint effect of brand architecture, customer loyalty, competitive intensity, and non-financial firm performance is as follows:

FnP = 0.985 + 0.238 BA- .163CL+ 0.626CI + ε

Where:

FnP = firm Performance (Non-Financial)

BA = brand architecture

CL= Customer loyalty

CI= Competitive Intensity

However, analysis of the joint effect of brand architecture, customer loyalty and competitive intensity on financial firm performance showed that the findings were not significant as indicated in Table 5.17.

Table 5.17: Multiple Regression for Joint Effect of Variables (Financial)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.414[b]	.172	.154	.45359	.046	3.814	2	138	.024

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.885	3	1.962	9.535	.000[c]
	Residual	28.393	138	.206		
	Total	34.278	141			

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	3.075	.829		3.708	.000	1.435	4.715		
	BA	.473	.115	.324	4.118	.000	.246	.701	.971	1.029
	CL	-.175	.127	-.114	-1.380	.170	-.425	.076	.876	1.142
	CI	-.322	.176	-.150	-1.836	.068	-.669	.025	.895	1.117

a. Dependent Variable: Performance (Financial)

b. Predictors: (Constant), BA, CI, CL

Table 5.17 revealed that the joint effect of brand architecture, customer loyalty and competitive intensity on firm financial performance was not significant (R^2 = 0.172, F = 9.535, p-value > 0.05). Collectively, brand architecture, customer loyalty and competitive intensity accounted for 17.2 percent of the variations in financial firm performance. This is an indication that in the joint effect when brand architecture intensified customer loyalty and competitive intensity became insignificant. The hypothesis that the joint effect of brand architecture, customer loyalty, and competitive intensity does not influence firm financial performance was therefore supported.

The beta coefficients for customer loyalty and competitive intensity were CL = -0.175 and CI = -.322. This implies that both CL and CI reduced their explanatory power in the joint effect, suggesting that customer loyalty and competitive intensity are subsumed in the joint relationship.

The outcome was found not to be statistically significant as (p=0.024). It can therefore be concluded that customer loyalty was not significant in the joint effect. This presents new findings that can be explored in future research. The predictive model for joint effect of brand architecture, customer loyalty, competitive intensity, and financial firm performance is as follows:

FP= 3.075 + 0.473BA -0.175CL- 0.322CI + ε

Where:

FP = Firm Performance (Financial)

BA = brand architecture

CL= Customer loyalty

CI= Competitive Intensity

Joint Effect of The Regression for Brand Architecture, Customer Loyalty, Competitive Intensity on Firm Performance

The study examined the fourth hypothesis which stated that the joint effect of brand architecture, customer loyalty and competitive intensity on firm performance was not significant. A composite analysis of both financial and non-financial was used to achieve firm performance scores. The result of the test of the fourth hypothesis is shown in Table 5.18.

Table 5.18: Result of the Joint Effect of the Regression for Brand Architecture, Customer Loyalty, Competitive Intensity on Firm Performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.989[a]	.977	.966	.13111	.977	85.743	3	139	.000

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.422	3	1.474	85.743	.000[b]
	Residual	.103	6	.017		
	Total	4.525	9			

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.027	.149		-.184	.860
	Brand Architecture	.255	.066	.243	3.886	.008
	customer loyalty	.163	.078	.243	2.097	.081
	competitive intensity	.592	.097	.704	6.095	.001

a. Dependent Variable: Combined FP

b. Predictors: (Constant), competitive intensity, Brand Architecture, customer loyalty

Table 5.18 shows the results of the joint effect of brand architecture, customer loyalty and competitive intensity on firm performance was not significant (R^2 = .977, F = 85.743, p-value > 0.05). The finding of the joint effect also shows that there was a strong relationship between brand architecture, customer loyalty and competitive intensity on firm performance (R=.989). The results of the coefficient of determination suggest that 97.7 percent of firm performance is caused by the joint effect of brand architecture, customer loyalty and competitive intensity.

The beta coefficients for brand architecture BA (β = .243, t=0.3886, p-value>.05) and CL (β = .243, t=2.097, p-value >.05) and CI (β = .704, t=6.095, p-value<.05). This implies that competitive intensity contributed more to raising firm performance than the other variables in the joint effect. While Brand architecture and customer loyalty had similar but moderate contributory effect. However, the study showed that both brand architecture and customer loyalty had no significant influence on the joint effect.

The outcome was found to be statistically significant, implying that the null hypothesis stating that brand architecture, customer loyalty and competitive intensity on firm performance is not significant was rejected and alternative hypothesis stating that the joint influence of brand architecture, customer loyalty and competitive intensity on form performance accepted.

FP= 0.149 + 0.243BA + 0.243CL+ 0.704CI + ε

Where:

FP = Firm Performance

BA = brand architecture

CL= Customer loyalty

CI= Competitive Intensity

5.6.9 Summary of Hypotheses Testing

Summary of research objectives, test of hypotheses, results and conclusions of the study are presented in Table 5.19.

Table 5.19: Summary of Research objectives, Test of Hypotheses, Results and Conclusions

Objective	Hypothesis	R	R^2	P-value	F-Statistic	Conclusion
To determine the influence of brand architecture on firm performance.	**H_{01}**: brand architecture does not influence firm performance.	**Non-Financial** R=0.839 **Financial** R=0.832	**Non-Financial** R^2 = 70.4% **Financial** R^2= 69.2%	**Non-Financial** P-value< 0.05 **Financial** P-value< 0.05	**Non-Financial** F = 333.645 **Financial** F = 314.904	Brand architecture influences firm performance – **$H_0$1 Not supported**
To establish the role of customer loyalty on the brand architecture - firm performance relationship.	**H_{02}**: customer loyalty does not mediate the brand architecture - firm performance relationship	**Non-Financial** R=0.869 **Financial** R=0.862	**Non-Financial** R^2 = 75.6% **Financial** R^2 = 74.2%	**Non-Financial** P-value< 0.05 **Financial** P-value <0.05	**Non-Financial** F = 215.148 **Financial** F= 200.084	Customer loyalty mediates the brand architecture - firm performance relationship. **$H_0$2 Not supported**
To determine the effect of competitive intensity on the brand architecture - firm performance relationship.	**H_{03}**: competitive intensity does not moderate the brand architecture - firm performance relationship	**Non-Financial** R=0.902 **Financial** R=0.895	**Non-Financial** R^2 = 81.3%. **Financial** R^2 = 80.1%.	**Non-Financial** P-value< 0.05 **Financial** P-value< 0.05	**Non-Financial** F = 200.219 **Financial** F = 184.656	Competitive intensity moderates the brand architecture - firm performance relationship. **$H_0$3 was not supported**
To establish the joint effect of brand architecture, customer loyalty and competitive intensity on performance of water bottling firms.	**H_{04}**: The joint effect of brand architecture, customer loyalty, and competitive intensity does not influence firm performance.	**R= 0.989**	R^2 =0.977	P-value <0.05	F = 85.743	The joint effect of brand architecture, customer loyalty, competitive intensity influences firm performance. **$H_0$4 Not supported**

Source: Primary Data, 2022

The results shown in Table 5.19 reveal a significant and positive relationship between brand architecture and overall firm performance. The study consequently did not support hypothesis 1. The outcomes also revealed that customer loyalty mediated the brand architecture- firm performance relationship, while competitive intensity moderated the brand architecture- firm performance relationship. Both hypotheses 2 and 3 were also significant and were therefore not supported. Customer loyalty partially mediated the brand architecture- firm performance relationship. The results showed that the joint effect of brand architecture, customer loyalty, and competitive intensity on firm performance were statistically significant. Hypothesis 4 was therefore not supported. On the contrary, the joint effect of brand architecture, customer loyalty, and competitive intensity on firm financial performance was not significant. Based on the findings the conceptual framework was re-written with the regression model scores as shown in Figure 5.4.

5.7 Empirical Framework

Based on the study findings, a model optimization was conducted. The aim of the model optimization was to guide in the derivation of the final model where only the significant variables are included for objectivity. Results were arrived at through running regressions analysis. Results of the empirical framework are presented in Figure 5.4.

