

# The Mediating Effect of Competitive Advantage on the Relationship between Corporate Strategies and Performance of Manufacturing Firms in Nairobi City County, Kenya

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**Abstract:** Competitive advantage is often described as the strategic abilities in possession of the firm, generated from its unique combination of resources and attributes to emerge ahead of competitors in the industry. There are different strategic tools and models used to achieve competitive advantage. This paper examines the mediating effect of competitive advantage on the relationship between corporate strategies and performance of manufacturing firms in Nairobi City County, Kenya; which is a developing economy within Sub-Saharan Africa. The authors adopted indicators of innovation, value chain integration and market leadership to measure competitive advantage. The sample size was 189 large manufacturing firms located in Nairobi City County where 80% of the country's manufacturing firms are situated. The study used semi-structured questionnaire to collect primary data, which was analysed using descriptive and inferential statistics. The study findings indicate that competitive advantage has a mediating effect on the relationship between corporate strategies and firm performance.

**Keywords:** Competitive advantage, firm performance, mediating effect, manufacturing firms, Nairobi City County

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Date of Submission: 18-03-2019

Date of acceptance: 02-04-2019

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## I. Introduction

Competitive advantage fortifies the firm resources, competencies and strategies with performance; and when strategies are successfully implemented, firm performance is enhanced by facilitating competitive advantage (Rijamampianina, Abratt & Yumiko, 2003; Stutz & Warf, 2009). According to Flint and Van Fleet (2005); King (2007) firms gain competitive advantage by adopting a unique market approach distinct from those of competitors.

Ward and Duray (2000) opined that competitive advantage protects the firm from competitors' pressure by positively influencing the market behaviour. There are different strategic tools and models used to achieve competitive advantage. Schmutzler (2013) argued that innovation is an important tool related to firm competitive advantage due dynamism in the market structure. Gilbert (2006) contends that firms that endeavour to maintain their current level of performance or increase them need innovation to identify new markets for their products as the existing market continue to shrink.

According to Francis, Hasan, Huang, and Sharma (2012) innovation capability of the firm can determine its performance. Similarly, Knight (2011); Kenny and Reedy (2006) argued that companies intending to increase their performance should utilize innovation capabilities. However, as noted by O'Regan, Ghobadian and Sims (2006) companies fail to notice the opportunities available to them in the market, thus, failing to initiate innovation processes. Greve (2003) and Chuang (2005) opined that firm ought to innovate on its product process and technology to be ahead of the competitors.

Hill and Jones (2009) opined that a firm aiming to develop a competitive advantage might also adopt product and technology innovation. Porter (1985) noted that product innovation creates a sustainable competitive advantage the firm characterized by high magnitude of product acceptance by customers in the market. Additionally, Pearce and Robinson (2007) argued that product market share may be used to measure the competitive advantage which the products and technology are able to stand against competitors.

Most strategic management literatures explain that innovative technology contributes to competitive advantage when the technology is significant to global trends. Technological innovation as an organizational capability may boost a firm's productivity and growth faster, presumably, because it may fight competitors (Neely, Filippini, Forza, Vinelli, & Hill, 2001; Akman & Yilmaz, 2008; Perez & Wiklund, 2011).

Value chain integration is another strategic practice, whereby the firm intends to outperform rivals. According to Porter (1985) a firm is said to have integrated value chain when it operates successive

interconnected production system at different levels to achieve efficient input, control production costs hence lowering product prices, ultimately increasing sales, and raising profitability.

The firm that integrates its value chain is able to benefit from the economies of scope than potential competitors that are not integrating, reducing the intensity of competition (Nalebuff, 2004). The integration of firm value chain is characterized by frequent technological innovations that exploit synergies of production process (Jacobides & Winter, 2004; Fraquelli, Piacenza & Vannoni, 2005).

According to Porter (1985) the performance of each value chain activity determines its direct contribution to customer needs resulting to cost leadership, product and market differentiation. Porter (1980) suggested that a firm might also acquire competitive advantage based on market leadership by low-cost leadership and product differentiation. As a result, Pearce and Robinson (2011) contend that a firm achieving low-cost leadership is able to effectively gain higher market share and profit margins by dominating the industry.

