

Competitive Strategies and Financial Performance of Beverage Companies in Uganda: A Case of Coca Cola Company, Northern Uganda

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Background: The study examined the effects of competitive strategies on the financial performance of Coca Cola Company Limited in Northern Uganda. The study assessed the effects of product differentiation strategy; cost leadership strategy and market focus on the financial performance of Coca Cola Company Limited in northern Uganda.

Methods: The study used a cross sectional survey as a research design to investigate the characteristics of the population as expressed in a particular point in time. This design was suitable for the data that are quantitative in nature to enable the researcher collect numerical data with self-administered questionnaires. The study was carried out in Coca Cola Company branches in the districts of Apac, Lira City, Lira District, Oyam, Pader, Agago, Gulu City, Kitgum, Dokolo, Alebtong, Kole, Kwania, Nwoya, Amuru, Amolatar and Otuke. The target population was 176 participants that was composed of managers, accountants, cashiers, stores officers and sale representatives. Because the target population was homogenous, a stratified random sampling technique, purposive sampling and simple random sampling were used. The size of the study population was determined by the researcher using Krejcie and Morgan. The primary data was collected from the respondents using a 5-likert type scale questionnaire. The effects of competitive strategies on financial performance was analyzed using regression model.

Findings: There were significant effects of some of the measures of competitive strategies dimension constructs of (cost leadership) on the financial performance of coca cola. The construct of cost leadership was significant at 1% level of confidence while the constructs of market focus strategy on financial performance of coca cola company yielded a regression positive coefficient of 0.1223 with a positive p-value of 0.1212. The results answer the research question about the effects of market focus strategy on financial performance of coca cola company and differentiation strategies had a positive p-value of 0.5533 and a coefficient of 0.0418 which had insignificant effect on the financial performance of coca cola. However, some of the measures used to assess differentiation and market focus strategies had significant effects on financial performance of coca cola company.

Conclusion: The study concluded that other measures like; possession of competitive resources and product uniqueness are important in enhancing ROI of coca cola company limited, efficiency of processes, sources of raw material and cost saving for customers are good in enhancing ROE and that focus on specific classes of customers, focus on specific market are important in enhancing the profitability of coca cola company limited.

Recommendations: The study therefore recommended that management of coca cola should invest more on the cost leadership strategy since the findings indicated that, the strategy had significant effects on financial performance of coca cola company limited. The study also recommended that management of coca cola should do market analysis so as to deliver market products according to the needs of the customers. This will avoid supplying products to certain areas that are not the preference of customers in those areas.

Keywords: *Competitive Strategy, Performance, and Financial Performance*