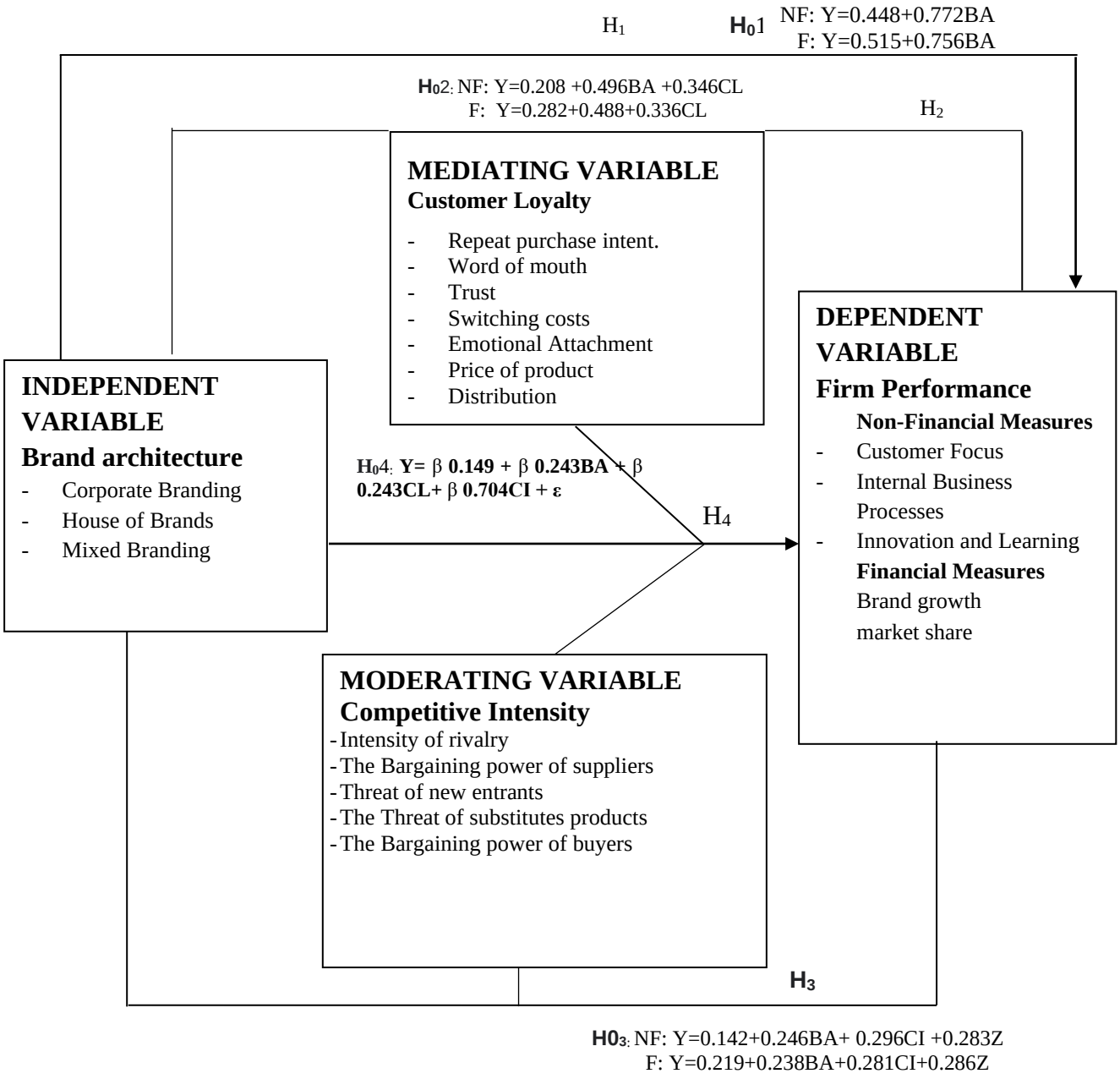

Figure 5.4: Empirical (Improved) Model of Brand Architecture, Customer Loyalty, Competitive Intensity and Firm Performance

5.7.1 Discussion of the Study Results

This section highlights the discussion of the study outcomes as directed by the study objectives alongside the conceptual hypotheses. The results are discussed and compared with the previous studies' findings. The main objective of this study was to determine the effect of brand architecture on firm performance. The study developed four main hypotheses to achieve the study objectives, which were subsequently tested by means of regression analysis and the findings were presented. The outcomes revealed a significant brand architecture - firm performance relationship. This allowed for presentation of the outcomes which either corroborates with or negates findings from previous studies. The discussions on the findings are presented below.

5.7.2 Brand Architecture and Firm Performance

The first objective sought to determine the influence of brand architecture on firm performance. The influence of brand architecture on firm performance has attracted a lot of debate. Extant studies reveal that brand architecture has both a positive and negative influence on firm performance. Notable is the fact that evidence on the brand architecture- firm performance relationship is scant. This prompted the need for further investigation into the influence of brand architecture on firm performance. The current study established a positive association between brand architecture - firm performance relationship. Brand architecture was measured by corporate branding, house of brands and mixed branding, while firm performance was guided by the balanced score card (Kaplan & Norton, 1992). The balanced scorecard measures included financial perspective, customer perspective, internal business process, innovation, and learning.

The findings of the study revealed a positive relationship between brand architecture and non-financial performance indicators ($R = 0.839$, $R^2 = 0.704$, p value<0.05) and financial performance indicators ($R = 0.832$, $R^2 = 0.692$, p value<0.05). The study findings specifically revealed that as firms adopt brand architecture, they can realize an increase in the number of customers. This suggests that a firm's engagement with its customers can be augmented through the adoption of branding strategies with a general reduction on marketing costs. The findings of the study revealed that brand architecture accounted for 70.4% of non-financial firm performance, while brand architecture accounted for 69.2% of the variation in financial firm performance. The results revealed that brand architecture significantly influences overall firm performance.

The study findings support those of (Rao et al., 2004; Morgan and Rego, 2009) who demonstrated that brand architecture had a strong impact on various dimensions of firm performance including market share, marketing efficiency, profitability, and shareholder value. The outcomes also validate those held by Zyglidopoulos et al. (2006) who examined the effect of brand architecture on firm performance in USA and established that branding strategies measures had a significant impact on firm performance. Similarly, the findings also support those of Ochoo et al. (2018) who studied branding strategies - performance of MNC's in Kenya relationship and established a positive outcome on the branding strategies- performance of MNC's relationship. The findings however contradict those of Hill, Ettenson and Tyson, (2005), who established that bigger brand portfolios are uneconomical since they adversely impact manufacturing and distribution economies. Findings by Shahri, (2011) also contradict the positive findings through assertions that attainment of a positive outcome between brand architecture and firm performance, is only sustainable if well managed.

Despite the conflicting views articulated in the above studies, the empirical evidence presented in the previous studies supported by the findings in this study suggest that brand architecture cannot be overlooked by firms that seek to enhance their performance both from a financial and non-financial viewpoint. Studies reveal that brand architecture is beneficial to firms through the enhancement of market share, profitability shareholder value and marketing efficiency.

5.7.3 Brand Architecture, Customer Loyalty, and Firm Performance

The second objective sought to establish the role of customer loyalty in the brand architecture- firm performance relationship. The study used a null hypothesis that stated that the brand architecture- firm performance relationship is not mediated by customer loyalty. According to existing theory, brand architecture enhances firm performance when supported by customer loyalty. This is an indication that customer loyalty is necessary for brand architecture to influence firm performance. Path analysis was utilized to test the mediation role of customer loyalty on non-financial firm performance using 4 steps. In step 1 the study tested the significance of the direct relationship between brand architecture and firm performance to determine the magnitude and direction of the relationship. The study findings revealed statistical significance of the relationship ($F= 333.645$, $R=$, $R^2 =0.704$, p-value<0.05). Brand architecture accounted for 70.4% of variation in firm performance. Brand architecture was found to be individually significant, and step 1 was confirmed as significant in testing the mediation ($\beta=0.772$, $t= 18.266$, p-value< 0.05).

Step 2 tested the significance of the between brand architecture - customer loyalty relationship, while treating customer loyalty as a dependent variable. Customer loyalty was regressed on brand architecture and the findings revealed that brand architecture accounted for 63.6% of the variation in customer loyalty. The outcomes demonstrated that brand architecture had a significant impact on customer loyalty (β =0.799, t = 15.648, p-value <0.05). The study findings revealed significance of the relationship (F =244.847, p-value<0.05).

Step 3 tested the significance of the customer loyalty - firm performance relationship while treating customer loyalty as an independent variable. Mediation was expected to take place if the interaction between brand architecture and firm performance was statistically significant. To infer mediation β was examined to determine the significance. Customer loyalty was found to be individually significant (β = 0.741, t = 16.124, p-value<0.05). The study established statistical significance of the relationship (F= 259.987, p-value =0.05). Firm performance was regressed on customer loyalty and the findings revealed that customer loyalty accounted for 65% of the variation in firm performance. Step 3 was found to be significant in testing mediation.