Porter (1985) argued that the low-cost leaders usually excel in performance since in most cases; they possess unique capabilities that include supply of scarce raw materials, high degree of capitalization, and dominance of production technology. Wheelen and Hunger (2012) indicated that a firm that is cost leader gains competitive advantage by offering its products at lower prices than the competitors offer.

Richardson and Dennis (2003) showed that competitive advantage based on cost-leadership and differentiation was best for niche segments in UK wine industry; Spanos, Zaralis and Lioukas (2004) found the same approach was preferable in Greek manufacturing sector. The construct of competitive advantage was conceptualized as a mediating variable in the current study where indicators will be innovation, value chain integration and market leadership were adapted to measure competitive advantage.

## **II. Literature Review**

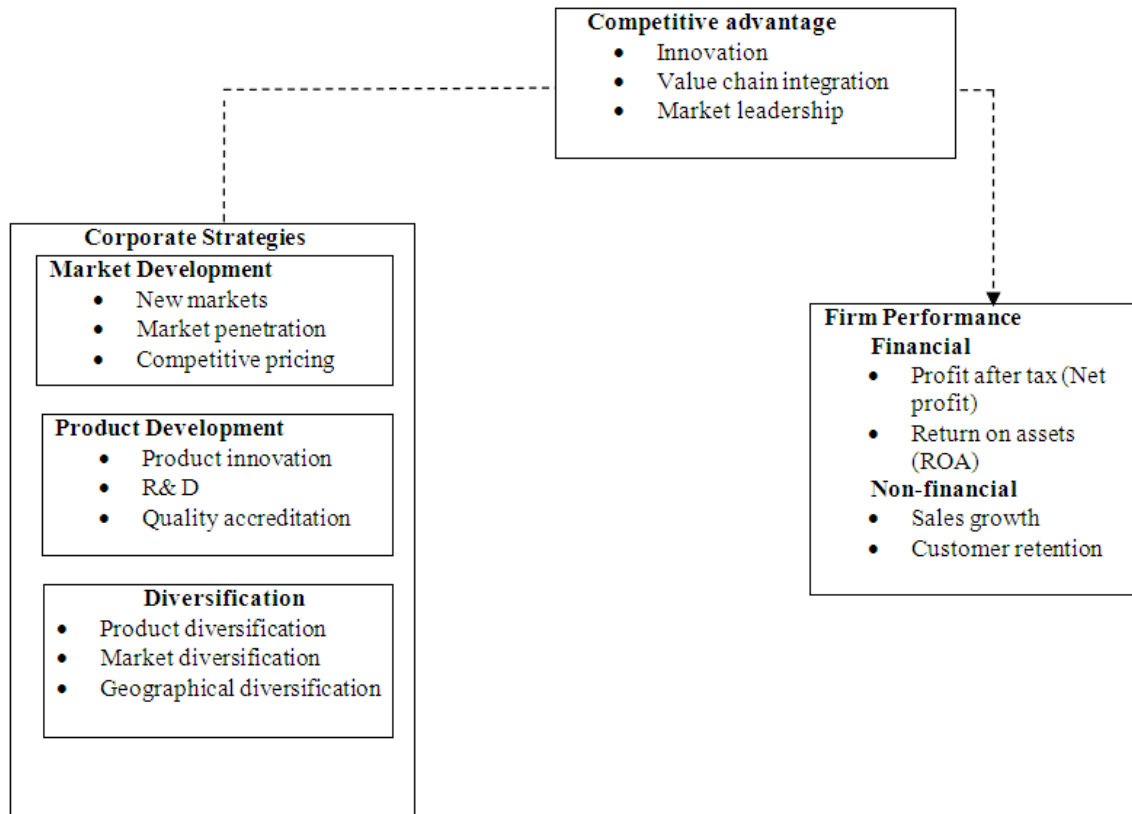
In this study, the theory of Resource-Based View (RBV) was adopted to describe the role of competitive advantage on firm performance. Several propositions of firm competitive advantage have been advanced by several authors depending on the theory adopted. The RBV theory postulates that firm resources and capabilities are key source of sustained competitive advantage (Collins & Montgomery, 1997). According to Eisenhardt and Martin (2000) uniqueness of firm resources and capabilities might sustain competitive advantage when competitors in the industry cannot acquire the same resources through imitation or substitution. The theory posits that superior organizational performance may result from achieving and sustaining competitive approaches to proactively influence and control the industry and market environment to the advantage of the organization.

