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Purpose: To assess the Influence of strategic positioning indicators namely customer orientation and competitor awareness on firm performance in the bottled water Industry, with sector standards as a moderating variable.

Design/Method/Approach: This study adopted a quantitative methodology and cross-sectional explanatory study design of which a sample of 424 licensed bottled water firms were randomly selected. Structured questionnaires were distributed to the managers and a factor analysis was used to reduce the number of variables and establish the underlying constructs, while the analysis of moments of structures was applied to develop theory.

Findings: It was found that there exists a positive and significant relationship among consumer orientation and competitor awareness on firm performance. The moderating effect of water sector standards on consumer orientation and firm performance was found to be statistically significant and operates fully or in part as a mediating variable in predicting the influence of competitor awareness on firm performance.

Theoretical Implication: This study concluded that to enhance firms' performance measured in terms of growth, there is need to manage and sustain consumers' needs based on gender and age preferences, buying behavior as well as conducting market analysis and have internal capability to retaliate.

Originality/Value: This study will not only add value to the existing body of knowledge in strategic management, but will also address the application of strategic position to improve firm performance.

Research Limitations/Future Research: Since the study was quantitative, there was risk of omitted variable and nonresponse bias, limited access to performance data and lack of previous research on the subject. Future research should extend to other categories of firms which have diverse decision processes and purchase intentions amongst consumers.

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Орієнтація на споживача і поінформованість конкурентів про результати діяльності фірм в галузі виробництва бутильованої води

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Мета роботи: Оцінка впливу показників стратегічного позиціонування, а саме орієнтації на клієнта і обізнаності про конкурентів, на результати діяльності компаній в галузі бутильованої води, з використанням галузевих стандартів як регулюючої змінної.

Дизайн/Метод/Підхід дослідження: У цьому дослідженні була використана кількісна методологія і крос-секційний пояснювальний дизайн, з якого випадковим чином було відібрано вибірку з 424 ліцензованих компаній з виробництва бутильованої води. Структуровані анкети були поширені серед менеджерів, і для зменшення кількості змінних і встановлення базових конструкцій використовувався факторний аналіз, в той час як аналіз моментів структур застосовувався для розробки теорії.

Результати дослідження: Було виявлено, що існує позитивний і значущий взаємозв'язок між орієнтацією на споживача і обізнаністю конкурентів про результати діяльності компанії. Було встановлено, що регулюючий вплив стандартів водного сектора на орієнтацію на споживача і результати діяльності фірм є статистично значущим і діє повністю або частково як посередницька змінна при прогнозуванні впливу обізнаності конкурентів щодо результатів діяльності фірм.

Теоретична цінність дослідження: У цьому дослідженні зроблений висновок про те, що для підвищення ефективності компаній з точки зору зростання необхідно управляти і підтримувати потреби споживачів на основі гендерних і вікових переваг, купівельної поведінки, а також проводити аналіз ринку і мати внутрішні можливості для заходів у відповідь на дії конкурентів.

Оригінальність/цінність дослідження: Це дослідження не тільки підвищить цінність існуючої сукупності знань в області стратегічного управління, але також розглядає питання про застосування стратегічної позиції для поліпшення результатів діяльності фірми.

Обмеження дослідження / Майбутні дослідження: Оскільки дослідження було кількісним, існував ризик помилки в обліку змінних і неотримання відповідей, обмежений доступ до даних про продуктивність і відсутність попередніх досліджень з цього питання. Подальші дослідження слід поширити на інші категорії фірм, у яких різні процеси прийняття рішень і купівельні наміри серед споживачів.

Тип статті: Емпірична

Ключові слова: аналіз ринку, галузеві стандарти, стратегічне позиціонування.

1. Introduction

According to sustainable development goal number six, clean and accessible water for all is essential. World Health Organization *(WHO, 2018)* reported that the safety and accessibility of drinking-water are major concerns throughout the world with only 40 % of Kenyans accessing to safe clean drinking water in 2005. To ensure that water is safe for human consumption, it is often filtered and treated at a cost to meet the set international (WHO, FDA, CODEX) and national (KEBS) regulations for acceptance into the market. Due to the minimal barrier of entry to the bottled water industry, there is cut throat competition among firms to enhance their market position majorly in price, leadership, location, marketing and distribution. Therefore, firms need to understand their strengths to remain afloat as they cope with set standards. Nevertheless, according to *KEBS (2019)* there were 157 water firms in Kenya carrying out operations having no certification to confirm the quality of water sold hence compromising the safety of bottled drinking water *(WASREB, 2008)*.

