
Generic Strategies and the Competitive Advantage of the Manufacturing Firms in Kenya

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Aloice Odhiambo¹; Joy Lelei², PhD; Rose Boit, PhD³

Abstract:

Purpose: The study aimed to examine the effect of generic strategies on the competitive advantage of the manufacturing firms in Nairobi County, Kenya. Addressing a critical gap by providing specific evidence.

Methodology: The study was grounded in the Resource-Based View of the firm and employed an explanatory research design. The target population included 840 managers of the manufacturing firms operating in Nairobi County, Kenya. A stratified random sampling technique was used to select the respondents. Primary data were collected through structured questionnaires. Data analysis involved descriptive statistics (means, standard deviations, frequencies, percentages) and inferential statistics, including Pearson correlation and multiple regression analysis.

Findings: The regression analysis revealed that generic strategies had a positive significant effect on competitive advantage of the firms with all the three strategies being statistically significant. Cost leadership on competitive advantage ($P=0.000$, $B=0.478$) Differentiation strategy on competitive advantage ($P=0.000$, $B=0.472$) and focus strategy on competitive advantage ($P=0.000$, $B=0.396$).

Conclusion: The study concluded that generic strategies are critical for enhancing competitive advantage in the Kenyan manufacturing firms in Nairobi, County.

Value: This study provides a meaningful recommendation to policy makers when it comes to decision making and ensuring fair competition. It also helps various practitioners when it comes to decision making and provides a good base for further theoretical foundations and developments by other scholars.

Keywords: Generic Strategies; Competitive Advantage; Cost Leadership; Differentiation Strategy; Focus Strategy; Kenya

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¹ Department of Business and Economics, Moi University, Kenya

² Department of Business and Economics, Moi University, Kenya

³ Department of Business and Economics, Moi University, Kenya

1. Introduction

The manufacturing sector remains a cornerstone of global economic competitiveness, driving industrial strength, technological advancement, and productivity growth. Worldwide, manufacturing accounted for a little over 11% of GDP for 2020 (U.S. BEA, 2021), which goes to show how vital manufacturing is for economic performance and innovation. Advanced economies have gained competitive advantage in manufacturing based on strategies focused on efficiency, quality and differentiation. For instance, Germany has attained global manufacturing leadership by focusing on precision engineering and quality mastery, as well as with the adoption of Industry 4.0 which improves production and responsiveness to the market (Siemens, 2021). Global market leaders Volkswagen, BMW and Siemens have achieved market dominance through the application of advanced technologies, and with continuous innovation and strong brand differentiation. In the same vein, Japan's manufacturing success is anchored in the adoption of strategic practices such as Kaizen and Just-in-Time (JIT) production, which drive operational efficiency and continuous improvement (World Bank, 2021). Sustainable competitive advantage for Japanese manufacturers, like Toyota, Honda and Sony, is achieved through cost efficiency, quality leadership, and innovation-driven differentiation.

In sub-Saharan Africa, the manufacturing sector is key to driving economic diversification and industrial competitiveness. South African firms, such as Volkswagen South Africa and Nestlé, have managed to retain their market leadership positions due to strategic cost management, quality improvement, and adaptive marketing (Volkswagen South Africa, 2021). Likewise, even under challenging economic circumstances, firms in Nigeria such as Dangote Cement and Nigerian Breweries have attained and sustained competitive edge through strategic pricing, brand positioning, and product innovation (National Bureau of Statistics, 2020). These businesses show that strategic positioning through cost leadership, differentiation, or market adaptation is essential to remain competitive in volatile environments. In East Africa, strategic approaches have also shaped the competitiveness of manufacturing firms. Tanzania's industrial growth has been fueled by diversification, export-oriented strategies, and supportive industrial policy reforms (World Bank, 2023). As of 2020, the manufacturing sector contributes around 10.5% of the GDP in Kenya, and continues to be a key part of the country's economic transformation and industrialization under Vision 2030 (Kenya National Bureau of Statistics, 2020). Meanwhile, the Kenyan manufacturing sector also faces difficulties such as high production costs, limited access to financing, and competition from imports. Firms that have successfully maintained or grown their market share have done so despite these difficulties, and in part, because of the competitive strategies they have implemented, which include operational efficiency, cost reduction, and product differentiation.

Michael Porter's generic strategies of cost leadership, differentiation, and focus have greatly influenced how manufacturing firms obtain and sustain a competitive advantage (Porter, 1985; Johnson et al., 2020). Cost leadership firms focus on lowering production costs and increasing efficiency which gives access to the price-sensitive segments of the market. Differentiation firms focus on innovation, unique brand attributes, and product quality to increase customer loyalty and monetize a product. In contrast, focus strategies allow firms to serve niche markets with specialized knowledge. These strategic orientations have helped firms improve their profitability and maintain long-term competitiveness.