Step 4 tested the significance of the brand architecture- firm performance relationship in the presence of customer loyalty. The findings revealed that the relationship was significant (F= 259.987, β =0.741, p-value<0.05). The study findings revealed that partial mediation took place and that the hypothesis that the relationship between brand architecture and firm performance is not mediated by customer loyalty was not supported.

The findings supported those of Laforet and Saunders (1999) who established that corporate branding influenced sales performance through customer loyalty. Similarly, Bowen and Chen (2001) posited that improvement of customer loyalty can impact the firm's performance through reduction of marketing costs and improved profits. The results however contradict those of (Oliver, 1999; Keisidou et al. 2013) who established that neither customer loyalty nor customer satisfaction can impact firm performance. Keisidou studied customer loyalty and customer satisfaction -firm performance relationship among banking customers in the banking sector in Greece and established that both customer loyalty and customer satisfaction do not affect performance. Other contradictory views are also shared by Shoemaker and Lewis (1999) who suggested that there is a variation between customer loyalty and customer satisfaction, implying that satisfaction is indeed not a requirement for loyalty.

Empirical evidence reveals that brand architecture can influence firm performance when supported by customer loyalty. The study findings reveal that firms that have adopted brand architecture will experience enhanced performance, however the inclusion of customer loyalty will further enhance performance. This finding also supports the relationship marketing theory which seeks to articulate how brand architecture is linked to firm performance through customer loyalty. This is an indication that customer loyalty is necessary for brand architecture to influence firm performance.

5.7.4 Brand Architecture, Competitive Intensity and Firm Performance

The third objective sought to determine the effect of competitive intensity on the relationship between brand architecture and firm performance. Previous studies reveal that competitive intensity provides both positive and negative influence on firm performance. The current study was necessitated by scanty studies on the relationship

between competitive intensity and firm performance. Theoretical findings reveal that competitive intensity significantly impacts firm performance (Kling & Smith, 1995; Fraj-Andres et al., 2008; Ahmed & Afza, 2019). The third objective was anchored on hypothesis 3: $H_0 3$ that the relationship between brand architecture and firm performance is not moderated by competitive intensity.

The findings confirmed that competitive intensity moderates the brand architecture - non-financial firm performance relationship ($R = 0.902$, $R^2 = 0.813$, p value<0.05, $F = 200.219$) and financial firm performance relationship ($R = 0.895$, $R^2 = 0.801$, p value<0.05, $F = 184.656$). This implies that competitive intensity accounted for 81.3% of non-financial firm performance, while competitive intensity accounted for 80.1% of variation of financial firm performance. The outcome was found to be significant. The findings led to the rejection of $H_0 3$ that the brand architecture - firm performance relationship is not moderated by competitive intensity. The findings therefore provide sufficient evidence that competitive intensity moderates the brand architecture- firm performance relationship.

Brand architecture influences performance when the firm can develop strategies that are able to accelerate integration and adaptation to the existing competition within the firm's environment. Firms that have adopted brand architecture for differentiation have been able to better manage competitive intensity, through enhanced customer loyalty and satisfaction owing to the branding strategies that they have embraced. In highly competitive environments customers are exposed to numerous alternatives to fulfill their varied needs, making it essential for firms to become more proactive.

The results support the findings of Owino (2014) who studied organizational culture, marketing capabilities, industry competition and performance of microfinance institutions in Kenya. The study established a positive influence of industry competition on the relationship between organizational culture and firm performance. On the other hand, the results reverse those of Gitahi (2016) who studied strategy implementation, competitive environment, organization capacity and firm performance in Kenya, among listed companies in NSE. The study established a negative influence of competitive environment on the link between organizational capacity and firm performance of listed companies in Kenya.

Firms that operate in environments that are characterized by intense competition tend to experience major challenges in the realization of a favourable performance. According to Pereira-Moliner (2015) an increase in the number of players in an industry has the potential to reduce a firm's overall performance, creating an opportunity for enhanced competition. Firms operating in markets that experience intense competition must learn to invest in competitive strategies to enable improved performance.

5.7.5 Joint Effect of Brand Architecture, Customer Loyalty, Competitive Intensity and Firm Performance

The fourth objective sought to establish the joint effect of brand architecture, customer loyalty and competitive intensity on firm performance. The study tested H_4 hypotheses that the joint effect of brand architecture, customer loyalty and competitive intensity is not statistically significant. The hypothesis was tested using multiple regression. The results showed that the joint effect of brand architecture, customer loyalty and competitive intensity on firm performance was significant hence the null hypothesis was rejected.

The study findings revealed that intense competition prompts firms to aggressively pursue strategic initiatives to counter the threat of competition (Murray et al., 2011; Sanders et al., 2014). Firms that employ brand architecture can communicate with their customers and convey to them the relationship among brands (Asberg & Uggla, 2018). Customer loyalty is considered a vital tool for a firm's survival and growth in environments that are rife with competition. This can be explained by the fact that the cost of acquiring new customers is relatively high, compared to the profitability of loyal customers that grows over the lifetime of the customer.

The outcome of the study reveals that customer loyalty plays a key role in the provision of a significant advantage to brands in the enhancement of the brand value. The advantage provided by customer loyalty is considered critical in avoiding competition, reduction of marketing costs and customer retention. The growing intensity of competition in the marketing environment creates the need for firms to value brand architecture and customer loyalty as key strategies to differentiate their offer. In addition, firms should also adopt processes that will accord them an opportunity to consistently scan the environment and adopt relevant strategies for competitive advantage.

5.8 Chapter Summary

The chapter presented and discussed the study outcomes following analysis that was undertaken to confirm the four research objectives and hypotheses. The primary objective of the study was established through testing of the four null hypotheses. The hypotheses were specifically tested through regression and path analysis while using 0.05 significance level. The outcome of the study supported the four hypotheses. The findings

of the study revealed that there was a significant outcome on the brand architecture- firm performance, customer loyalty and firm performance and competitive intensity and firm performance relationships. Path analysis was used to analyze the customer loyalty - firm performance relationship. Partial mediation was detected between customer loyalty and firm performance. The moderating effect of competitive intensity on the relationship between brand architecture and firm performance was found to be significant. While the joint effect of brand architecture, customer loyalty, and competitive intensity, on firm performance was found to be significant. The chapter was concluded with a discussion on the consistency of the study findings in the current study and existing studies.

CHAPTER SIX

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

The main objective of the study was to determine the influence of brand architecture, customer loyalty, and competitive intensity on firm performance. Four hypotheses were created to analyze the objectives of the study. The four hypotheses were examined, and the outcomes detailed in chapter four. This chapter summarizes the study findings, conclusions and makes recommendations. The chapter further discusses the study implications, limitations, and suggestions for future research.

6.2 Summary

To achieve the broad objective of the study, four specific objectives were developed. The main objective of the study was to determine the influence of brand architecture, customer loyalty and competitive intensity on firm performance. Hypotheses testing was undertaken from data that was gathered through primary sources utilizing structured questionnaires that targeted a sample of 209 respondents composed of managers within the water bottling firms. The questionnaire was found to be reliable as indicated by overall Cronbach alpha value of 0.783 which was higher than the recommended 0.70 (Nunally, 1978). The sampling adequacy test and diagnostic tests confirmed that the data set was fit for further inferential statistical analysis. Processing of data was undertaken through both descriptive and inferential statistics.

The study's findings revealed that most of the firms were incorporated locally while only an insignificant percentage were foreign. In addition, most of the firms are indigenously owned. The findings further revealed that a large percentage of the firms had been in operation in Kenya for 6-10 years, while the rest had been in existence for 2 to 15 years and an insignificant percentage have operated in Kenya for over 20 years. This is an indication that majority of the firms had operated in Kenya for over 6 years a sign that they are conversant with the Kenyan market. The size of the firms was gauged by the number of permanent staff, which revealed that most of the firms were small with an establishment of less than 50 staff employed on a permanent basis. Most of the firms fell under the SME category, that is firms with less than 500 employees. An insignificant number of firms employed more than 500 staff on a permanent basis.

The study was premised on the belief that brand architecture influences firm performance. A conceptual framework was developed and tested empirically guided by four objectives and equivalent hypotheses. The first objective sought to establish the influence of brand architecture on firm performance. The study established a significant relationship between brand architecture and firm performance. This led to the rejection of H01, and hence the determination of the first objective. The outcomes of the study revealed that firms have adopted brand architecture as one of their marketing strategies to a moderate extent. Furthermore, most of the firms have adopted corporate branding and mixed branding. Firms that have adopted brand architecture have realized value addition through a reduction in their marketing costs.