According to *Sair et. al. (2014)*, timely executed firm positioning can help build a powerful brand image in customers' minds. However, in case the positioning fails to resonate, due to changes in customer preferences, new market entrants or structural changes in the target market, a company may opt to reposition. This involves a deliberate attempt to change a customer's view of a product or brand. Repositioning a business is more than a marketing challenge as it involves decisions on how markets shift and competitors react to these changes. Initially, strategic positioning was used to describe how different firms configured their products, price, place, and promotion to attract customers in specific market segments in order to achieve market dominance and make superior profit margins *(Bergkvist, & Bech-Larsen, 2010)*. Since bottled water will continue to do well in the global market as a substitute to carbonated soft drinks, gains in the bottled water market will also come from flavored varieties and convenient package formats. The major challenge for most bottled water companies will be product innovation and differentiation *(Kusi, Agbeblewu, & Nyarku, 2015)*. Under increasing competitive pressure, firms seek strategies to differentiate themselves and their products in order to achieve distinction from their competitors. Consequently, establishments need to scan continuously their external and internal environments for threats and opportunities, and then develop requisite skills to enhance their strategic vision. According to *Jia (2015)*, every business should analyze its resources and capabilities to ascertain its competitive advantages and make choices selectively, determine the enterprise boundary and work out its own strategic positioning. *Charlotte (2013)*, *Sanjay (2014)* and *Shah, Gao, & Mittal (2015)* noted that with the rise of domestic consumption, the popularization of products, sophistication of people's consumption priorities and the role of branding were increasingly significant in product differentiation. *Hlatshwayo (2015)* found that there was a greater need for brand positioning in small and macro enterprises as a marketing framework in growing and sustaining business-to-consumer. The minimum requirement for the target market brands should be strongly associated with the local brand market leader which, in most cases, is technologically sophisticated, trusted, and prestigious *(Mentz, Strydom, & Rudansky-kloppers, 2012)*.

In Kenya, firms compete for several strategic positioning approaches including consumers' involvement in their daily operations and customers' willingness to deal with the technical complexities that arise in their quest for service *(Onguko, & Ragui, 2014)*. They established that well positioned firms were perceived to be closely aligned to the needs of both current and emerging target markets. The effect of positioning strategies on performance was found to lead to improvement in consumer brand loyalty, customer satisfaction, market share and eventually growth in profitability. Thus, there is need to assess the influence of consumer orientation and competitor awareness on firm performance.

2. Theoretical background

2.1. Theoretical literature

Stake holder theory was adopted to explain the influence of consumer orientation on firm performance. According to this theory, as stake holders contribute to the organization, they expect their interests to be met *(Wagner Mainardes, Alves, & Raposo, 2011)*. Subsequently, *Harrison, & Wicks (2013)* emphasized on the need for shareholders to maximize their return on investment as they weigh the effectiveness of their investments, while consumers' satisfaction is enhanced by their perception. In this study, consumers are portrayed as the major stakeholders in the bottled water industry. The purpose of firms is to satisfy the consumer of which without them they cannot survive. Since consumers may choose to take business to a competitor, it is essential that firms continue to innovate, offer up to date products and find value for money *(Zachariev, 2002; Reddy & Reddy, 2014)*. Therefore, understanding consumers' expectations and delivering quality products bodes well in building a loyal customer base *(Ramya & Ali, 2016)*.

According to *Porte (2008)*, market competition goes beyond the initial players to potential entrants, rivalry by substitutes and suppliers grounded on underlying economic structures. Firms with similar products and services aimed at the same customer group will always be in competition. The extent of rivalry in industries is observed where competitors of an equal size try to dominate each other and in less rivalry industries, there may be one or two dominant firms with smaller firms focusing on niches to avoid attention. In times of strong growth, a firm may develop with the market whilst a decline in growth comes at the expense of competitors. Low growth is identified with low profitability and low price competition thus firms should focus on both short term and long term factors that affect competition by examining the firms' strategic decisions, conducting market intelligence and competitive analysis *(Gebhardt, Farrelly, & Conduit, 2019)*. Hence, in this study, Industry analysis and competition theory were applied to explain the influence of competitor awareness on firm performance in that, by understanding the competitive forces, a firm can among others: highlight its critical weakness and strengths, identify its position in the industry, animate extents where strategic adjustment is beneficial and help in forecasting threats and opportunities.

In this study, the influence of sector standards was anchored on Agency Theory. To manage the conflict arising from the interest of firms, sector standards are inevitable *(Mohammed, 2013)*. Whereas firms seek to maximize their return on investment, the state is charged with the duty of making sure that the infrastructure care is well maintained, public safety is guaranteed and the legislative body of government is responsible for the formulation of laws. The state also takes care of public goods which are non-rivalrous and non-excludable. In this study, agency problems will arise as the state attempts to set standards for firms *(Panda, & Leepsa, 2017)*.