In Kenya, the importance of building competitive advantage through strategic measures is imperative. Adaptive strategies that integrate innovation and cost efficiency offered many businesses a buffer to disruptive challenges posed by the pandemic (PwC, 2021). In the face of rapid technological changes, evolving customer preferences, and unprecedented global competition, manufacturing firms have no choice but to reassess their strategic options to remain competitive. Therefore, this paper focuses on the extent to which cost leadership, differentiation, and focus strategies individually shape competitive advantage, and their joint effect on the sustained competitiveness of Kenya's manufacturing firms. Understanding the impact of such strategies on the market and performance over time will inform the strategic options available for improving Kenya's manufacturing firms' competitive advantage in the regional and global marketplace.

2. Theoretical Review

Barney (1991) describes the Resource-Based View (RBV) theory and states that a firm's competitive advantage is sustainable only when a firm possesses unique, valuable, rare, inimitable, and non-substitutable resources. Firms are able to develop valuable resources, both tangible and intangible, into capabilities that rival firms are unable to copy (Wernerfelt, 1984). Firms attain and maintain superior performance and competitiveness over the years when they are able to acquire, organize, and deploy those resources in a strategic manner (Peteraf, 1993). Because of this, the RBV theory outlines competitive advantage as a variable by capturing the relative strategic importance of 'internal resources' (e.g. technology, human capital, and innovation) as primary determinants of organizational differentiation and sustaining leadership in a competitive market (Barney, 1991; Grant, 1996).

3. Empirical Review (Hypotheses Development)

A Research in Kenya shows that cost leadership significantly contributes to competitive advantage. Kimiti, Muathe, and Murigi (2021) examined the effect of cost leadership strategy on competitive advantage in the dairy sector using a census of 148 milk-processing firms and semi-structured questionnaires. The study assessed economies of scale, operational efficiency, and cost control as components of cost leadership and found that reductions in operational costs and development of knowledge-based capabilities strengthened firms' ability to sustain a competitive edge. The authors concluded that milk processing firms in Kenya can achieve superior performance by adopting cost leadership strategies (Kimiti et al., 2021).

International studies also demonstrate a consistent positive influence of cost leadership on firm performance. In Turkey, Kaya, Öncü, and Mesci (2020) analyzed The Mediating Effect of Organizational Learning on the Relationship between Cost Leadership Strategy and Business Performance among 351 managers of travel agencies using structural equation modeling. The findings showed that cost leadership has both direct and indirect positive effects on performance, with organizational learning serving as a mediator that enhances firm competitiveness in dynamic service environments (Kaya et al., 2020). In Malaysia, Hilman and Kaliappen (2013) investigated cost leadership and process innovation in the hotel industry and found that cost leadership significantly boosts process innovation and ultimately firm performance, implying that operational cost control coupled with service innovation enables hotels to achieve competitive advantage.

Further evidence from Indonesia reinforces these findings. Wijayanto and Arvenita (2025), in a study of 31 consumer goods firms listed on the Indonesia Stock Exchange

between 2019 and 2023, used SPSS regression analysis to evaluate the effects of cost leadership and differentiation strategies on profitability. Results showed that cost leadership positively influenced return on assets (ROA), though its effect on net profit margin (NPM) was not significant, while differentiation positively affected both indicators. The authors concluded that although cost leadership remains profitable, its strategic potency increases when combined with differentiation in competitive consumer markets (Wijayanto & Arvenita, 2025). Collectively, empirical findings from Kenya, Turkey, Malaysia, and Indonesia demonstrate that cost leadership consistently enhances competitive advantage and firm performance. thus, the study hypothesized that:

H1: Cost leadership strategy has a significant effect on competitive advantage.

Empirical findings from Kenya demonstrate a strong positive link between differentiation strategy and organizational performance. Adimo (2018), in *Relationship between Product Differentiation Strategies and Organizational Performance in Sameer Africa Kenya Limited*, conducted a quantitative survey with 134 participants including employees and dealers using stratified random sampling. Pearson correlation and regression analysis showed a significant positive relationship between product differentiation and organizational performance. The study concluded that implementing differentiation through product features comparable to competitors and offering a variety of products that meet diverse customer needs enhances firm performance (Adimo, 2018). Similarly, Njuguna, Namada, and Muchara (2019), in *Differentiation Strategy, Firm Structure and Performance of Star Rated Hotels*, used structural equation modelling (SEM) with data from 253 hotel managers and confirmed that differentiation strategy directly and positively improves hotel performance, even though firm structure did not significantly moderate the relationship. The authors recommended that star-rated hotels prioritize differentiation to strengthen competitiveness (Njuguna et al., 2019).