Brand architecture had a positive relationship with both financial and nonfinancial performance of firms. The findings of the study validate those of previous studies that established that adoption of brand architecture contributes to enhanced firm performance (Zyglidopoulos et al. 2006; Keller, 2015; Rahman et al., 2019). Zyglidopoulos et al. (2006) studied the effect of brand strategy on firm performance in USA and established that branding strategies have a positive influence on firm performance. Rahman et al. (2019) investigated the relationship between brand equity and firm performance among 62 corporate brands and firms in the USA and found a positive relationship between brand equity and firm performance.

The second objective sought to examine the mediating role of customer loyalty on the relationship between brand architecture and firm performance. The study established that customer loyalty partially mediates the relationship between brand architecture and firm performance. The finding of the study meant that null hypothesis two was rejected and therefore the second objective was determined. Hence, Customer loyalty was noted to impact the firm positively. Strong and trusted brands are likely to attract loyal customers who will consistently buy products from a firm, positively impacting the bottom line. Repeat purchase was depicted as a key indicator of customer loyalty among most of the water bottling firms. An increased number of repeat purchases is an indication of satisfied customers who can make a positive contribution to firm performance. Repeat customers are critical for business growth and success since loyal customers are considered more profitable than acquiring new customers.

Emotional attachment had a low score in the study, although it's a critical factor to consider in gaining a connection with a firm's customers. Customers who are emotionally loyal tend to have their preferred brand at the top of their mind. Firms should forge a close relationship with their customers on an emotional level. Most customers tend to leverage rational considerations namely promotions, price, and loyalty programs to gauge a product's appeal. Emotional attachment plays a key role in avoiding rational considerations over time. Firms should invest time in nurturing close connections with their customers, through the development of effective customer feedback processes to create reciprocal relationships with them. Trust is established when customers are made aware of what they should expect from the firm. This is akin to firms' building relationships with customers through brands. When customers are aware of what to expect and receive from the firm, they are more likely to develop a sense of loyalty to a firm's brand. Word of mouth is a crucial marketing tool. Word of mouth can enhance customer loyalty since it emanates from sources that customers are familiar with although they may at times not be trustworthy.

Customer loyalty was described in different ways with testimonies disclosing that customer loyalty has a functional dimension since it is perceived as a factor in the determination of a firm's long-term growth and margin. These findings validate those found in previous studies. Bowen and Chen (2001) studied the relationship between customer loyalty, customer satisfaction and firm performance in the hotel industry and established that firms reduce marketing costs and improve profits by enhancing customer loyalty. Afande (2015) studied the effect of customer loyalty on supermarkets in Nakuru, Kenya, and established that the image of a supermarket and competition can affect customer loyalty.

The third objective sought to determine the effect of competitive intensity on the relationship between brand architecture and firm performance. The findings indicated that competitive intensity moderates the relationship between brand architecture and firm performance. The findings of the third objective meant that null hypothesis three was rejected and therefore the third objective was determined. Porter's five competitive forces were used in this study to gauge the intensity of competition in the water bottling industry. Competitive intensity had the highest mean score among the four study variables, while intensity of rivalry had the highest mean score of 4.07. The study findings revealed that competitive intensity independently contributed towards the variation in firm performance. This validates the findings in previous studies (Kling & Smith, 1995; Fraj-Andres et al., 2008; Ahmed & Afza, 2019).

The level of competition within an industry creates uncertainties which should be addressed by the adoption of competitive strategies to counter the threat of competition. This implies that when competitive intensity increases firms should seek to implement marketing strategies such as brand architecture in addition to adopting customer loyalty to mitigate the threat of competition. Firms should constantly monitor their environments and invest in resources that will aid them in countering competitor threats.

The fourth objective sought to establish the joint effect of brand architecture, customer loyalty and competitive intensity on firm performance. The findings of the study showed that the joint influence of brand architecture, customer loyalty, and competitive intensity on firm performance was significant, hence null hypothesis four was rejected. The significant finding of the fourth hypothesis meant that the fourth objective was

determined. The findings of the study supported the influence of brand architecture on firm performance. This validates the findings by Morgan and Rego (2009) who opined that brand architecture moderately supported firm performance. The study emphasizes the need for water bottling firms to adopt the findings of this study that showed that the joint application of brand architecture, customer loyalty and competitive intensity on firm performance strongly and significantly influence firm performance.

6.3 Conclusion of the Study

The study examined the relationship between brand architecture and firm performance. Brand architecture was measured by corporate branding, house of brands and mixed branding, while firm performance was measured using the four perspectives of the balanced score card namely financial perspective, customer perspective, internal business process, innovation, and learning. The study findings revealed a positive relationship between brand architecture and firm performance. This outcome suggested that firms have adopted brand architecture as a marketing strategy for competitive advantage. Firms can connect with their customers through the portfolio of brands that they offer in the market. In addition, firms should strive to adopt branding strategies that will provide them with an avenue to meet their customer needs more efficiently and effectively compared to the competition.

The study examined the mediating role of customer loyalty on the relationship between brand architecture and firm performance. The study findings revealed that customer loyalty partially mediates the relationship between brand architecture and firm performance, though the study findings were found to be statistically significant. The findings established that customer loyalty complemented the role of brand architecture in firm performance.

Reference to the relationship marketing theory and resource advantage theory provided insights into the association of customer loyalty in the relationship between brand architecture and firm performance. The study established that customer loyalty has a significant impact on firm performance. This reveals that customer loyalty influences both brand architecture and firm performance. Customer loyalty is a critical tool for firms in realizing enhanced profit from loyalty, reduction in marketing costs, enhanced sales and reduced operational costs.

The study examined the effect of competitive intensity on the relationship between brand architecture and firm performance. The study findings revealed that competitive intensity had a moderating effect on the relationship between brand architecture and firm performance. Competitive intensity predicts the performance of several firms. As the level of competitive intensity increases firms should adopt competitive strategies that will be instrumental in leveraging opportunities, while averting any threats. Reference to the industrial economics theory provided insights into the association of competitive intensity and the relationship between brand architecture and firm performance (Lichthenthaler, 2009).

The findings of the study supported the influence of brand architecture on firm performance and satisfactorily explained the joint effect of brand architecture, customer loyalty and competitive intensity on firm performance. The outcome was statistically significant, and the null hypothesis was rejected. It can therefore be concluded that firms should consider adoption of all the four study variables namely brand architecture, customer loyalty, competitive intensity, and firm performance in their strategies.

6.4 Implications of Research Findings

The broad objective of the study sought to establish the role of customer loyalty and the effect of competitive intensity on the relationship between brand architecture and firm performance. Additionally, the study also leveraged four specific objectives. Customer loyalty was hypothesized as the mediating variable, while competitive intensity was considered as the moderating variable. Brand architecture was considered as the independent variable and firm performance as the dependent variable. The outcome of the study was found to have varied consequences for different stakeholders. The outcomes offer strong implications to both scholars, marketing practitioners as well as policy makers.

6.4.1 Contributions to Policy

The significant finding of the joint influence of brand architecture, customer loyalty and competitive intensity on firm performance informed policy development. The study results are key for policy makers in the enactment of policies within existing policy frameworks for registered water bottling firms, government agencies and various other institutions. Managers in water bottling firms are advised to enhance their marketing policy by adopting the findings of this study that has been scientifically shown to improve firm performance.

6.4.2 Contributions to Marketing Practice

The findings of the joint effect brand architecture, customer loyalty and competitive intensity on firm performance were significant. This significant finding provided insight for marketing managers to enhance their marketing practices to include the predictions of

these findings that the study has shown have had a positive and significant influence on firm performance. Based on the significant findings of the study, managers are advised to adopt brand architecture, customer loyalty and competitive intensity to enhance firm performance.

6.4.3 Contribution to Marketing Theory

The study examined the influence of brand architecture through relationship marketing theory, resource advantage theory and industrial economics (IOET) theory. The study findings confirmed the assumptions of relationship marketing theory advanced by Morgan and Hunt (1994). The relationship marketing theory holds that a well-maintained relationship with customers delivers competitive advantage that in turn leads to superior financial performance to the firm (Gummesson, 2002; Hunt & Derozier, 2004). The study findings showed that brand architecture, customer loyalty and competitive intensity significantly influenced firm performance. This finding supports the postulations of the theories in this study namely relationship marketing theory, resource advantage theory and industrial organization economics theory.