2.2. Empirical literature

Azigwe et al (2016) found that business competitive environment becomes increasingly fierce, industry players need to nurture and keep loyal customers who contribute to their profitability and long-term growth. *Belás & Gabčová (2016)* and *Khadka, & Maharjan (2017)* found that customers were the link to business success and organizations should focus on consumer satisfaction and loyalty. Their findings further revealed that the service level of a firm can be marked as positive when consumers are satisfied with the service. However, improvement on service regarding a feedback system, staff training as well as a regular advertising campaign attract new consumers and also inform existing customers *(Mwai et al, 2017; Zhang, 2017)*. *Coltman,*

Devinney, & Midgley (2019) examined the impact of customer relationship management (CRM) on firm performance using a hierarchical construct model. Using the resource-based view (RBV) of the firm, they revealed a positive and significant path between superior CRM capability and firm performance. This study therefore hypothesized that there is a relationship between consumer orientation and firm performance in the bottled water industry in Kenya.

Agha, Atwa, & Kiwan (2015) investigated the impact of strategic intelligence and its dimensions namely: foresight, visioning, and motivation in explaining the influence of competitor awareness on firm performance. They examined the mediating role of strategic flexibility on marketing and competitiveness in firms and concluded that there was a significant positive relationship between strategic intelligence and flexibility on firm performance. These results were in agreement with *Levine, Bernard, & Nagel (2017)*. According to *Anwar, Shah, & Hasnu (2016)*, the relationship of strategy-performance linkages is central in strategic management and competitor awareness as they positively impact firms' performance. It is in light of these findings that this study hypothesized that there exists a relationship between competitor awareness and firm performance in the bottled water firms.

Siami-Namini (2015) reported that free market is guided by an invisible hand and fewer sector standards could be efficient. The study further advanced Adam Smith's thought on sector standards in the economy but disagreed with all disturbing factors that destroyed the equilibrium in a free market. With too many sector standards in a free market, consumers expect to see many monopolies in the economy. *Eniola, & Entebang (2015)* found that the evolution of small and medium enterprises was mostly bounded by the existence of laws, ordinances, and rules and had a major impact on competitiveness. *Patel, & Chaikof (2016)* reported that sector standards highly controlled by the government had effectively improved innovation performance. Strong government intervention led to the concentration of resources in selected sectors to relevant players. Whereas, industry innovation in Hong Kong was mostly self-financed and less directed by the government, it was established that the government was the main determinant for innovation capacity although its role and degree of involvement in innovation was debatable *(Wang, Yang, & Xue, 2017)*. Sector standards were also vital in supporting R&D and innovation as the market alone did not provide adequate incentives. The degree of intervention, however, varied in different economies and ranged from directive intervention (actively advising industrial policy and investing in selected areas) to facilitative intervention which entailed creating positive environment and providing public goods for industry *(Peter, James, & Timothy, 2016)*. This study therefore hypothesized that sector standards have a moderating as well as mediating effect on the relationship between consumer orientation and competitor awareness respectively on firm performance in the bottled water industry in Kenya. *Selvam et.al. (2016)* gave a comprehensive subjective measurement model for the performance of firms, based on profitability, growth, market value performance of the firm, customer satisfaction, employee satisfaction, environmental audit performance, corporate governance performance and social performance. They found that these nine determinants cannot be used interchangeably since they represent different aspects of firm performance and different stakeholders of firms have different demands that need to be managed independently.

3. Research questions

The research questions the study sought to answer were:

a) How does consumer orientation influence firm performance in the bottled water industry in Kenya?

b) How does competitor awareness influence firm performance in the bottled water industry in Kenya?

c) How does water sector standards moderate the influence of consumer orientation on firm performance in the bottled water industry in Kenya?

d) How does water sector standards mediate the influence of competitor awareness on firm performance in the bottled water industry in Kenya?

4. Data and methods

This study adopted positivist research philosophy with a mono-method quantitative approach. An explanatory design was applied and the target population comprised all the 840 licensed and active bottled water manufacturing companies in Kenya in the year 2019. A simple random sampling procedure was used to obtain the sample and the sample size was computed using the finite population method *(Njiri et. al., 2021)*. The formula used was:

$$n_0 = \frac{z_{\alpha/2}(1-\pi)\pi}{\varepsilon^2} \qquad (1)$$

This study proposed a 95% confidence, and at least 5 percent plus or minus precision (ε). This resonated to Z values of 1.96 per the standard normal table. For maximum variability, the proportion π was taken as 0.5. Therefore, the sample size for this study was:

$$((1.96)^2 (0.5)(0.5))/(0.05)^2 = 385.$$

To factor in non-response, the sample size was inflated by 10% leading to 424. The variables of consumer orientation, competitor awareness, water sector standards and company performance were construed by indicators on a Likert scale, with not at all coded (1), small extent was coded (2), moderate extent (3), great extent (4) and very great extent was coded (5). Content validity and criterion related validity were ascertained and items of reliability were checked using the Cronbach alpha coefficient. Factor analysis was used to identify the latent factors that were inherent in the observed variables *(Berk, 2016)*. A principal component analysis was used to collapse a large number of items into fewer interpretable factors by extracting maximum variance. Similar items were combined to come up with constructs (sub-themes). The analysis of moments of structures was used to ascertain if the items in the survey lined up with the construct and to compare the measurement model with the structural model in order to build up a theory. The assumptions of multicollinearity, multivariate normality with no outliers and homoscedasticity were checked.

5. Results

Out of the 424 questionnaires distributed to the strategic managers of bottled water firms in Kenya, 345 were adequately completed representing 81.4% percent response rate. This response rate was deemed satisfactory as suggested by *Sekaran & Bougie (2016)* who recommends 75 percent as a rule of thumb for minimum responses. Since the data were on a Likert scale, the normality assumption was assumed to be observed. The multivariate outliers were examined using the Mahalanobis Distances at probability values of less than .001 to the right-tail of the chi-square distribution *(Dai, 2020)*. 58 cases reported the Mahalanobis distance of more than 90.57866 with the probability of less than 0.001, hence they were treated as outliers. Prior to running inferential analyses, the outliers were removed and 287 cases were retained. All the Variance Inflation Factors (VIF) were less than 10 and all tolerance was greater than 0.01, thus the assumption of multicollinearity was met as recommended by *Bruce (2021)*. To test for Homoscedasticity, a loess fit line was fitted to the residuals. The loess line was relatively straight as indicated in *Fig. 1*. Thus, the data did not violate the assumption of homoscedasticity *(Härdle, & Simar, 2015)*.
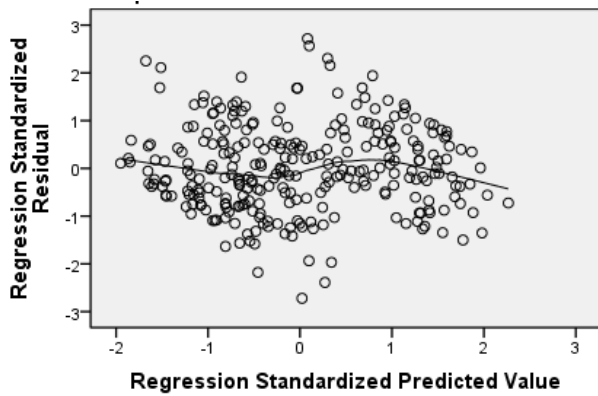
Figure 1: Scatter plot for standardized residuals and standardized predicted value

Source: developed by the author.

Another assumption of homoscedasticity is that the variance of any of the measured variables should not be more than 10 times greater than any other variable variance. In this study, all variables reported the variances of between 0.312 and 2.12, thus there was no extreme variance to be deleted.

Consumer orientation was measured using seven items on a 5-point Likert scale. The reported reliability for all the items was 0.799. The KMO results and Bartlett's test reported the Chi-square value of 920.553 with P less than 0.001. A principal component analysis retained five items namely: consumer needs, buying habits, preferences by age and consumers preferences by gender. The items removed were product customization, preference by income and rate of satisfaction. The explanatory power of the four items retained is presented in *Tab. 1* with constrained estimates, where the strongest loaded measurement was given a unit weight. Consumer buying habits had the highest explanatory power followed by consumer needs, then level of preferences by gender and finally consumer preferences influenced by age. All these items were significant with P values of less than 0.001.

Table 1: Regression weights for the measurement model for consumer orientation

	Estimate	S.E.	C.R.	P
Consumer needs	.952	.095	10.010	***
Buying habits	1.000			
Preference by age	.630	.098	6.457	***
Preference by gender	.636	.100	6.378	***

Source: completed by the author.

The principal component analysis extracted two subthemes that had Eigen values greater than 1.0. The two subthemes accounted for 34.497% and 31.269 of the variance respectively with a total variance of 65.766 %.

Competitor awareness was construed using ten, 5-point Likert scale items. The reported reliability for these items was 0.568 with KMO and Bartlett's test statistics reporting the Chi-square value of 2074.120 (0.858) with P less than 0.001. A factor analysis retained eight significant items as measures of competitor awareness. These items were market share, capacity to retaliate, internal capability, pricing strategies, market intelligence analysis, market coverage, meeting internal and external expectations. The items deleted were product differentiation and mentions in the media. The explanatory power of these eight items is presented in *Tab. 2* with unit constrained estimates. Capacity to retaliate reported the highest explanatory power followed by a market intelligence analysis, internal capability, market share and pricing strategies in that order. However, market coverage, internal and external expectations reported negative weights. Overall, all these items were significant of which their corresponding P values were all less than 0.001.