Studies outside Kenya reinforce these results. In India, Soomro, Shah, and Gadkari (2023) examined *Differentiation Strategy and Performance of Fast-Moving Consumer Goods (FMCG) Firms. A Study of Godrej Consumer Products in India* using descriptive research design and surveys of department heads at Godrej Consumer Products Limited. The findings demonstrated that continuous product innovation and consumer-centric design created distinctive offerings, enabling the firm to command premium pricing, expand its market share, and improve profitability evidence of the strength of differentiation strategy (Soomro et al., 2023). In Mozambique, the MDPI (2022) study *Differentiation Strategy and Export Performance in Emerging Countries: Mediating Effects of Positional Advantage among Mozambican Firms* analysed SMEs and revealed that differentiation strategy positively affects export performance, with positional advantage mediating the relationship. This showed that even resource-constrained firms can achieve competitive advantage in global markets by adopting unique and differentiated offerings.

Collectively, the reviewed empirical studies from Kenya, India, and Mozambique consistently confirm that differentiation strategies enhance both competitive advantage and overall organizational performance. Companies that innovate continuously, offer distinctive and customized products, and align offerings with consumer needs can achieve increased profitability, larger market share, and stronger pricing power. Even in emerging and resource-limited contexts, firms that leverage differentiation especially when paired with positional advantages—are more likely to succeed in competitive and export-driven environments. Therefore, based on previous empirical evidence, the study hypothesized:

H2: Differentiation strategy has a significant effect on competitive advantage.

Njoroge, Empirical studies from Kenya show that focus strategy plays a crucial role in enhancing firm performance through targeted niche positioning. Njoroge, Arasa, and Nganu (2022), in *Influence of Focus Strategy and Performance of Small and Micro Enterprises (SMEs) in Machakos Town, Machakos County, Kenya*, used a mixed-methods descriptive survey involving 40 electronics retail outlets and analyzed data using SPSS and multiple regression. They found that focus strategy characterized by niche creation, customized marketing mix, and adoption of e-marketing significantly improved SME performance, with firms targeting narrower segments achieving higher customer loyalty and profitability. Similarly, Nyambok, Senaji, and Awino (2023), in *Role of Focus Strategy on Organization Performance in Four- and Five-Star Hotels in Nairobi County*, conducted a census survey of senior managers in 66 star-rated hotels and established a significant positive correlation between focus strategy and hotel performance, recommending its use for gaining competitive positioning in the upscale hospitality industry.

Additional Kenyan evidence supports the positive effect of focus strategy on performance. In *Influence of Focus Strategy on the Performance of Insurance Agencies in Nairobi County*, Kemunto (2019) conducted a quantitative survey among insurance agency managers and agents and found that adopting a focus strategy contributes to market acquisition and customer retention, though the magnitude of the effect varies with agency size and resource capacity. The findings emphasized that market specialization allows firms to better serve their core customers, yielding higher operational outcomes.

Evidence beyond Kenya aligns with these conclusions. Islami (2020), in *Linking Porter's Generic Strategies to Firm Performance (FBJ/Springer Open)*, administered a cross-sectional questionnaire survey to production firms and applied econometric analysis to evaluate the impact of cost leadership, differentiation, and focus strategies. The study found that all three strategies positively correlate with performance, with differentiation showing the highest effect overall, while focus strategy produced substantial gains for firms successfully pursuing narrow market segments. Collectively, empirical findings from Kenya and Albania indicate that focus strategies improve performance by concentrating on specific market niches, tailoring product and marketing decisions to well-defined customer groups, and enhancing loyalty and competitive positioning. Based on these empirical insights, the study proposed the following hypothesis:

H3: Focus strategy has a significant effect on competitive advantage.

4. Research Methodology

The study adopted explanatory research design which allowed for the causal relationship between the study variables that is generic strategies and competitive advantage. The unit of observation was the managers 840 managers of these firms while the unit of analysis were the exact manufacturing firms. The study adopted stratified random sampling techniques to group the firms into various stratum.

Sample Size and Data Collection

The target population of the study was 840 managers of large and medium size manufacturing firms in Nairobi County constituting of one top-level managers and four middle-level managers and three lower-level managers from each of the 105 registered large and medium size manufacturing firms Nairobi County. The data used in this study is purely quantitative data collected from the field using a well-structured questionnaire

that were in the form of a 5-point Likert scale. The final sample size was 271 managers obtained from the total population size using Taro Yamane formular 1967. The pilot testing was carried out which constituted of 28 respondents that was 10% of the sample size and the Cronbach alpha value was found to be above 0.7 for all the instruments which indicated that all of the instruments were reliable for the data analysis.

Measurement of Variables.

This section will address the measurement of variables in which generic strategies will be the independent variable of the study and competitive advantage is the dependent variable of the study. The study also had looked at control variables such as age and firm size. Details definitions and measurements of all research variables are provided in Table 1.