6.5 Limitations of the Study

This study faced certain limitations, that would have otherwise impacted the quality of the study. For example, the study used structured questionnaires which deterred the respondents from freely expressing themselves. However, measures were taken through the development of structured questionnaires that were intended to correctly pick what was necessary for the study.

This study was undertaken during the unfortunate period of Covid-19, when there were serious government and company policy controls that hindered movement and physical interactions. These restrictions deterred direct collection of data hence data was collected through representation and that deterred the researcher's direct control of the process. Indirect control contributed to the response rate of 67.9 percent which was still considered significant.

6.6 Suggestions for Future Research

The fourth objective of the study was to determine if the joint effect of brand architecture, customer loyalty and competitive intensity on firm performance was significant. The study found that customer loyalty and competitive intensity was insignificant in the joint effect. This study suggests that another study should be undertaken with similar variables used in the current study to establish the reasons for the insignificant outcome of customer loyalty and competitive intensity in the joint effect.

The study was based on descriptive cross-sectional survey design which was looking at brand architecture, customer loyalty and competitive intensity on firm performance at one point in time using structured questionnaire. This study therefore suggests that a similar study be done using a longitudinal method using open ended questionnaire for comparison of results.

6.7 Recommendations of the Study

The study had certain recommendations that would be significant for the furtherance of marketing knowledge that involves brand architecture, customer loyalty and competitive intensity on firm performance in the field of marketing. This study adopted descriptive

cross sectional survey design that tests data quantitatively at one point in time by testing hypotheses, and development of objectives. However, the study recommends that another study using similar variables should be undertaken using longitudinal method for generalization of findings.

This study was done in the water bottling firms, which have a tendency of proliferation of brands, me-too strategies and information overload that tend to confuse customers causing them to purchase products based on brand perceptions. This study therefore recommends that another study be done in the beverage industry, that equally has proliferation of brands, for comparison of results and generalization of findings.

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APPENDICES

Appendix 1: Letter of Introduction

Sarah C A Awinyo,
P O Box, …….,
Nairobi.
January 2021

Managing Director

Dear Sir/Madam,

RE: BRAND ARCHITECTURE, CUSTOMER LOYALTY, COMPETITIVE INTENSITY AND PERFORMANCE OF WATER BOTTLING FIRMS IN NAIROBI CITY COUNTY, KENYA

I am a PhD candidate at the Faculty of Business and Management Sciences, University of Nairobi. As part of the requirements for the completion of the doctoral program, I am undertaking research on the above captioned subject. The Population of the study comprises water bottling firms located in Nairobi, and as such your organization qualifies as one of the respondents for the study.

The water bottling industry in Nairobi was selected for purposes of this study, by virtue of the pivotal role that the industry plays in the Kenyan economy, whilst the performance is also shaped by several variables. This thesis attempts to establish the linkage between Brand architecture, customer loyalty and competitive intensity on the performance of water bottling firms. The findings emanating from the study will be valuable to water bottling firm owners, entrepreneurs, practitioners, investors, and researchers alike in managing performance of water bottling firms amidst the heightened complexities arising from the dynamic environment in which they operate. Because of the variables under study, it is imperative to solicit relevant information from senior management within the subject organizations (Managing Director, Operations Manager and Marketing Manager).

All information obtained will be handled with utmost confidentiality and will be utilized exclusively for academic purposes. Information will be gathered through structured questionnaires attached herewith for your information and action. This letter therefore serves as a kind request for your participation in the study through the provision of relevant information by completing the attached questionnaire.

Thank you for your assistance.

Yours Faithfully,

Sarah C A Awinyo

Appendix 2: Study Questionnaire

Introduction Letter

Dear Respondent,

This questionnaire is designed to gather data on brand architecture, customer loyalty, competitive intensity, and performance of water bottling firms in Nairobi. The data will be used exclusively for academic purposes, while the content will equally be handled with utmost confidentiality, ensuring that under no circumstances will the identity of the participants be divulged in this research. Your participation in the study is voluntary and will be highly appreciated. Kindly avail time to complete the questionnaire (there are particularly no right or wrong answers). A copy of this research will be available to you upon request.

SECTION A: General Questions

1) Name of Organization ……(Optional)
2) Where is your firm registered/incorporated?
   a) Local (Kenyan) ( ) b) Foreign (Non-Kenyan) ( ) c) Other ( )
3) How long has your organization been in operation in Kenya? Please tick (√) your answer below.

   Less than 1 year ( ) Between 1-2years ( ) Between 3-5 years ( )

   Between 6-10 years ( ) Between 11-15 years ( ) over 20 years ( )

4) What is the size of your establishment in terms of the number of permanent staff? Please tick ( ) your answer below.

   a) Less than 100 employees ( )
   b) From 100 to 499 employees ( )
   c) From 500 to 1000 employees ( )
   d) More than 1000 employees ( )

Please tick appropriately in the following questions

5) Please indicate your current position in the company:

a) CEO/MD ( )

b) Divisional/departmental manager -Sales/Marketing Manager ( )

c) Operations Manager ( )

6) How long have you served in this organization?

Less than 1 year ( ) Between 1-2 years ( ) Between 3- 5 years ( )

SECTION B: Brand Architecture:

7) Please tick (√) in the appropriate box below to indicate the basis on which you classify your branding strategy: Basis of product identification -Corporate Branding (use of one overarching brand name for all products), House of Brands (different brands for different product markets), or Mixed Branding (unique product specific name identifies the product).

Basis of Brand Architecture Classification

Types of Branding Strategies	**Tick (√)**
Corporate Branding (use of one overarching brand name for all products)	
House of Brands (different brands for different product markets)	
Mixed Branding (unique product specific name identifies the product)	

8) Please indicate by ticking (√) in each of the following statements the extent to which your firm considers the following branding identification strategies important in your firm? Tick in the appropriate box as follows: 1-Not at all, 2-Small extent, 3-Moderate extent, 4- Large extent, 5-Very large extent.

	1	2	3	4	5
Corporate Branding					
1. Our firm focuses on brand Name					
2. Our firm focuses on pack design					
3. Our firm focuses on brand colours					
4. Our firm focuses on logos (Graphic Design)					
5. Our firm focuses on symbol (sign)					
6. Our firm focuses on trademark (Identifier)					

9) Please indicate by ticking (√) in each of the following statements the extent to which the following factors are considered important in the choice of branding strategy in your firm? Tick in the appropriate box as follows: 1-Not at all, 2-Small extent, 3-Moderate extent, 4-Large extent, 5-Very large extent.

House of Brands	1	2	3	4	5
1. Our firm adapts name					
2. Our firm adapts corporate name					
3. Our firm adapts a generic (common) name					
4. Our firm extends name to new Product					
5. Our firm ’s name reflects place of Origin					

10) Please indicate by ticking (√) in each of the following statements the extent to which the following factors are considered important in the choice of branding strategy in your firm? Tick in the appropriate box as follows: 1-Not at all, 2-Small extent, 3-Moderate extent, 4-Large extent, 5-Very large extent.

Mixed Branding	**1**	**2**	**3**	**4**	**5**
1. Our firm adapts family name					
2. Our firm adapts distinct brand identities					

SECTION C: Customer Loyalty

11) Please indicate by ticking (√) in each of the following statements the extent to which your firm is affected by the following factors: 1- Not at all, 2-Small extent, 3-Moderate extent, 4-Large extent, or 5-Very large extent

Statements	**1**	**2**	**3**	**4**	**5**
Repeat Purchase Intent					
1. Our brands are preferred compared to other brands					
2. Our brands are continually purchased by our customers					
3. Our brands create a sense of loyalty and trust					
4. Our brands are likely to be recommended to others					
5. Our brands represent good value of money to our customers					
Word of Mouth					
1. Our brands are often recommended by other people for purchase					
2. Our brands are recommended by customers to their friends and family					
3. Our brands are likely to be purchased by our customers on their next purchase					
4. Our brands represent good value for money to our customers.					