Empirical studies have been conducted to examine the effect of different aspects of competitive advantage. Nybakk and Jenssen (2012) found that innovation enhanced performance in Norwegian manufacturing firms. Ong and Ismail (2012) showed that competitive advantage significantly affected relationship between strategy and performance of SMEs in Malaysia. The study findings indicated that differentiation had more significant positive impact on performance than low cost. Enida, Vasilika, and Amali (2015) studied the relationship that exist between focus, cost leadership and differentiation strategies and firm performance and concluded that a positive relationship exists among the variables in Albanian construction industry.

Kinyuira (2014) evaluated the effect of competitive advantage on firm strategies and performance on SACCOs in Murang'a County, Kenya and established that cost leadership had positive effect on performance. Arasa and Gathinji (2014) showed that differentiation and low-cost leadership are the most commonly used approaches to gain competitive advantage in mobile telecommunications in Kenya. Abdul and Jasmani (2009) showed firms with differentiation had better performance than their competitors among SME export manufacturing firms in Malaysia.

## **III. Conceptual Framework for the Study**

The conceptual framework for measuring the effect of competitive advantage on relationship between corporate strategies and firm performance is developed from the study theoretical and empirical reviews. The study conceptualizes that corporate strategies effect on firm performance is mediated by competitive advantage. The variable of competitive advantage is indicated by innovation, value chain integration and market leadership.



**Figure 1:** A Model showing Competitive Advantage mediating effect on the relationship between Corporate Strategies and Performance of Manufacturing Firms

Based on figure 1 the following hypothesis was developed:

H<sub>01</sub>: Competitive advantage has no significant mediating effect on the relationship between corporate strategies and performance of manufacturing firms in Nairobi City County, Kenya.

#### IV. Methodology

The study adopted both descriptive and explanatory survey design as recommended by Sekaran and Bougie (2009). The descriptive and explanatory survey designs enable studies to test hypotheses quantitatively (Njuguna, Munywoki & Kibera, 2014). Additionally, the use of more than one research design was meant to triangulate research findings raising validity of the results as recommended by Saunders, Lewis and Thornhill (2009). The descriptive design helped the researcher to capture the characteristics of the population and study variables in their natural situation (Cooper & Schindler, 2003; Burns & Grove, 2007). Explanatory design was used to explain relationships between variables (Kothari, 2004).

According to Mugenda and Mugenda (2003) explanatory study is conducted in order to test hypothesis on why certain situation is occurring. This design helped the researcher to test study hypotheses. Zikmund (2003) explained that survey approach in research provides quick and accurate method of accessing study data, helping the researcher to establish whether there is significant relationship between variables within target population at specific point in time.

In testing whether competitive advantage mediates the independent variable and the dependent variable, four-step models as Baron and Kenny (1986) recommends were estimated and the coefficients to be tested for significance at each step.

Step 1: Regression analysis with CS predicting Y

$$Y = \beta_0 + \beta_4 CS + \epsilon \dots\dots\dots (1)$$

Step 2: Regression analysis with CS predicting CA

$$CA = \beta_0 + \beta_4 CS + \epsilon \dots\dots\dots (2)$$

Step 3: Regression analysis with CA predicting Y

$$Y = \beta_0 + \beta_7 CA + \epsilon \dots\dots\dots (3)$$

Step 4: Regression analysis with CS and CA predicting Y

$$Y = \beta_0 + \beta_4 CS + \beta_7 CA + \epsilon \dots\dots\dots (4)$$

Where;

Y = Firm performance

CS = Composite index for market development, product development and diversification

CA =Competitive advantage

$\beta_0$ = Constant

$\beta_4$ and  $\beta_7$ = Beta coefficients

If one or more relationships in steps 1 to 3 are non-significant, then a conclusion of non-mediation is made (Baron & Kenny, 1986). In case of significant relationships form step 1 through 3, then one proceeds to step 4 where mediation is supported when the effect of CS remains significant after controlling for CA. If the CA is not significant when CS is controlled, there is full mediation; and if both CS and CA significantly predict Y, there is partial mediation. The mediation decision-making criteria are summarized in Table 1.