Table 1: Measurement of variables

Variable	Category	Operationalization	Acronym
Competitive Advantage	Dependent variable	Measured using firm performance indicators such as profitability, market share, cost efficiency, and customer satisfaction (Kimiti, Muathe, & Murigi, 2021; Islami, 2020)	CA
Cost leadership strategy	Independent Variable	Operationalized through economies of scale, operational efficiency, and cost control practices aimed at reducing production costs and enhancing profitability (Kimiti, Muathe, & Murigi, 2021; Wijayanto & Arvenita, 2025)	CLS
Differentiation strategy	Independent Variable	Measured by product uniqueness, innovation, quality, branding, and ability to command premium pricing (Adimo, 2018; Soomro, Shah, & Gadkari, 2023)	DFS
Focus strategy		Operationalized through targeting niche markets, customized product offerings, specialized services, and	FFS

Age	Control Variable	concentrated marketing efforts (Njoroge, Arasa, & Nganu, 2022; Nyambok, Senaji, & Awino, 2023) Measured by the number of years since the firm's establishment, reflecting the firm's experience, stability, and accumulated capabilities (Kihara, Bwisa, & Kihoro, 2016; Njoroge & Mugambi, 2018)	FA
Size	Control Variable	Determined by the number of full-time employees and annual turnover, indicating the firm's resource base and capacity to implement competitive strategies (Islami, Mustafa, & Latkovikj, 2020; Amah & Baridoma, 2022)	FS

Data Analysis and Model Specification

The study used a strictly quantitative data analysis technique which involved both inferential and descriptive statistical analysis using SPSS version 25. Both inferential and descriptive which includes mean, standard deviation, percentages minimum and maximum were all used to summarize demographics and study variables. Inferential statistics was also used in the study as both correlation and regression analysis was carried out. The following regression equation was adopted to test the proposed hypotheses:

Model1: Testing the effect of the control variables on competitive advantage of manufacturing companies.

$$Y = \beta_0 + C$$

Model 2: Testing the effect of the independent variables on competitive advantage of manufacturing companies.

$$Y = \beta_0 + C + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon \dots \dots \dots 1$$

5. Findings

The study examined the effect of generic strategies on competitive advantage of the manufacturing firms in Nairobi County Kenya. The study collected 262 surveys from a sample of 271 respondents from the large and medium enterprises in Nairobi. 260 responses met the established criteria, providing an above the mean 97% response rate common in Entrepreneurial studies ([Anseel et al., 2010](#)). This response rate gave adequate data to establish the relationship between Generic strategies, technological capability and competitive advantage of the manufacturing firms in Nairobi County Kenya. ([Roberts et al., 2020](#); [Van Waeyenberg et al., 2015](#)).

Firm Characteristics

The statistics for the control variables used in the study, namely firm age and firm size among large and medium-scale manufacturing firms. The findings reveal that both variables were measured on a five-point Likert scale, with firm age ranging from 1 to 5 and recording a mean of 2.93 with a standard deviation of 1.393. This indicates that, on average, most of the surveyed firms fall within the mid-range of the age categories, suggesting a balanced distribution between relatively younger and older firms, though with some variability. Similarly, firm size also ranged between 1 and 5, with a slightly higher mean of 3.03 and a standard deviation of 1.457. This suggests that most firms are moderately large, though there exists a spread in their sizes. The results imply that the sample included firms of diverse ages and sizes, which provides a robust basis for analyzing their influence as control variables in the study.

Descriptive Statistics for Competitive Advantage

Competitive advantage was measured using 15 items each rated on the Likert scale; 5 = Strongly Agree, 4 = Agree, 3 = undecided, 2 = Disagree, 1=Strongly Disagree. The descriptive statistics provide an insight on how firms enhance profitability, market share, and long-term sustainability by leveraging distinctive capabilities, enabling firms to respond effectively to competition and remain resilient in dynamic business environments. The finding in descriptive statistics indicates that there is moderate practice of innovation in large and medium manufacturing firms. With respect to IN1 which measured the extent to which a company has a culture that encourages creativity, research and development, and flexibility, a mean of 3.09 and standard deviation of 1.296 was recorded. This indicates that, although firms tend to agree that such culture exists, the extent of integration varies from firm to firm. IN 2 which measured whether the development of products and services is one of the objectives of the organization calculated a mean of 3.08 and standard deviation of 1.307. This shows that in the context of innovation, there is a recognition that the development of products and services is an objective, however, there is no emphasis by a number of firms. IN3 which was aimed at capturing the extent to which the newest technological innovations are embraced in products recorded a mean of 3.09 and standard deviation of 1.314 which indicates a moderate embrace of technological innovations with some firms more advanced than others. On IN4 the respondents were asked about the extent to which customers appreciate new ideas that are brought to the market by firms and recorded a mean of 3.08 and a standard deviation of 1.301. This indicates that while there are customers who appreciate innovative brands, firms have not fully exploited the potential of innovation to enhance customer loyalty. In IN5 the respondents learned that there are different types of innovation, and that these innovations and their contributions, were ranked the lowest by the firm at only a mean of 3.06 and a standard deviation of 1.314. This insignificance

expression by the firm indicates that although there are the different innovations and contributions, they are not embedded in a firm's strategy at the operational level.