Trust					
1. Our customers feel that our brand offers them quality					
2. Our customers exhibit trust on our products					
3. Our customers trust that they can rely on our brands for the promises that they make					
4. Our customers are ready to defend our brands despite bad publicity they may be exposed to					
Emotional attachment					
1. Our customers easily switch to another brand if they experience problems with our brand					
2. Our customers complain to other people if they experience problems with our brand					
Switching Costs					
1. Our customers complain about the quality of our products					
2. Our customers exhibit alternative preference to our products					
Price of product					
1. Our customers prefer our products due to the competitive price					
2. Our customers feel that our products are priced within their budget					
3. Our customers are willing to pay a higher price for the competitor's product					
4. Our prices are based on the value that we offer to our customers					
5. Our prices are often altered based on the competition's reaction					
6. Our prices are established on cost-based pricing					
Distribution					
1. Our distribution channels are efficient in meeting our customers' needs					
2. Our distribution strategy provides access to a wide segment access for our products					
3. Our customers buy our products from our premises					
4. Our customers buy your products from various retail outlets					

SECTION D: COMPETITIVE INTENSITY

The competitive environment is a critical area of this study which seeks to understand the level of competition that resides within the environment in which your firm operates, and its impact on your strategic marketing decisions.

12) Please indicate by ticking (√) for each of the following statements the extent to which your firm is affected by each of the following factors: 1= Not at all, 2=Small extent, 3=Moderate extent, 4=Large extent, 5=Very large extent

Intensity of Rivalry

Statements	**1**	**2**	**3**	**4**	**5**
1. Competition is intense in our industry					
2. Firms in our industry engage in branding rivalry					
3. Our industry experience's rapid introduction of new products.					
4. Price competition is intense in our industry					
5. Our firm is fast in adopting new branding ahead of competitors					
6. Our value propositions are easily replicated by competition					
7. Our industry experiences several promotion wars					
8. Our firm adopts branding as a competitive strategy					

13) Competition impacts firms in various ways. Describe how your firm has been impacted by competition in the recent past.

Threat of new entrants

14) The statements outlined below seek to establish the ease or difficulty other players may encounter in attempting to join the industry. Please indicate by ticking (√) in each of the following statements the extent to which your firm is affected by each of the following factors: 1= Not at all, 2=Small extent, 3=Moderate extent, 4=Large extent, 5=Very large extent

Statements	**1**	**2**	**3**	**4**	**5**
1. New firms are winning customer loyalty due to fancy branding					
2. Capital requirements hinders the effectiveness of our branding					
3. Our competitors use branding as their competitive strength					
4. New entrants are gaining market share through customer loyalty					

Bargaining Power of Buyers

15) The following statements seek to establish the degree of power your customers wield over your firm's offerings. Please indicate by ticking (√) in each of the following statements the extent to which your firm is affected by each of the following factors: 1= Not at all, 2=Small extent, 3=Moderate extent, 4=Large extent, 5=Very large extent

Statements	**1**	**2**	**3**	**4**	**5**
1. Buyers in our industry demand for concessions and large discounts					
2. Buyers in our industry dictate terms as opposed to accepting what is offered by our firm					
3. A small number of buyers in our industry contribute to a large proportion of sales					
4. Buyers in our industry demand quality products					
5. Buyers in our industry do not dictate terms but accept what is offered by our firm					

Bargaining Power of Suppliers

16) The statements below seek to establish the degree of power the firm's suppliers wield over the industry players. Please indicate by ticking (√) in each of the following statements the extent to which your firm is affected by each of the following factors: 1= Not at all, 2=Small extent, 3=Moderate extent, 4=Large extent, 5=Very large extent

Statements	**1**	**2**	**3**	**4**	**5**
1. Suppliers in our industry demand and gain high concessions					
2. Suppliers of our products are a critical input in our firm's products					
3. Suppliers in our industry exercise power through price determination					
4. Our industry has a small number of suppliers who contribute to a large proportion of the industry's inputs					

Threat of substitute Products

17) The statements detailed below relate to the availability of similar products in your industry that can meet similar needs to your firm's products. Please indicate by ticking (√) in each of the following statements the extent to which your firm is affected by each of the following factors: 1= Not at all, 2=Small extent, 3=Moderate extent, 4=Large extent, 5=Very large extent

Statements	**1**	**2**	**3**	**4**	**5**
1. Our competitors develop brands that are like the brands that we offer					
2. The product branding within our industry poses similarity challenges to our products					
3. Our industry experiences immense pressure from substitute products					
4. Our products are unique and difficult for competition to imitate					

SECTION E: FIRM PERFORMANCE (BALANCED SCORECARD)

18) The statements detailed below seek to comprehend the performance of your firm in relation to various performance criteria. Provide a rating indication of your performance over the last five (5) years. Please indicate by ticking (√) in each of the following statements the extent to which your firm is affected by each of the following factors: 1= Not at all, 2=Small extent, 3=Moderate extent, 4=Large extent, 5=Very large extent

I. Financial measures

Statements	1	2	3	4	5
1. Our firm's business has experienced growth due to new branding					
2. Our firm's market share has increased consistently due to new branding					
3. Our firm ensures financial stability through diversification of its levels of funding sources					

II. Customer Perspective

19) Please indicate by ticking (√) in each of the following statements the extent to which your organization is affected by each of the following factors: 1= Not at all, 2=Small extent, 3=Moderate extent, 4=Large extent, 5=Very large extent

Statements	1	2	3	4	5
1. Customer complaints matter to our firm					
2. Our firm leverages on reduced customer complaints to measure the level of customer loyalty					
3. Our firm has an established customer feedback mechanism					
4. Our firm is responsive to customer needs					
5. Our firm's product branding appeals to our new generation customer needs?					
6. The level of customer centricity is enhanced through researching of customer needs					
7. Our firm regularly surveys its competitors branding experiences					
8. Our firm experiences the effect of repeat customers					
9. Our firm enjoys a larger market share compared to its competitors					
10. Our customers experience satisfaction with the pricing of our products.					

III. Internal Business Processes

20) Please indicate by ticking (√) in each of the following statements the extent to which your firm is affected by each of the following factors: 1= Not at all, 2=Small extent, 3=Moderate extent, 4=Large extent, 5=Very large extent

Statements	**1**	**2**	**3**	**4**	**5**
1. Our firm uses established metrics to monitor internal controls and policies					
2. Our firm focuses on the delivery of new products that are aligned to market changes					
3. Our firm monitors and adapts to the business environment					
4. Our firm regularly trains employees in alignment with the environmental trends					
5. Our firm uses research and development to assess the trends in the business environment					
6. Our firm enhances customer value creation through being attentive to external challenges					
7. Our firm regularly reviews its product development efforts to ensure alignment with customer needs					
8. Our firm monitors its image and reputation regularly					
9. Our staff are among the well praised staff in the industry					

IV. Innovation and Learning

21) Please indicate by ticking (√) in each of the following statements the extent to which your firm is affected by each of the following factors: 1= Not at all, 2=Small extent, 3=Moderate extent, 4=Large extent, 5=Very large extent

Description	**1**	**2**	**3**	**4**	**5**
1. Our firm has adapted empowerment and growth measures					
2. Our firm regularly trains employees in alignment with the environmental trends					
3. Our firm has research and development process that guides the implementation of new ideas					
4. Our firm adopts easily to new technology					
5. Our firm strongly encourage and embrace innovations?					
6. Our firm's products mirror evolving environmental trends					
7. Our firm consistently adopts new ideas					

END

Appendix 3: Register of KEBS Licensed Bottled Water Companies in Nairobi as at November 2019