**Table 1: Mediation Decision Making Criteria**

	Outcomes	Conclusions
1	If $\beta_1$ is significant in model 2	Complete Mediation
	If $\beta_1$ is significant in model 3	
	If $\beta_1$ is not significant and $\beta_2$ is significant in model 4	
2	If $\beta_1$ is significant in model 1	Partial Mediation
	If $\beta_1$ is significant in model 3	
	If $\beta_1$ in model 2 is significant but $\beta_1$ not significant in model 3 and $\beta_2$ is significant in model 4	
3	If $\beta_1$ is not significant in model 2	No Mediation
	If $\beta_1$ is not significant in model 3	
	If $\beta_1$ in model 2 is significant and equal to $\beta_1$ in model 3 and $\beta_2$ is not significant in model 4	

Source: Baron and Kenny (1986)

The study targeted 373 manufacturing firms based in Nairobi City County, Kenya categorised as large by the Kenya Association of Manufacturers. Out of the target population, a sample size of 189 firms was obtained through multi-stage sampling method. Further, proportionate stratified sampling was done defined by sub- sector, and then a simple random sampling to select specific firms to participate in the study with chief executive officers/managing directors and directors were the participants. One hundred and forty eight questionnaires were received back which translated to a response rate of 78.30%. Data were analyzed using descriptive statistics, simple and step-wise regression analysis.

## V. Results and Discussion

The validity and reliability of the study measurements were assessed before survey data was analysed. The instrument was subjected to a panel of experts to determine the content validity. Confirmatory factor analysis (CFA) was used to investigate construct validity of the instrument as recommended by Patton (2002). The research instrument had adequate construct validity since all the items had Eigen values greater than 1.0 and loadings greater than 0.4 as recommended by Rahim and Magner (2005). A pilot study using 20 respondents who were part of the study population was done to test for reliability of research instrument. Cronbach's Alpha for the variable was found to be above 0.7 threshold, as recommended by Sekaran and Bougie (2009).

### 5.1 descriptive analysis

**Table 1: Summary of Competitive Advantage**

Component	Mean	Standard Deviation
Innovation	3.63	1.17
Value chain integration	3.50	1.25
Market leadership	3.52	1.17
<b>Aggregate</b>	<b>3.55</b>	<b>1.20</b>

Source: Survey data (2018)

Results illustrated in Table 4.8 show that on average the characteristics of innovation had the biggest impact on the firms' external operating environment at a mean of 3.63 and standard deviation of 1.17. This was followed by market leadership at a mean of 3.52 and a standard deviation 1.17, while the value chain integration had the least impact with a mean of 3.50 and standard deviation of 1.25. On aggregate, the mean score of competitive advantage round off to 4 on the five point likert scale used in the study implying that the respondents agreed that competitive advantage affects the relationship between corporate strategies and firm performance. These findings were consistent with studies by Nybakk and Jenssen (2012) who established that

Norwegian manufacturing firms gained competitive advantage through innovation. The findings agreed with a study by Enida, Vasilika, and Amali (2015) which revealed that manufacturing firms adopted market leadership in order to gain competitive advantage in Albanian construction industry. The findings are also consistent with Arasa and Gathinji (2014) who showed that market leadership is one of the most commonly used approaches by firms to gain competitive advantage in Kenya.

### 5.2 diagnostic tests

The Keiser-Meyer-Olkin (KMO) for sample adequacy was done, which obtained values greater than 0.5 as recommended by Malhotra and Dash (2011). Communalities and Eigen values were used in Confirmatory factor analysis to test for variable correlations, obtaining values that exceeded 0.4 meaning that no variables were highly correlated as recommended by Rahim and Magna (2005). The study found that all variables met normality threshold of values between -0.1 and + 0.1 using Shapiro–Wilk test as recommended by Myoung (2008). The Pearson’s correlation coefficients for all the independent variables were positive indicating positive linear relationship between individual independent variables and the dependent variable as recommended by Field (2009). Tolerance values for all variables were above 0.10 and VIF values of below 10 indicating that there was no multicollinearity as recommended by Field (2009). The test of homogeneity by use of Levene’s test of homogeneity revealed the p-values for the three predictor variables were greater than the level of significance at .05 implying no homoscedasticity as recommended by Warner (2008).