The descriptive statistics for market changes and responsiveness indicate that firms moderately recognize and practice adaptability in dynamic environments. With respect to MR1, which was concerned with the firm's ability to respond to and market targeted changes, recorded a mean of 3.09 and a standard deviation of 1.297. As indicated by mean analysis, firms track customer needs to some extent, but the level of adaption is not strong, as evidenced by the question on MR2 which focused on the firm's ability to monitor and adapt to changes in customer preference, the question garnered a mean of 3.07 and a standard deviation of 1.281, that indicated a better adaptation to the test and preferences by the customers. MR3, which focused on assessing the response speed of firms to new products by competitors, was noted to have the highest mean with the remaining metrics analyzed, 3.12, and a standard deviation of 1.313, suggesting that some level of emphasis is placed on the deliberate construction and revision of strategies compared to other aspects of the business. MR4, which centered on the firm's response to the changes in technological and the changes in the law, also reports a mean of 3.12 and a standard deviation of 1.303, indicating that a subset of firms uses regulatory changes as a basis for sustaining competitive advantage which they adopt and which is not uniform in practice. MR5, assessing the ability to change operation to capture new demand in the market was also recorded to have a mean of 3.09 and standard deviation of 1.291, capturing moderate flexible in the operation which can be considered a structural attribute of the firm's capability.

The descriptive results for market share reveal that firms moderately agree on their performance in expanding and sustaining their market position. MS1, which assessed whether the company's market share has increased steadily compared to previous years, recorded a mean of 3.08 with a standard deviation of 1.284, showing modest growth across firms. MS2, evaluating whether the company maintains a larger market share than its closest competitors, produced a mean of 3.07 and a standard deviation of 1.313, suggesting mixed perceptions, with some firms performing well while others trail behind. MS3, which measured the ability to attract and retain new customers, recorded the highest mean of 3.12 with a standard deviation of 1.284, indicating that customer acquisition and retention are relatively stronger contributors to market share. MS4, focusing on the retention of existing customers to ensure stability, also recorded a mean of 3.07 with a standard deviation of 1.287, reflecting moderate success but with notable variation across firms. MS5, which examined whether growth in market share has strengthened industry position and long-term competitiveness, tied with the highest mean of 3.12 and a standard deviation of 1.270, implying that firms see market share growth as a key driver of competitiveness, though the extent varies.

The overall mean for competitive advantage (CA), which was considered for descriptive statistics with the CA range of 1 through 5, was 3.09 with a standard deviation of 1.224. It provides evidence, on average, there is a moderate agreement with the statement posed on the competitive advantage of firms and the endorsement is not particularly strong. Since the mean is just above the midpoint, it suggests firms do have distinctive strengths which set them apart from the competitors, although they are not fully optimized.

Table 2: Descriptive Statistics for Competitive Advantage

n=260	Mean	Std. Dev
The company's market share has increased steadily compared to previous years" (Porter, 1985).	3.08	1.284
The company maintains a larger market share relative to its closest competitors" (Zhou, Brown, & Dev, 2009).	3.07	1.313
The company's ability to attract and retain new customers has significantly improved our market share" (Li, Zhou, & Shao, 2006).	3.12	1.284
The company consistently retains a strong proportion of existing customers, ensuring a stable market share" (Kumar, Petersen, & Leone, 2011)	3.07	1.287
The growth of our company's market share has strengthened its industry position and long-term competitiveness" (Ghosh, 2017)	3.12	1.27
The company is quick to respond to unexpected changes in the market environment" (Jaworski & Kohli, 1993).	3.09	1.297
The company continually monitors changes in customer preferences and adapts accordingly" (Narver & Slater, 1990	3.07	1.281
The firm is able to rapidly adjust its strategies when competitors introduce new products or services" (Teece, Pisano, & Shuen, 1997)	3.12	1.313
The company's responsiveness to changes in technology and regulation enables us to sustain a competitive advantage" (Teece, 2007	3.12	1.303
The company has the capability to modify its operations to suit shifts in market demand" (Eisenhardt & Martin, 2000).	3.09	1.291
The company has a culture that encourages creativity, research and development, and flexibility, which gives us a competitive advantage" (Elbaz & Haddoud, 2025)	3.09	1.296
In the company the development of new products or services is one of the organization's goals" (Nduka & Oladipo, 2020).	3.08	1.307
In the company there is an increase in the use of the latest technological innovations in our current and/or new products" (Nduka & Oladipo, 2020).	3.09	1.314