Table 2: Regression weights for items in the measurement model of competitor awareness

Items	Estimate	S.E.	C.R.	P	Label
Market share	.801	.054	14.778	***	Significant
Capacity to reiterate	1.000				
Internal capability	.976	.058	16.820	***	Significant
Pricing strategy	.759	.064	11.771	***	Significant
Market analysis	.982	.071	13.794	***	Significant
Market coverage	-.914	.085	-10.704	***	Significant
Internal expectation	-.988	.097	-10.206	***	Significant
External expectation	-.876	.089	-9.798	***	Significant

Source: completed by the author.

Two components had Eigenvalues greater than 1.0, hence two subthemes were extracted. The two subthemes accounted for 38.3 % and 30.3% of the variance respectively with a total variance of 68.663 %. On how often firms conduct a competitor analysis- 5.1% of the respondents reported monthly, 22.4% quarterly, 26% bi-annually and majority (40%) reported annually.

Water sector standards (the moderating variable) was measured using 13 items on a 5-point Likert scale. The reported reliability for the instruments was 0.739 with the KMO results and Bartlett's test reporting a Chi-square value of 1865.493 (0.786) with P less than 0.001. A principal component analysis was applied to extract communalities of which a threshold of 0.6 was set (*James et al 2013*). Eight items retained were tax relief standards, employment policies, standards on infrastructure-access, compliance, licenses and approvals by the ministry of industrialization, compliance and approvals by the county public health, compliance and clean bill from the National Environment Management Authority, employees' standards per trade unions and invitation of regulatory bodies for inspection. The explanatory power of these eight items are presented in *Tab. 3*. The item with the highest explanatory power with a unit constrained estimate was the invitation of regulatory bodies for inspection followed by compliance with the National Environment Management Authority. Tax relief had the third explanatory power, then employees attaining the trade unions standards, compliance with county public health, approvals by the ministry of industrialization, minimum wage employment policy and infrastructure access.

Table 3: Regression weights of items in the measurement model for water sector standards

	Estimate	S.E.	C.R.	P
Tax standards	.688	.083	8.259	***
Employment policy	.395	.074	5.357	***
Infrastructure access	-.054	.064	-.849	.396
Approvals by ministry	.465	.044	10.510	***
Approvals by Public Health	.517	.049	10.483	***
Compliance with NEMA	.822	.073	11.338	***
Trade union standards	.716	.085	8.380	***
Inspection by regulatory bodies	1.000			

Source: completed by the author.

Six items were significant and positively explained water sector standards, apart from infrastructure access which had a negative coefficient but not significant as reported in *Tab. 3*.

Company performance was construed using 20 items measured in a 5-point Likert scale. The reported reliability for these items was the Cronbach alpha value of 0.864 which surpassed the threshold value of 0.7. The KMO test statistic reported a value of 0.878 (Chi-square 2912.227) and the Bartlett's test results had P value of less than 0.001. Eleven items were retained from a factor analysis. The items retained were a satisfactory profit growth rate, sales growth, increase in the number of employees, returns from assets, returns from borrowed money, expansion in size, considerable improvement in quality, net operating profit after tax, total assets owned by the company, number of existing staff in the company and staff attrition. The nine items removed were sufficient capital, having more outlets, increase in customer acquisition, increase in market share, timely delivery of products, increase in suppliers, launch of new products, number of existing consumers and customer growth.

The explanatory power of the eleven items retained are presented in *Tab. 4* with unit constrained estimates, where the satisfactory profit growth rate reported the highest explanatory power. The increase in the number of employees reported the second highest explanatory power followed by the company expansion in size, then satisfied returns from borrowed money, returns from the assets invested, improved quality of the products, registered sales growth, number of staff who had left, number of existing staff in the company, net operating profit after tax and total assets owned by the company in that order. All these items were significant with P values less than 0.001 apart from net operating profit after tax and total assets owned by the company.

Table 4: Regression weights of items in the measurement model for company performance

	Estimate	S.E.	C.R.	P
Profit growth (CPF2)	1.000			
Sales growth (CPF3)	.827	.059	14.073	***
Increase in employees (CPF4)	.938	.062	15.135	***
Returns from asset (CPF6)	.860	.059	14.517	***
Returns from borrowed money (CPF7)	.864	.059	14.748	***
Expansion in size (CPF11)	.923	.061	15.145	***
Improved quality of the products (CPF12)	.882	.064	13.713	***
Net operating profit (CPF15)	.058	.045	1.286	.198
Total assets (CPF16)	.054	.053	1.031	.303
Number of staff (CPF17)	.321	.076	4.229	***
Number of staff who have left (CPF18)	.732	.088	8.332	***

Source: completed by the author.