### 5.3 hypothesis testing

The hypothesis that was tested stated that competitive advantage has no significant effect on the relationship between corporate strategies and performance of manufacturing firms in Nairobi City County, Kenya. The hypothesis was tested using four-step models to test for mediation as recommended by Baron and Kenny (1986). The regression results are presented in Tables 2, 3, 4 and 5.

#### Step One: Corporate strategies and performance of Manufacturing Firms in Nairobi City County, Kenya

The first step entailed establishing a regression model linking corporate strategies to performance of the manufacturing firms. The results for the summary of the model are shown in Table 2 (a).

**Table 2 (a): Model Summary for Corporate Strategies and Performance**

R	R Square	Adjusted R Square	Std. Error of the Estimate
.687	0.472	0.468	0.26582
Predictors: (Constant), Corporate Strategy			

Source: Survey data (2018)

The findings in Table 2(a) indicated an adjusted R square value of 0.468 which implies that corporate strategies had high explanatory power on firm performance since 46.8% of the firm performance was explained by corporate strategies.

**Table 2 (b) : ANOVA for Corporate Strategies and Performance**

	Sum of Squares	df	Mean Square	F	Sig.
Regression	9.209	1	9.209	130.324	.000
Residual	10.317	146	0.071		
Total	19.526	147			
Dependent Variable: Performance of Manufacturing Firms					
Predictors: (Constant), Corporate Strategy					

Source: Survey data (2018)

The findings in Table 2 (b) reveal an Fstatistic = 130.324 which is significant at 5% level of significance (Sig = 0.000). The findings imply that the model lining corporate strategies to performance of manufacturing firms was significantly fit. The findings for model coefficients are shown in Table 2 (c).

**Table 2 (c): Model Coefficients for Corporate Strategies and Performance**

	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
(Constant)	2.455	0.092			26.587	0.000
Corporate Strategy	0.021	0.002	0.687		11.416	0.000
Dependent Variable: Firm Performance						

Source: Survey data (2018)

$$\text{Performance of Manufacturing Firms} = 2.455 + 0.021 (\text{Corporate Strategies})$$

The findings in Table 2 (c) reveal that the effect of corporate strategies on performance of the manufacturing firms was positive and significant (Beta = 0.021, Sig = 0.000). The findings imply that an

increase in corporate strategies by one unit leads to an increase in performance of the manufacturing firms by 0.021 units. The findings are consistent with Enida, Vasilika, and Amali (2015) who established that effect of corporate strategies on performance was positive and significant.

**Step Two: Corporate Strategies and Competitive Advantage**

The study established the relationship between corporate strategies and competitive advantage as shown in Table 3 (a).

**Table 3 (a): Model Summary for Corporate Strategies and Competitive Advantage**

R	R Square	Adjusted R Square	Std. Error of the Estimate
.457	0.209	0.204	0.24697
Predictors: (Constant), Corporate Strategies			

Source: Survey data (2018)

The findings in Table 3 (a) indicated an adjusted R square value of 0.204 which implies that corporate strategy had a high explanatory power on competitive advantage since 20.4% of the competitive advantage was explained by corporate strategy.

**Table 3 (b): ANOVA for Corporate Strategies and Competitive Advantage**

	Sum of Squares	df	Mean Square	F	Sig.
Regression	2.353	1	2.353	38.579	.000
Residual	8.905	146	0.061		
Total	11.258	147			
Dependent Variable: Competitive Advantage					
Predictors: (Constant), Corporate Strategy					

Source: Survey data (2018)

The results in Table 3 (b) reveal an F statistic = 38.579 which is significant at 5% level of significance (Sig = 0.000). The findings imply that the model linking corporate strategies to competitive advantage of manufacturing firms was significant. This implies that corporate strategies affect competitive advantage of manufacturing firms significantly.