In the company the customers preferred the new innovative brand ideas” (Nimfa et al., 2021).	3.08	1.301
In the company Product innovation, process innovation, innovation administration, innovation marketing, and service innovation contribute to the firm’s competitive edge” (Susanty et al., 2021).	3.06	1.314
Competitive Advantage	3.0897	1.2237

Descriptive Statistics for Generic Strategies

Generic strategies were measured using 15 items each rated on the Likert scale; 5 = Strongly Agree, 4 = Agree, 3 = undecided, 2 = Disagree, 1=Strongly Disagree. The descriptive statistics provide an insight on how firms position themselves better in the industry in order to outperform their rivals, in terms of cost, differentiation and focus. The conclusion drawn for the competitively priced products in relation to minimizing operating costs to offer products at lower prices than competitors (CL1) is that the firms have an average score of 2.98 mean and 1.302 for the std. deviation. This elaborates that cost minimization is adopted but not widely believed or embraced which explains the widely varied response rates. The weighted average for optimizing production for cost sustained advantages (CL2) is marginally better at 3.04 mean (SD = 1.259) which confirms the conclusion that there is at least some level of sustained efforts that is above the balanced or status quo driven strategy but below the ideal level. For the 3rd question on slowing down the high cost with the quality promise delivery (CL3) is at average is the lowest at 2.96 Mean and 1.309 for the standard deviation. This also suggest the firms struggle to maintain the balance high as well as cost which most often carried the blame at competitive environment. The other hand, the ability to use lower unit costs to the competitive advantage (CL4) mean and the associated scales gained the highest score 3.06 mean (SD = 1.271). This suggests that the ability to and achieve efficiencies of the lower unit is better proven and hence more refined with the firms. The ability to still sustain significant competitive advantage with the high level of cost control (CL5) has a lower score at 3.03 mean (SD = 1.266) but still shows a balanced controlled focus on cost monitoring.

In DF1, that focused on the unique products or services from the rest of the competitors received a mean of 3.17 with a standard deviation 1.244. This suggests that firms place a moderate level of emphasis on uniqueness as a source of differentiation. On DF2, that Emphasized on product quality and superior features received a mean of 3.13 (sd, 1.276) which reflects that product quality is pursued albeit inconsistently across firms. In DF3, that focused on investment in branding and reputation received a mean of 3.16 (sd, 1.245). This suggests a moderate but consistent dependence on brand image as a means of differentiation within the market. In DF4, the mean for differentiation through exceptional customer service received a mean of 3.15 (sd, 1.224). This indicates that moderate service quality is practiced in order to attain a competitive advantage in relation to DF 5 that emphasizes on ‘Innovation in design, technology or marketing received a mean 3.16 (sd,1.263). This means that Firms moderate level of discrimination innovation ‘to reinstate distinctiveness.

For FOS1, targeting specific market segments more effectively than competitors recorded a mean of 3.08 with a standard deviation of 1.275, which shows that firms practice market

concentration at a moderate with varying intensity level. For FOS2, customizing products and services to offer to a specific targeted customer group also had a mean of 3.08 (SD = 1.265), which indicates that customer segmentation is utilized moderation but consistently. For FOS3, having strong relationships with a targeted niche market recorded a mean of 3.06 (SD = 1.247), which indicates a moderate focus on niche relationship-building. For FOS4, reallocating resources to serve chosen segments better than competitors achieved a mean of 3.06 (SD = 1.235), which indicates that resource allocation is moderation pursued. Finally, for FOS5, focus on a specific product or customer base had the highest mean 3.10 (SD = 1.244), which indicates that focus practice is a little more emphasized than other focus-related practices.

Out of all of the generic strategies and the responses to each of them, the average and the standard deviation was 3.08 and 0.702, respectively. This implies that businesses pursue cost leadership, strategies, differentiation strategies and focus strategies at a moderate level overall with small variations across practices. This illustrates the quest for generic competitive strategies to be balanced but not intensive.