In this study, the first null hypothesis (hypothesis one) was that there is no relationship between consumer orientation and firm performance in the bottled water industry in Kenya. To test this hypothesis, a structural model relating consumer orientation and firm performance was fitted as illustrated in *Fig. 2*. From *Tab. 5*, the probability of getting a critical ratio of 11.397 in absolute value for age (ccc4) as a measure on consumer orientation was less than 0.05. Thus the regression weight for age was significant (Beta = 1.005, CR = 11.397, P<0.05).
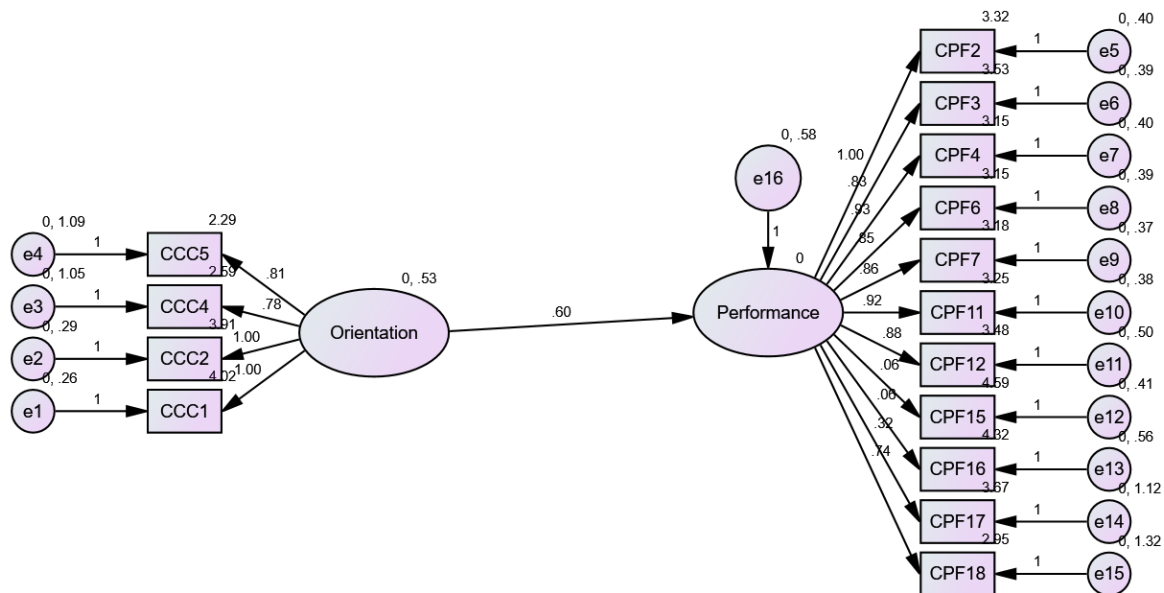
Figure 2: Structural model relating customer orientation and Firm Performance

Source: developed by the author.

Likewise, buying habits was less than 0.05. The regression weight for buying habits when predicting consumer orientation and consumer needs reported a significant relationship. The overall relationship between consumer orientation and firm performance was found to be significant (Beta = 0.601, P<0.05). The four indicators had 49.6% variation on consumer orientation. The marginal effect of consumer orientation was 0.601% implying that an increase in consumer orientation by 0.607 would improve firm performance by 1%.

From *Tab. 6*, the probability of getting a critical ratio of 14.337 in absolute value for sales growth was less than 0.05. Thus the regression weight of sales when predicting company performance was significant (Beta = 0.834, CR=14.337, P<0.05). Consequently,

the increase in the number of employees, return on assets, return on borrowed money, expansion in size, quality of products and

attrition rate registered positive and significant relationship. Net profit after tax and total company assets were not significant.

Table 5: Statistical test of the structural model for consumer orientation

Construct	Item	Structure Models				
		Coefficient factor (Standardized)	SE	CR	P value	Remark
Consumer Orientation	Preference by gender (ccc5)	1.000				
	Preference by age (ccc4)	1.005	.088	11.397	***	Significant
	Buying habits (ccc2)	.781	.104	7.542	***	Significant
	Consumer needs (ccc1)	.808	.106	7.630	***	Significant
	(Joint)		R^2=0.496			

Source: completed by the author.