	COMPANY NAME	COUNTY	BRAND NAME
1.	ABADIN LIMITED	NAIROBI	CARE WATER
2.	ABAI MART LIMITED	NAIROBI	LESAFI
3.	ABERDARES WATER LTD	NAIROBI	ABERDARE WATER
4.	ABLUN EAST AFRICA LTD	NAIROBI	STARPOP
5.	ABSOPURE WATER COMPANY	NAIROBI	ABSOPURE
6.	ACQUA - ICE PURIFIED DRINKING WATER LIMITED	NAIROBI	ACQUA - ICE DRINKING WATER
7.	ACREAGE INVESTMENTS LIMITED	NAIROBI	JAMU
8.	ADVENT CONTRACTORS LTD	NAIROBI	UHAI SPARKLE
9.	AFRICAN OASIS WATER LTD	NAIROBI	OASIS SPRING WATER
10.	AFRODANE INDUSTRIES LTD	NAIROBI	ANGEL DROP
11.	AGRALIA LIMITED	NAIROBI	FONT BLU
12.	AGRI PRO-PAK LTD	NAIROBI	SPRING DROPS
13.	AIRDROP WATER COMPANY	NAIROBI	AIRDROP
14.	ALEXERN ENTERPRISE	NAIROBI	AQUADRIM
15.	ALEZ HOLDINGS LIMITED	NAIROBI	WEMA
16.	ALNA ENTERPRISES LTD	NAIROBI	SWEET MIST
17.	ALPHA BRANDS LIMITED	NAIROBI	NGONG HILLS PREMIUM WATER
18.	ALPINE COOLERS LIMITED	NAIROBI	ALPINE
19.	AMERICAN BOTTLING CO.LTD	NAIROBI	LYRO
20.	AQUA BREEZE	NAIROBI	AQUA BREEZE
21.	AQUA DROPS LIMITED	NAIROBI	HEAVENS
22.	AQUA DUE SPRINGS ENTERPRISES	NAIROBI	AQUA DUE
23.	AQUA PACK COOLERS	NAIROBI	AQUAPACK
24.	AQUABEACH SPRING WATER LIMITED	NAIROBI	AQUABEACH
25.	AQUAHILLS WATER	NAIROBI	AQUAHILLS
26.	AQUAIOT AFRICA LIMITED	NAIROBI	PURE VESI
27.	AQUALIFE PURIFIED DRINKING WATER REFILL CENTRE	NAIROBI	AQUALEAF
28.	AQUAMIST LIMITED	NAIROBI	AQUAMIST
29.	AQUANYCE CO.LTD	NAIROBI	AQUANYCE
30.	AQUARIDGE LIMITED	NAIROBI	AQUARIDGE
31.	AQUASANA LIMITED	NAIROBI	AQUASANA
32.	AQUASAVY ENTERPRISES	NAIROBI	AQUASAVY
33.	AQUATIM SUPPLIES	NAIROBI	AQUATIM COOLANT
34.	AQUAVIST PREMIUM WATER	NAIROBI	AQUAWELL
35.	AVIANO EAST AFRICA LTD	NAIROBI	AVIANO

36.	BABITO FOOD SUPPLIERS	NAIROBI	CLEAR MARBLE WATER
37.	BAHATI SUPPLIES LTD	NAIROBI	WETMIST
38.	BARAFU ENTERPRISES	NAIROBI	BARAFU
39.	BARUK SPRINGS LIMITED	NAIROBI	BARUK
40.	BATIAN DRINKING WATER	NAIROBI	BATIAN
41.	BELMONT SPRINGS	NAIROBI	BELMONT
42.	BIDCO AFRICA LTD-RUIRU	NAIROBI	PLANET AQUA
43.	BIZACT INVESTMENTS LIMITED	NAIROBI	NELION MIST
44.	BLUE AQUA MINERAL WATER	NAIROBI	BLUE AQUA
45.	BLUE PLASTICS AND WATER CO.LTD	NAIROBI	KEREN
46.	BLUE RAY CO. LTD	NAIROBI	STARLING
47.	BLUE ROSES LIMITED	NAIROBI	URBAN
48.	BLUE SPRINGS PREMIUM DRINKING WATER	NAIROBI	BLUE SPRINGS
49.	BLUESAGE ENTERPRISES	NAIROBI	BLU
50.	BLUSSEN DORST ENTERPRISES	NAIROBI	ROCK FRESH
51.	BONFA MIST MINERAL WATER LTD	N AIROBI	BONFA MIST
52.	BOSCOPACK COMMERCIAL AGENCIES	NAIROBI	SKY DROPS
53.	BOUNTY LTD	NAIROBI	SAFARI KING
54.	BRAVIN WATERS LIMITED	NAIROBI	BRAVIN WATERS
55.	BROOKLYN DAIRIES	NAIROBI	PRESTIGE
56.	BROOKS DRINKING WATER	NAIROBI	BROOKS
57.	BROOKSPRINGS LIMITED	NAIROBI	AQUA-ICE
58.	BUBBLES SPRINGS LIMITED	NAIROBI	BUBBLES
59.	CENTURY PACKAGING LIMITED	NAIROBI	HORIZON
60.	CLASSIC SPRING MINERAL WATER CO.LTD	NAIROBI	MOUNTAIN VALLEY
61.	CLEAR DROPS	NAIROBI	CLEAR DROPS
62.	CLEAR QUEST SPRINGS	NAIROBI	CLEAR QUEST
63.	CLOUD SOLUTIONS LIMITED	NAIROBI	COOL BLISS
64.	COOL AQUA	NAIROBI	COOL AQUA
65.	COOL BREEZE AGENCIES	NAIROBI	COOL BREEZE
66.	COOL BLUE (K) LTD	NAIROBI	COOL BLUE
67.	COUNTRY FOODS LIMITED – LANGATA	NAIROBI	URBAN WATERS
68.	COUNTRYSIDE GROUP LIMITED	NAIROBI	MSAFIRI
69.	COUNTY INVESTMENTS LTD	NAIROBI	AQUARISE
70.	CRESSWELL SPRINGS WATER SOLUTIONS	NAIROBI	CRESSWELL
71.	CRYSTAL COOL PURE SPRINGS WATER	NAIROBI	CRYSTAL COOL

72.	CWAY KENYA FOODS AND BEVERAGES CO. LTD	NAIROBI	CWAY
73.	CYRSTAL SPRINGS	NAIROBI	CYRSTAL
74.	DAKSHAY ENTERPRISES	NAIROBI	TOP AQUA
75.	DALIT BAY	NAIROBI	DALIT
76.	DANMAR ENTERPRISES	NAIROBI	DEEP ROCK AQUA
77.	DASH POINT ENTERPRISES	NAIROBI	LIFE SPRINGS
78.	DASH SPRINGS	NAIROBI	DASH
79.	DELTA SET LTD	NAIROBI	DELTA ICE
80.	DENALI ENTERPRISES	NAIROBI	JUST WATER
81.	DENALI WATER	NAIROBI	DENALI
82.	DEWS PURIFIED WATER	NAIROBI	DEWS
83.	DIARIM ENTERPRISES LTD	NAIROBI	AQUA COOL
84.	EDEN BOTTLED DRINKING WATER SERVICES	NAIROBI	AQUACIA
85.	EDEN KARURUMO WAVES INVESTMENT	NAIROBI	EDEN WAVES
86.	EDIFACE ENTERPRISES LIMITED	NAIROBI	EVIAN COOLERS
87.	EDU PREMIER CO LTD	NAIROBI	AQUANELLA
88.	EJ WELLINGTON LTD	NAIROBI	MASAFA QUENCH
89.	ELDOVILLE DAIRIES LTD	NAIROBI	ELDOVILLE
90.	EMBOLEI VALLEY LTD	NAIROBI	EMBOLEI
91.	EXCEL CHEMICALS LTD	NAIROBI	QUENCHER
92.	EZILI PURIFIED WATER	NAIROBI	EZILI
93.	FESTIG LTD	NAIROBI	COOLSIP
94.	FINESSE AQUA ENTERPRISES	NAIROBI	FINESSE AQUA
95.	FRESAM AGENCIES LTD	NAIROBI	ABERDARE SWEET WATERS
96.	FRESH AQUA ENTERPRISES	NAIROBI	FRESHAQUA
97.	FRESHMAX COMPANY LIMITED	NAIROBI	FRESHMAX
98.	FREWER AGENCIES	NAIROBI	COOL DROPS
99.	FROST COMPANY LTD	NAIROBI	AQUAFROST
100.	GAMBINO BOTTLING LIMITED	NAIROBI	AQUA DROP
101.	GITOFAM LIMITED	NAIROBI	NERO
102.	GRACIOUS PURE WATER	NAIROBI	GRACIOUS PURE WATER
103.	GRANGE PARK LTD	NAIROBI	GRANGE PARK
104.	HARLEYS NATURAL WATER	NAIROBI	HARLEYS
105.	HARSHKE ENTERPRISES LTD	NAIROBI	BLUMIST
106.	HARSI LIMITED	NAIROBI	AQUA NATION
107.	HERTZ ENTERPRISES	NAIROBI	VALLEY BREEZE
108.	HIGHLAND WELLS	NAIROBI	HIGHLAND WELLS
109.	HILLCREST SPRING WATER	NAIROBI	HILLCREST SPRING WATER
110.	HIZAM COMPANY LTD	NAIROBI	AQUATIC
111.	HYDROLAB LTD	NAIROBI	GLACIER
112.	HYDROMAX SUPPLIERS	NAIROBI	HYDROMIST