Table 3. Descriptive Statistics for Generic Strategies

n=260	Mean	Std. Dev
The company strives to minimize operating costs in order to offer products at lower prices than competitors” (Porter, 1980).	2.98	1.302
The firm emphasizes efficiency in production processes to sustain cost advantages” (Allen & Helms, 2006).	3.04	1.259
The company continuously seeks ways to reduce overhead costs without compromising quality” (Tanwar, 2013).	2.96	1.309
The organization leverages economies of scale to achieve lower unit costs compared to competitors” (Hitt, Ireland, & Hoskisson, 2017).	3.06	1.271
Maintaining tight cost control is a key priority that enables the company to remain competitive in the industry” (Parnell, 2011).	3.03	1.266
Our company offers unique products or services that are clearly distinct from competitors” (Porter, 1980).	3.17	1.244
The firm emphasizes product quality and superior features to achieve differentiation” (Allen & Helms, 2006)	3.13	1.276
Our company invests in branding and reputation to stand out in the marketplace” (Tanwar, 2013).	3.16	1.245
“The organization provides exceptional customer service as a way to differentiate itself” (Hitt, Ireland, & Hoskisson, 2017). quality improvement than the	3.15	1.224

competitor		
Innovation in design, technology, or marketing is a key approach the company uses to sustain differentiation” (Parnell, 2011)	3.16	1.263
Our company concentrates on serving a specific market segment more effectively than competitors” (Porter, 1980).	3.08	1.275
The firm tailors its products and services to meet the unique needs of a well-defined customer group” (Allen & Helms, 2006).	3.08	1.265
Our organization emphasizes building strong relationships with a targeted niche market” (Tanwar, 2013).	3.06	1.247
The company allocates resources strategically to serve its chosen market segment better than rivals” (Hitt, Ireland, & Hoskisson, 2017).	3.06	1.235
Specialization in a focused product or customer base provides our firm with a competitive advantage” (Parnell, 2011)	3.1	1.244
Generic strategies.	0.70183	1.67

Correlation analysis.

Table 5 presents the correlation analysis assessing the relationships between generic strategies and competitive advantage variables. The results reveal that generic strategies have the highest positive and statistically significant association with competitive advantage of the manufacturing firms in Nairobi, Kenya ($\rho = .763, p = .000$)

Table 4. Pearson Correlation Coefficients

		Competitive Advantage	Generic Strategies
Competitive Advantage	Pearson Correlation	1	
	Sig. (2-tailed)		
Generic Strategies	Pearson Correlation	.763*	1
	Sig. (2-tailed)	.000	

Regression analysis (Hypotheses testing)

Before testing for the direct effect hypotheses, the study examined the effect of the control variables in this study. This was done by adopting hierarchical regression analysis as presented by Table 5. The first model of the table indicates the effect of control variables on the dependent variable. Age of medium and large-scale firm and size of medium and large-scale firm showed there was significant effect at 5% level of significance on firm competitive advantage. In the model summary, there was small R-square of .083 indicating that the variation of firm competitive advantage can be explained by control variable at 8.3percent. The analysis of variance (ANOVA) showed significant F- statistics ($F = 23.428$, $P > F = .000$) indicates model fitness and this is implying interpretation of the results are meaningful. The regression results indicate that both firm age and firm size have a positive and statistically significant influence on the dependent variable. Suggesting that as manufacturing firms grow older, they experience a positive impact on the outcome variable. Similarly, firm size is also positively associated with the dependent variable, implying that larger firms tend to perform better or have greater advantages compared to smaller firms. The study examined the changes in the R-square when the all the three independent variables were hierarchically added into the equation. When both cost leadership strategy, differentiation strategy and focus strategy was added (model 2), the R-square changed to .683 indicating a significant effect of the generic strategies in explaining variation of firm competitive advantage at about 68.3% giving an increase of .6747 (R square change of .6747). Moreover, generic strategies had a positive direct effect on firm competitive advantage, by cost leadership $\beta = .437$ ($p = .000$), Differentiation strategy $\beta = .462$ ($p = .000$) and focus strategy $\beta = .439$ ($p = .000$) and hence rejecting the null hypotheses.

Table 5: Regression Analysis

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	2.902	0.258		11.231	0.000
Firm age	0.44	0.05	0.297	8.736	0.000
Cost Leadership Strategy	0.437	0.034	0.434	12.823	0.000
Differentiation strategy	0.462	0.035	0.445	13.107	0.000
Focus strategy	0.439	0.035	0.425	12.544	0.000
Model Summary					
R	0.826				
R Square	0.683				
Adjusted R	0.678				

Square

Std. Error of
the Estimate 0.695

Dependent Variable: CA

6. Discussions

The general objective of the study focused on analyzing the effect of generic strategies on gaining competitive advantage for large and medium manufacturing industrial company in Nairobi County, Kenya. More specifically, it focused on the impact of the three strategies, cost leadership, differentiation, and focus. The first hypothesis (**H₀₁**) was that there is no significant impact of the cost leadership strategy on the competitive advantage of manufacturing firms. For companies, the cost leadership strategy does not have that much of an impact on competitive advantage. The statistical analysis showed that that cost leadership strategy does have an effect on competitive advantage and, in fact, it is positive and significant, with a coefficient (β) standing at 0.478 and a p-value of 0.000, which of course, is significant. Therefore, the null hypothesis was rejected. This implies that companies which adopts cost leadership strategies enjoys competitive advantage in the market by selling their products at a lower price relative to the competition, which is necessary in competitive markets. This also confirms the fact that a company which is cost efficient is able to secure a competitive advantage in the market, particularly in the manufacturing industry. Furthermore, this confirms that cost leadership is considered essential for firms in competitive industries like manufacturing, as it allows them to offer products at competitive prices while maintaining profitability (Kotha & Orne, 1989).