Table 6: Statistical test for a structural model for company Performance

Construct	Item/variable	Coefficient factor (Standardized)	SE	CR	P value
Firm performance	profit growth	1.000			
	sales growth	.834	.058	14.337	***
	increase in number of employees	.930	.062	15.097	***
	return on assets	.854	.059	14.483	***
	return on borrowed money	.859	.058	14.751	***
	expansion in size	.922	.061	15.239	***
	improvement in quality	.877	.064	13.720	***
	net profit after tax	.062	.045	1.375	.169
	total assets	.055	.053	1.047	.295
	number of staff	.322	.076	4.259	***
	attrition rate	.735	.087	8.415	***
	(Joint)		R^2=0.58		

Source: completed by the author.

The second null hypothesis (Hypothesis two) was that there is no relationship between competitor awareness and firm performance in the bottled water industry in Kenya. The structural model relating to competitor awareness and firm performance was fitted as illustrated in *Fig. 3*.

The results are further illustrated in *Tab. 7* which presents the structural coefficient factors. All the eight indicators were considered to be significant indicators of competitor awareness.

The indicators had 90% variation on competitor awareness. The structural model reported that the increase in competitor awareness by a factor of 0.704 resulted in an improvement of firm performance by 1% (Beta = 0.90, CR = 12.709, P<0.05). Overall, combining consumer orientation and competitor awareness when predicting firm performance reported positive and significant weights as reported in *Fig. 4*.
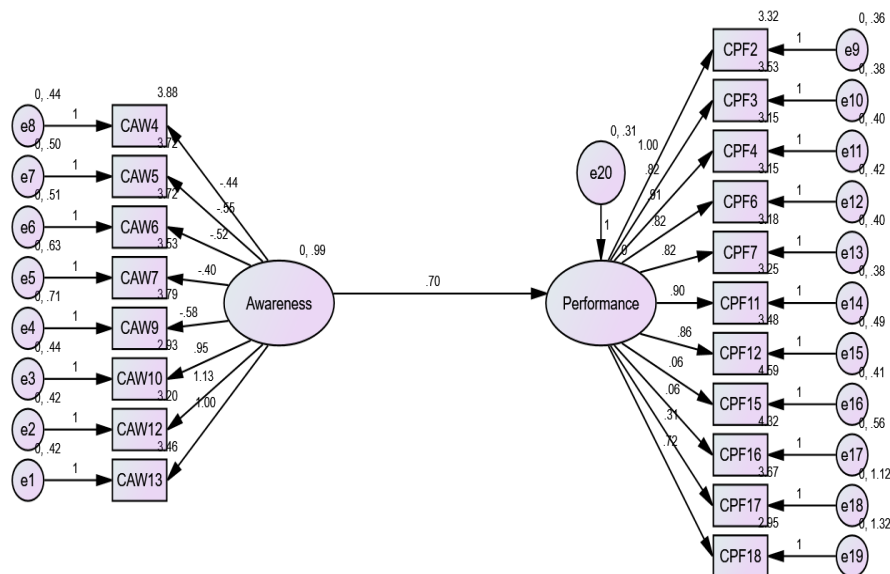

Figure 3: Structural model relating competitor awareness and firm performance

Source: developed by the author.

Table 7: Statistical test for a structural model for company performance

| Construct	variables	Coefficient factor (Standardized)	SE	CR	P value	Remark
Competitor awareness	External expectation (CAW13)	1.000				
	Internal expectation (CAW12)	1.127	.063	17.856	***	Significant
	Market coverage (CAW10)	.951	.058	16.476	***	Significant
	Market analysis (CAW9)	-.577	.058	-9.994	***	Significant
	Pricing strategies (CAW7)	-.405	.052	-7.774	***	Significant
	Internal capability (CAW6)	-.521	.049	10.522	***	Significant
	Capacity to reiterate (CAW5)	-.549	.050	-11.051	***	Significant
	Market share (CAW4)	-.440	.045	-9.776	***	Significant
	Joint	$R^2=0.90$				

