INTERACTIVE MARKETING PRACTICES AND MARKET PERFORMANCE OF SOFT DRINK MANUFACTURING ENTERPRISES IN KIGALI CITY-RWANDA

BY

NIMUSIMA PEREEZ

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Declaration

I, Nimusima Pereez declare that, this thesis is my original work and contains no material that has been accepted for the award of any other degree in any University or institution. Where another person or group of persons' materials has been used, due reference has been made.

Signed_____ **Date** 20/3/2023

Nimusima Pereez

Approval

This thesis has been submitted with the approval of my supervisors whose signatures are appended against their respective names below:

Signed _____ Date 28/3/2023.

Prof. Kamukama Nixon (Ph.D.)

Signed R.Kalibwani Date 22/3/23

Dr. Kalibwani Rebecca (Ph.D.)

Dedication

To my beloved parents, Kasare Milton and Kemiyaga Peace; for their financial and moral support since my childhood to date.

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My sincere thanks go to the Almighty God for making it possible for me to finish this PhD project work. ***Job 42:2 "I know, Lord that you're all powerful, that you can do everything you want".***

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List of Abbreviations

B2B:	Business-to-Business
B2C:	Business-to-Customer
CEOs:	Chief Executive Officers
CFA:	Confirmatory factor analysis
DCT:	Dynamic capability theory
Ewom:	Electronic Word of Mouth
FFM:	Five Forces Model
GDP:	Gross Domestic Product
IBES:	Integrated Business Enterprises Survey
IMP:	Interactive Marketing Practices
MP:	Market performance
CA:	Competitive Advantage
CE:	Competitive environment
NISR:	National Institute of Statistics of Rwanda
NWT:	Network theory
RDB:	Rwanda Development Board
SEM:	Structural Equation Modelling
SET:	Social Exchange theory
SDMEs:	Soft drink manufacturing enterprises
UK:	United Kingdom
VRIN:	Valuable, Rare, Inimitable and Non-Substitutable

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Abstract

The purpose of the study was to establish the relationship between interactive marketing practices (IMP) and the market performance of soft drink manufacturing enterprises (SDMEs) in Kigali-city. It examined the mediating role of competitive advantage (CA) and the moderating effect of competitive environment (CE) on the association between IMP and market performance (MP). A multi-theoretical approach was applied in the direction of social exchange theory, dynamic capability theory, network theory and five forces model. The study was guided by critical realism paradigm and was cross-sectional in nature. The quantitative data were obtained from a sample of 322 SDMEs operating in Kicukiro, Gasabo and Nyarugenge districts of Kigali City. The researcher first stratified SDMEs by region (i.e districts as shown above) and by soft drink clusters and then selected each firm using simple random sampling from each stratum. CEOs were purposively selected for the qualitative study, whereas marketing; communication/public relations; finance; accounting and sales managers were selected for the quantitative study using simple random sampling. Questionnaire and interview guide were used to collect data and for data extraction and reduction, Principle Component Analysis and varimax rotation were used. Zero-order Pearson correlation and hierarchical regression techniques were employed for data analysis. The study results revealed a positive significant relationship between IMP and MP. Detailed analysis on demographic characteristics of unit of analysis indicate that traditional communication channels take precedence over interactive communication channels among SDMEs in Kigali City-Rwanda. CA was confirmed to be a true mediator, while CE moderated the relationship between IMP and MP. This study recommends that SDMEs disseminate their marketing information using interactive communication channels; put more attention on selecting strategic alternatives that better match their offers with market needs and to fully attend to their key industry forces in their competition management strategies and crafting environment-informed strategies to better enhance their performance. Having taken a cross-sectional design and looked at only one 'P' i.e promotion to predict MP and ignored other marketing mix components which are also important in overall value creation processes, future studies could investigate same relationships across time by adopting a longitudinal design, and measure variables differently or attend to other "Ps" and measure how they influence MP in another study context.