The second hypothesis (**H₀₂**) examined weather differentiation strategy had no insignificant impact on competitive advantage. On the contrary, the achieved results showed there was a very strong positive correlation between the two variables: differentiation strategy around competitive advantage had a coefficient (β) of 0.472 and p-value of 0.000. This means that firms that are able to differentiate their products in the market are able to possess competitive advantage due to the unique value offerings that are different and distinct from their competitors. This showed how important innovation, product and customer focused strategy s are in maintaining competitive advantage for a firm. This evidence is sufficient to reject the null hypothesis. Additionally, this confirms that innovation and a customer-focused approach are key drivers of success in differentiated strategies (Miller & Friesen, 1986)

The third hypothesis (**H₀₃**) established weather focus strategy had no significant impact on competitive advantage. The results showed that focus strategy also has a strong positive impact on competitive advantage, with a coefficient (β) equal to 0.396 and p-value at 0.000. This indicates that firms targeting niche or specialized markets are able to gain competitive advantage within the market. Firms are able to develop a strong customer loyalty and thereby face less competition from the broader market players by customizing their services or products to specific needs of the customers. This also means that the null hypothesis was rejected, which emphasizes the importance of targeted and niche strategies in accomplishing competitive advantage. Furthermore, this confirms that, firms with specialized offerings can gain a competitive advantage by becoming the preferred choice within their segment (Teece, 1986).

7. Conclusions

In conclusion, the research found that among large and medium-sized manufacturing companies in Nairobi County, generic strategies that is cost leadership, differentiation, and focus showed a large increase in competitive advantage. Cost leadership helps firms attain efficiency and profitability through cost control. Differentiation fosters customer loyalty and premium pricing through innovative and different products. Likewise, focus strategy increases competitiveness by serving niche markets and delivering specialized products that fulfill particular customer needs. Overall, findings reflect that in Nairobi's manufacturing sector, the adoption and effective execution of these three generic strategies play a key role in the sustained competitive advantage of the firm.

8. Recommendations of the Study

Managerial recommendations

According to the study findings, managers of large and medium-sized manufacturing firms in Nairobi County need to focus on successfully implementing the three generic strategies cost leadership, differentiation, and focus to enhance competitive advantage. An emphasis on cost efficiency gained through operational and supply chain management captures the attention of price-sensitive markets. Loyalty and premium pricing are attained through differentiation done by innovation, branding, and exceptional customer service. In addition, targeting niche markets enables firms to customize their offerings and develop strong ties with their customers. For sustained competitive advantage and organizational success in the long run, the managers need to strategically balance the resource allocations to these approaches.

Policy Makers Recommendations

Policymakers are tasked with creating supportive conditions for manufacturing firms to adopt and sustain generic strategies cost leadership, differentiation, and focus. It is also important to stabilize macroeconomic conditions through effective fiscal and monetary policies to minimize production costs and create a more affordable business climate. Government initiatives to support innovation and differentiation through funding, patented research, and facilitating collaboration between industry and research entities are also beneficial to maintain innovation and differentiation. In addition, SME empowerment through development policies providing tax breaks, inexpensive credit, and infrastructure will strengthen their abilities to compete in niche markets.

Theoretical Implications

The manuscript advances the understanding of competitive advantage, specifically in the manufacturing sector of developing countries like Kenya, in multiple important ways. First, the findings highlight the relevance of Michael Porter's generic strategies cost leadership, differentiation, and focus as a value framework for explaining the competitiveness of firms while calling for contextualization of these strategies within the scarcity of resources and the varying levels of technology. By integrating the Resource Based View (RBV) of the firm with technological capability, the study shows how firms maintain competitive advantage and enrich the theory with valuable and inimitable technological resources. It also enriches the Dynamic Capabilities Theory, emphasizing how firms are required to reconfigure their resources and strategies to a greater extent to address the environmental and technological changes. The findings also extend the relevance of Porter's Five Forces Framework by showing that internal strategic resources (particularly technological capabilities) dynamically influence and interact with external industry forces. The findings highlight the need for theory development that explains new

market phenomena, in which competitive advantage is achieved and maintained through flexibility, innovation, technological integration, and the modified technology of the older systems not merely by the scale of operations.

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