Source: completed by the author.
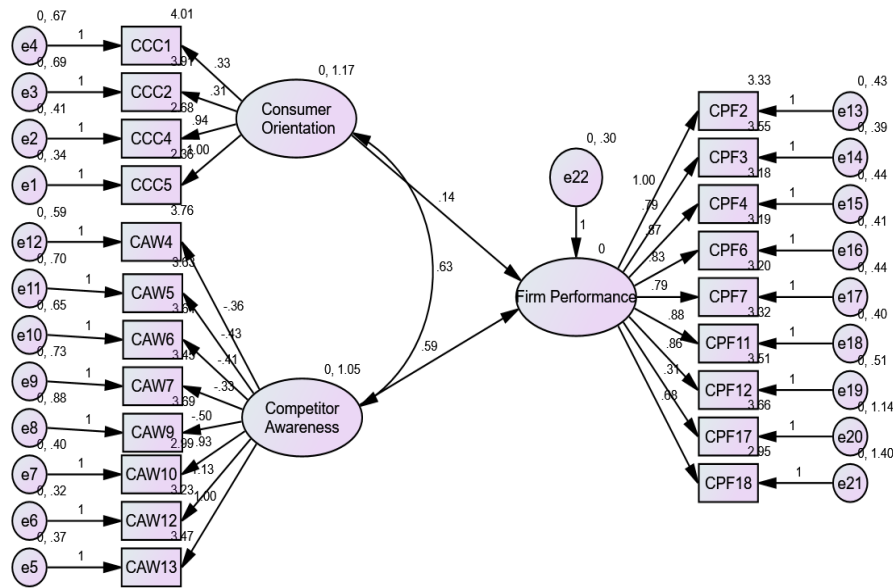
Figure 4 Structural model of consumer orientation, competitor awareness and firm performance

Source: developed by the author.

Consumer orientation reported a weight of 0.144, while competitor awareness reported a weight of 0.586. Thus competitor awareness had a more powerful explanatory effect comparing to consumer orientation.

The third hypothesis (Hypothesis 3) was that the moderating effect of water sector standards in the relationship between consumer orientation and firm performance was not significant. *Tab. 8* reports P value of 0.011 for the interaction effect. Since the P value was less than 0.05, the moderating effect of water sector standards on consumer orientation and firm performance was statistically significant (p = 0.011<0.05). Thus the null hypothesis was rejected.

Table 8 Statistical test for the moderating effect of water sector standards on consumer orientation and firm performance

Response	Predictor	Estimate	S.E.	C.R.	P
Z firm performance	Z for consumer orientation	.154	.049	3.119	.002
Z firm performance	Z for sector standards	.629	.049	12.851	***
Z firm performance	Interaction	.103	.041	2.533	.011

Source: completed by the author.

The fourth hypothesis (Hypothesis 4) was that the mediating effect of water sector standards in the relationship between competitor awareness and firm performance in the bottled water industry was not significant. Sobel statistic was applied *(Shrout & Bolger, 2002)* and reported (Z= 6.6573294, P<0.05). Thus the study rejected the hypothesis.

6. Discussions

The two subthemes extracted from consumer orientation were demographic characteristics (age & gender) and Life style (consumer needs and buying habits). *Feng et. al. (2019)* reported that the relationship between consumer orientation and firm performance is far from clear. Partly because firm performance may depend on certain internal or external factors. They concluded that it was harmful for firms to operate in a less competitive environment. The subthemes extracted from competitor awareness were strategic decisions and market share. *Robert Baum, & Wally (2003)* reported that fast strategic decision-making predicts a subsequent firm growth and profit and mediates the relation of centralization, dynamism, formalization and munificence with firm performance. These results were in agreement with *Mwizerwa, Mulyungi, & Rukia (2018)* who found that marketing strategies such as product quality, specification and packaging were significant elements in increasing product pricing. The period of payment and discounts offer were also found to be

indicators of pricing strategy and they influenced the increase in the market share.

The four subthemes extracted from the sector standards were strategic compliance with regulatory policies, compliance with statutory approvals, taxation standards and standards set for public spending and infrastructure incentives. *Taouab, & Issor (2019)* reported that due to ever changing environment, firms face severe competitive pressure to do things better and faster at lower prices. Consequently, putting sector standards in place is important, since companies are constantly seeking for effective and efficient results. The four subthemes extracted from firm performance were growth, development, profit and capital investment strategy. *Al-Matari, Al-Swidi, & Fadzil (2014)* revealed that different measures had been used by researchers to measure firm performance. They classified those measurements into market-based indicators and accounting-based. They concluded that performance measurement had great significance for the effective management of firms and the improvement of the processes since only measurable effects are manageable. From this study, it can therefore be inferred that water sector standards operate fully or in part in mediating between competitor awareness and firm performance.

7. Conclusion

This study concluded that to enhance firm performance in the bottled water industry, consumer needs, buying behavior, age and gender need to be considered for the firm to compete effectively in the market. The firm also needs to put in place strategic decisions informed by an intelligence analysis on its market share as well as having the capability to reiterate well thought price strategies. Concentrating on market coverage, internal and external expectations will negatively influence the firm performance. Consumers will opt for bottled water because of their aesthetic preferences and health concerns. Water sector standards especially on strategic compliance with regulatory and policies will influence firm performance. Consumers will favor a brand if they think that the quality is assured by set and maintained standards. Future research should extend to other categories of firms with varied decision procedures and buying intension amongst consumers.

8. Funding

9. Competing interests

The authors declare that they have no competing interests.

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