CHAPTER ONE: INTRODUCTION

This chapter presents the general introduction to the study containing sub-sections as: background to the study, problem statement, purpose of the study, objectives of the study, study hypotheses, significance of the study, scope of the study and conceptual framework.

1.1 Background to the study

The direct economic and social contribution of soft drink manufacturing industry world over is reportedly enormous. In Canada for example, non-alcoholics contribute 3.04% to GDP (Carriedo et al., 2021; Committee for Economic Development report, 2017). In UK, the soft drink industry contributes 26% to GDP (Statista, 2016), different from India, which realises 12.4% contribution to GDP from soft drink production (The Economic Times, 2019). For Uganda, non-alcoholics contribute 11.8% to GDP (Uganda Bureau of Statistics, 2019), yet for Rwanda, soft drink manufacturing enterprises contribute 6% to GDP and 14.3 % contribution to the private sector employment (Integrated Business Enterprises Survey report, 2015; National Institute of Statistics of Rwanda, 2018).

However, despite this direct impact that soft drinks have for economies in the world, soft drink manufacturing enterprises continue to face heightened challenges. Performance challenges have been reported among global soft drink giants, for example, Coca Cola which experienced a sales decline of 2 per cent in 2013; 4 per cent in 2015 and 5 per cent in 2016, whereas, Pepsi Cola's sales also reduced by 2 per cent and 4.5 per cent in 2016 and 2017 respectively (Financial Times, 2021; Beverage-digest report of 2017; Taylor and Jacobson, 2016). Related challenges have been reported also at the East African level with soft drink manufacturing enterprises such as Century Bottling Company Limited Uganda, realising sales slump of 2 per cent in 2014 and 4 per cent in 2015 (Lamwaka, 2018), and a reported drift in customer base of between 0.7 to 2.5 per cent for soft drink manufacturing enterprises operating in Tanzania (Market Research, 2020).

According to Gathani and Stoelinga, (2013), there has been good industrial growth trajectory for Rwanda and the government has offered necessary policy support to the soft drinks sector by subsidizing industrial water supply, providing export incentives and providing favourable legal and policy frameworks. However, despite the favourable industrial climate, the market performance of soft drink manufacturing enterprises has persistently remained poor exemplified by slump in customer numbers, sales decreases and failure by some soft drink manufacturing

enterprises to achieve their market targets and exiting the market before celebrating the
aniversary (Pamela et al., 2010; Bralirwa Annual Reports 2013/2016; Sophia and Söderbom
which has continued to worry researchers and professionals (Thow et al., 2021; Bushayija
2020; Ezeanya-Esiobu et al., 2019; Ndemezo et al., 2018; Sophia and Söderbom, 2013).
performance failure cases among soft drink manufacturing enterprises was partly a cause f
study in quest to examine the extent to which such performance phenomena are related wit
communication strategy.

At the moment, no single agreed upon explanation has been given for this unpleasant
scenario, however, industrial organisation and strategic marketing communication literatur
observed that ineffective marketing communication in various offer-beneficially situation
contributed significantly to this problem (Wendt, 2020; Jensen, 2017; Quiring, 2017; Johr
al., 2006; Ewing, 2009; Kim et al., 2004). Other scholars have linked failure to achieve
levels of customer numbers and decreases in sales with implementation of mar
communication policies that are not commensurate with the competitive market spac
customers' buying habits (Lafley and Martin, 2014). Further still, there are evidences to shc
the existing marketing communication mixes have not fully lived to the tenets of mar
interactivity leading to undesired market outcomes (Ewing, 2009; Kim et al., 2004
aforementioned studies succinctly depict a significant call for adoption of interactive mar
practices in today's market space as a remedy to performance challenges presented abov
consumers, moreover, reportedly spend less time with traditional media (Forrester, 2011).