**Table 3 (c): Model Coefficients for Corporate Strategies and Competitive Advantage**

	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	
(Constant)	2.923	0.086		34.074	0.000
Corporate Strategy	0.011	0.002	0.457	6.211	0.000
<b>Dependent Variable: Competitive Advantage</b>					

Source: Survey data (2018)

$$\text{Competitive Advantage} = 2.923 + 0.011 (\text{Corporate Strategies})$$

The findings in Table 3 (c) reveal that the effect of corporate strategies on competitive advantage was positive and significant (Beta = 0.011, Sig = 0.000). The findings imply corporate strategies improve competitive advantage of manufacturing firms significantly. The findings agreed with findings by Ong and Ismail (2012) which established a positive relationship between corporate strategies and competitive advantage of SMEs in Malaysia

**Step Three: Competitive Advantage and Performance of Manufacturing Firms**

The third step entailed establishing the effect of competitive advantage on performance of the manufacturing firms in Nairobi City County, Kenya. The summary findings for the model are shown in Table 4 (a).

**Table 4 (a): Model Summary for Competitive Advantage and Performance**

R	R Square	Adjusted R Square	Std. Error of the Estimate
.534	0.285	0.281	0.30912
Predictors: (Constant), Competitive Advantage			

Source: Survey data (2018)

The findings in Table 4 (a) indicated an adjusted R square value of 0.281 which implies that competitive advantage had a high explanatory power on firm performance since competitive advantage explains up to 28.1% of the firm performance of manufacturing firms.

**Table 4 (b): ANOVA for Competitive Advantage and Performance**

	Sum of Squares	df	Mean Square	F	Sig.
Regression	5.574	1	5.574	58.334	.000
Residual	13.951	146	0.096		

Total	19.526	147		
Dependent Variable: Performance of Manufacturing Firms				
Predictors: (Constant), Competitive Advantage				

Source: Survey data (2018)

The results on the analysis of variance summary reveal an F-statistic value = 58.334 which is significant at 5% level of significance (Sig = 0.000). The findings imply that the model linking competitive advantage to performance of manufacturing firms was significant. The findings for model coefficients are presented in Table 4 (c).

**Table 4 (c) : Model Coefficients for Competitive Advantage and Performance**

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.058	0.318		3.327	0.001
Competitive Advantage	0.704	0.092	0.534	7.638	0.000
Dependent Variable: Performance of Manufacturing Firms					

Source: Survey data (2018)

$$\text{Performance of Manufacturing Firms} = 1.058 + 0.704 (\text{Competitive Advantage})$$

The findings in Table 4 (c) reveal that the effect of competitive advantage on performance of manufacturing firms was positive and significant (Beta = 0.704, Sig = 0.000) since the significance value was less than 0.05. The findings imply that the performance of the manufacturing firms is significantly determined by the competitive advantage of innovation, value chain integration and market leadership. The findings corroborated findings of study by Arasa and Gathinji (2014) which indicated a positive and significant effect of competitive advantage on performance of mobile telecommunications firms in Kenya.

**Step Four: Competitive Advantage, Corporate strategies and performance of manufacturing firms**

The study lastly established the effect of both competitive advantage and corporate strategies on performance of the manufacturing firms. The summary findings of the model are shown in Table 5 (a)

**Table 5 (a): Model Summary for Competitive Advantage, Corporate Strategies and Performance**

R	R Square	Adjusted R Square	Std. Error of the Estimate
.730	0.533	0.527	0.25077
Predictors: (Constant), Corporate Strategy, Competitive Advantage			

Source: Survey data (2018)

The findings in Table 5 (a) indicated an adjusted R square value of 0.527 which implies that corporate strategies and competitive advantage have a high explanatory power of the performance of manufacturing firms, explaining up to 52.7% of the variation in performance of manufacturing firms in Nairobi City County, Kenya. The findings for the ANOVA (Model Fitness) are shown in Table 5 (b).

**Table 5 (b): ANOVA for Competitive Advantage, Corporate Strategies and Performance**

	Sum of Squares	df	Mean Square	F	Sig.
Regression	10.407	2	5.204	82.75	.000
Residual	9.118	145	0.063		
Total	19.526	147			
Dependent Variable: Firm Performance					
Predictors: (Constant), Corporate Strategy, Competitive Advantage					

Source: Survey data (2018)

The results on the analysis of variance summary reveal an F-statistic value = 82.75 which is significant at 5% level of significance (Sig = 0.000). The findings imply that the model linking competitive advantage and corporate strategies to performance of manufacturing firms was significant. The findings for model coefficients are shown in Table 5 (c).