113.	ICECOOL SPRINGS	NAIROBI	ICE COOL
114.	ICONIC DELIGHTS LTD	NAIROBI	CRISTAL DROPS
115.	ILHAM LIMITED	NAIROBI	DALSAN
116.	INSPIRE WATER SUPPLIES	NAIROBI	INSPIRE, PURIFINE
117.	IPES LIMITED – KOMAROCK	NAIROBI	THE POINT AQUA SPRINGS
118.	JAMII SPRINGS KENYA	NAIROBI	JAMII SPRINGS
119.	JESTACK WATER LTD	NAIROBI	SAFEPLUS
120.	JETLACK FOODS LTD	NAIROBI	WABA
121.	JIBUCO KENYA LIMITED – BURUBURU	NAIROBI	JIBU
122.	JOHALI LIMITED	NAIROBI	AQUIFER
123.	JORDAN FOODS AFRICA	NAIROBI	JORDAN
124.	KALIMONI GREENS	NAIROBI	KALIMONI
125.	KASSMAT LIMITED	NAIROBI	KASSMAT DRINKING WATER
126.	KEVIAN (K) LTD -NGONG ROAD	NAIROBI	ACACIA
127.	KIJANI WATER SOLUTIONS LIMITED	NAIROBI	KIJANI DRINKING WATER
128.	KIRICHWA WATER LIMITED	NAIROBI	KIRICHWA
129.	KOOLA WATERS	NAIROBI	KOOLA WATER
130.	KRYSTALINE MINERAL WATER COMPANY	NAIROBI	EXQUISITE
131.	LAIZER SPRINGS PURIFIED WATER	NAIROBI	LAIZER
132.	LENALIA LIMITED	NAIROBI	KRYSTAL HYDRATE
133.	LEOSPRINGS BEVERAGES	NAIROBI	LEO FRESH
134.	LE-VANS ENTERPRISES LTD	NAIROBI	LEVANS
135.	LIFE SPRINGS LIMITED	NAIROBI	MISTLETOE
136.	LILI MINERAL WATER PACKERS	NAIROBI	LILI
137.	LITTLE SISTERS OF ST. FRANCIS-KASARANI	NAIROBI	KEVINA, UKWELI OASIS
138.	LIZTAN ENTERPRISES LTD	NAIROBI	MAWINGU
139.	MAISHA BEVERAGES LIMITED	NAIROBI	HOLA
140.	MARAMOS ROYAL ENTERPRISES	NAIROBI	LIMANI
141.	MASAFI MINERAL WATER	NAIROBI	MASAFI
142.	MAZURI PURIFIED WATER	NAIROBI	MAZURI
143.	MEADOWS VALLEY LIMITED	NAIROBI	MEADOWS
144.	MERKISON VENTURES LTD	NAIROBI	AMARA
145.	MILA DROPS	NAIROBI	MILA DROPS
146.	MILIMANI SUBTERRANEAN SPRINGS LTD.	NAIROBI	MILIMANI SUBTERRANEAN
147.	MISSISSIPPI WATER LIMITED	NAIROBI	MISSISSIPPI WATER
148.	MISTY SAVANAH ENTERPRISE	NAIROBI	CHEMI FOUNTAIN
149.	MOZRAY VENTURES	NAIROBI	PURE DROPS
150.	MT KENYA MIST	NAIROBI	MT. KENYA MIST
151.	MY CLOUD LIMITED	NAIROBI	SAFEWELL

152.	MY WATER BUSINESS-CAPITAL CENTRE	NAIROBI	AQUABEST
153.	NAFA BOTTLERS KENYA LTD	NAIROBI	PACIFIC
154.	NAIROBI BOTTLERS LTD	NAIROBI	DASANI, KERINGET
155.	NAIVAS LIMITED-EAST-GATE	NAIROBI	NAIVAS
156.	NAKARA INVESTMENT LTD	NAIROBI	HARLEQUIN
157.	NAMEELOK WATER CO. LTD	NAIROBI	NAMEELOK
158.N	NERO COMPANY LTD	NAIROBI	EXECUTIVE STILL WATER
159.	NEW DAWN DISTRIBUTORS	NAIROBI	NEW DAWN
160.	NEW EQUATORIAL MANUFACTURERS LTD	NAIROBI	EQUATORIAL
161.	OASIS BOTTLING LTD	NAIROBI	OASIS
162.	OLMART KENYA LIMITED	NAIROBI	OLMART
163.	ONESIES LTD	NAIROBI	ONE-H2O
164.	OXYFLOW ENTERPRISES	NAIROBI	OXYFLOW
165.	OZONE BEVERAGES LIMITED	NAIROBI	LIFEPLUS
166.	PASHA ENTERPRISES LIMITED	NAIROBI	LIFE MIST
167.	PRISTINE INTERNATIONAL LTD	NAIROBI	PRISTINE
168.	PUREBROOK WATERS	NAIROBI	PUREBROOK
169.	RAGOS FOOD INDUSTRIES LTD	NAIROBI	ZAM ZAM, AWASH
170.	RAILI ENTERPRISES - GALLERIA LANGATA	NAIROBI	FRESH N KOOL
171.	RANGE PROCESSORS LTD	NAIROBI	MAJESTY
172.	RAYAN PURE WATER	NAIROBI	RAYAN
173.	ROYAL PLAZA LIMITED	NAIROBI	LAMIST
174.	ROYAL WATER TREATERS AND SUPPLIERS	NAIROBI	ROYAL
175.	S.M. KAHIGA ENTERPRISE CO. LTD	NAIROBI	COUNTY WATER
176.	SAMARIA PRODUCTS LIMITED	NAIROBI	SAMARIA
177.	SAMEER AGRICULTURE AND LIVESTOCK(K) LTD	NAIROBI	AQUACLEAR
178.	SAVANNAH SAPPHIRE ENTERPRISES	NAIROBI	AQUA SAVANNAH
179.	SEVIAN WATERS	NAIROBI	SEVIAN WATERS
180.	SIMPLE LIFE TRADING CO. LTD	NAIROBI	ACTIVE SPARKLE
181.	SKY BLUE MINERAL WATER	NAIROBI	SKY BLUE
182.	SKY COOL MINERAL WATER	NAIROBI	SKY COOL
183.	SKY FOODS LTD	NAIROBI	TREE TOP
184.	SKY VAST INTERNATIONAL LTD	NAIROBI	SKYMIST
185.	SKY WATER	NAIROBI	SKY WATER
186.	SKYMART ENTERPRISES	NAIROBI	SKYMART
187.	SONGA INTERNATIONAL	NAIROBI	SKY COOL
188.	SONIC FRESH COMPANY LIMITED	NAIROBI	SONIC FRESH
189.	SOUTH SEAS FOOD LIMITED	NAIROBI	MOSAFA

190.	SPARKLE AND CLEAR LTD	NAIROBI	SPARKLE
191.	SPARKLETTS BOTTLING ENTERPRISES	NAIROBI	SPARKLETTS
192.	SPARKLETTS FRESH	NAIROBI	SPARKFRESH
193.	SPIRAL WATER SPRINGS	NAIROBI	SPIRAL
194.	SPLASH THE WATER	NAIROBI	SPLASH WATER
195.	SURE, PURE DRINKING WATER	NAIROBI	SURE PURE
196.	TAIBAH TRADING COMPANY LIMITED	NAIROBI	CRYSTAL COOL
197.	THE PRESBYTERIAN FOUNDATION	NAIROBI	MILELE
198.	THE UNIVERSITY OF NAIROBI	NAIROBI	ROYAL SATIMA
199.	THE ZOROS COMPANY LTD	NAIROBI	ZOROS COOL
200.	TROPIKAL BRANDS (AFRICA) LIMITED	NAIROBI	MAYA
201.	TRUMAC SOLUTIONS	NAIROBI	TRUMAC DRINKING WATER
202.	UHAI MINERAL WATER	NAIROBI	UHAI
203.	ULTIMATE COOLERS LIMITED	NAIROBI	ULTIMATE COOLERS
204.	UNILINK LTD	NAIROBI	SPLASH
205.	USAFI SERVICES LTD	NAIROBI	GRANGE PARK PREMIUM WATER
206.	UTAWALA AIRDROP ENTERPRISES	NAIROBI	AIRDROP
207.	UZIMA ROCK ENTERPRISES (K) LIMITED	NAIROBI	UZIMA ROCK
208.	WATER PLUS SPRINGS	NAIROBI	AQUAPLUS
209.	WETLIFE LIMITED	NAIROBI	AQUA CHILL

Appendix 4: Table for Determining Sample Size

Table for Determining Sample Size from a Given Population

N	S	N	S	N	S
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Note. —N is population size.

S is sample size.

Source: Krejcie, Robert V., Morgan, Dayle W., Determining Sample Size for Research Activities: Educational and Psychological Measurements, 1970