**Table 5 (c): Model Coefficients for Competitive Advantage, Corporate Strategies and Performance**

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.382	0.261		5.305	0.000
Competitive Advantage	0.367	0.084	0.279	4.366	0.000
Corporate Strategies	0.017	0.002	0.559	8.767	0.000
Dependent Variable: Performance of Manufacturing Firms					

Source: Survey data (2018)

Performance of Manufacturing Firms = 1.382 + 0.367 (Competitive Advantage) + 0.017 (Corporate Strategies)  
 The findings in Table 5 (c) show that the effect competitive advantage on performance of manufacturing firms was positive and significant (Beta = 0.367, Sig = 0.000). Similarly, corporate strategies had positive and significant effect on performance of the manufacturing firms (Beta = 0.017, Sig = 0.000). This implies that a unit increase in corporate strategies, given competitive advantage, leads to a 0.017units increase in performance of the manufacturing firms. The findings agree with Enida, Vasilika, and Amali (2015) study that found a positive relationship between corporate strategies and firm performance.

As summarized in Table 6, all the steps had a significant relationship and therefore it can be concluded that competitive advantage had a mediating effect on the relationship between corporate strategies and firm performance (Baron & Kenny, 1986). The findings corroborated Ong and Ismail (2012) who found that competitive advantage significantly mediated how firm strategies affected performance of SMEs in Malaysia. The criterion used to make decision on mediation is shown in table 6

**Table 6: Summary of Mediation Results**

Analysis	R	R <sup>2</sup>	Beta	P-Value	Significance
Step1 : Corporate Strategies and Performance	.687	0.472	0.021	0.000	Significant
Step 2 : Corporate Strategies and Competitive Advantage	.457	0.209	0.011	0.000	Significant
Step 3 : Competitive Advantage and Performance	.534	0.285	0.704	0.000	Significant
Step 4 : Corporate Strategies, Competitive Advantage and Performance	.730	0.533	0.017	0.000	Significant
			0.367	0.000	Significant

Source: Survey data (2018)

## VI. Conclusion

Influence of competitive advantage on effect of corporate strategies on performance was shown to be significant. This emphasizes the need for firms to acquire competitive advantage among competitors in the industry before executing their corporate strategies. At the same time the results indicate that innovation, value chain integration and market leadership are key determinants of firm's competitive advantage. The findings demonstrated that competitive advantage significantly mediated the relationship between corporate strategies and performance of manufacturing firms leading to a conclusion that effectiveness of corporate strategies to performance of manufacturing firms is influenced by their competitive advantage. The study recommends that corporate level managers of the manufacturing firms use technological and production innovation in developing products with unique features from competitors to acquire and maintain distinct product image in the market.

The study also recommends that the manufacturing firms' policy makers embrace value chain integration by owning and controlling the raw materials and having effective and efficient processes that lower production costs. Further, the firms should develop and control distribution outlets of products as well as transportation networks to mitigate incurred high products distribution cost. Its further recommends that the firms should design and implement market leadership approaches that enhance strong brand and corporate reputation than competitors and superior product image towards market dominance.

The study contributes to the theoretical literature by supporting the proposition of the Resource Based View of the Firm that the resource value and core competencies of the firm can be used to determine the corporate grand strategy that provides competitive advantage enhancing performance of the firm. The study empirically established that just like the proposition of the theory, superior firm performance results from uniqueness of the firm competencies in the industry. Therefore, the study findings provide empirical literature to scholars that will form basis for the analyses of competitive advantage policies and strategies in the context of RBV.

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Alexander I. Wanjiru " The Mediating Effect of Competitive Advantage on the Relationship between Corporate Strategies and Performance of Manufacturing Firms in Nairobi City County, Kenya". *IOSR Journal of Business and Management (IOSR-JBM)*, Vol. 21, No. 4, 2019, pp. -07-15