Interactive marketing practices in this study refer to a set of institutional-level commun
activities of promoting brands, products and services using digital media (Stone and Woo
2014). Interactive marketing practices were operationalized as content marketing, social
marketing and search engine marketing (Nyagadza, 2020; Yogesh et al., 2020; Appel et al.
Holliman, and Rowley, 2014), which reflects the three common marketing interactivity fun
areas according Kim et al., (2012), i.e human-to-content, human-to-human and hun
computer interactions which firms use to influence consumer preferences and purchase de
(Lemon and Verhoef, 2016; Rodriguez et al., 2014).

Market performance on the otherhand refers to the ability of an organisation to achieve its market objectives with greater efficiency and effectiveness than its competitors (Morgan, 2012; Neely, 1998). Different perspectives have been used by previous industrial organisation, relationship and strategic marketing communication scholars to explain performance variations among firms. For example, whereas, Miles et al., (1978) and Porter, (1985), use industry characteristics to predict firm performance, Appiah, (2011) and Milliken, (1987), use firm's ability to predict environment, different from Wernerfelt, (1984) and Peteraf, (1993), who explain it using firm's unique resources. Dynamic capabilities (Eisenhardt and Martin, 2000), adaptation and learning capability (Goldstein, Hanzy and Lichtenstein, 2010), expended efforts of business managers (Arasti, 2011), political environment (Richards et al., 2009; Pratten, 2004), appropriate policies (Arasti et al., 2014), positioning activities (Blankson and Crawford, 2012), marketing efficiency and effectiveness (Mustapha, 2017), marketing communication practices (Makhitha, 2019; Ewing, 2009; Kim et al., 2004) and interactive marketing practices (Van Heerde et al., 2019; Lobschat et al., 2017; Homburg et al., 2014), have also been used to explain the same concept. A thorough examination of these studies show no agreement to the exact cause of market performance variations among soft drink manufacturing enterprises in Kigali City which has continued to worry researchers and professionals, partly justifying this study which used interactive marketing perspective to explain market performance.

Whereas the relationship between competitive advantage and market performance has been empirically confirmed (Alhawari, 2015; Yıldız et al., 2014; Treacy and Wiersema, 1993;1995; Porter, 1980), the results are still different, for example, some scholars have linked performance results of increased customer numbers and sales to differentiation and focus (Kimiti, Muathe and Murigi, 2020), yet, for others, operational efficiency guarantees customer satisfaction, retention and elevated sales (Liu et al., 2020). Still others have found product leadership (Alhawari, 2015; Yıldız et al., 2014; Micheal et al., 2003), customer intimacy (Herjanto and Amin, 2020; Osei, 2017), Interactive Marketing Practices (Stone and Woodcock, 2014), differentiation and operational efficiency (Kumar et al., 2011), and cost leadership (Porter, 1980) to impact on market performance. It is not clear here which strategic option guarantees better market performance outcomes. Consequently, the study investigated three value chain disciplines of operational

excellence, product leadership and customer intimacy (Treacy and Wiersema, 1993) on soft drink manufacturing enterprises in Kigali City-Rwanda.

Various theories for example Social Exchange Theory (Homans, 1958; Blau, 1964), Dynamic Capability Theory (Teec, Pisano and Shuen, 1997; Eisenhardt and Martin, 2000), Network theory (Koch and Windsperger, 2017; Whatmore and Thorne, 1997) and the five forces model (porter, 1979a; 2008), have been used to explain market performance. However, these theories have been constrained by certain limitations weakening their potential to fully explain this concept. *Social Exchange Theory* (Homans, 1958), for example, assumes improved market performance to originate from the firm's ability to interactively keep in close proximity with clients, however uses economic motive lens to explain why buyers and sellers stay in a relationship which is not true because reasons for buyers and sellers staying in a relationship are not entirely economic. *Dynamic Capabilities Theory* (Teec, Pisano and Shuen, 1997), moreover, is silent about the market characteristics effect on market performance but tends to be in-word looking emphasising dynamic capabilities which are mere best practices that can be substituted considering the dynamic nature of business environment today. Yet, *Network Theory* (Koch and Windsperger, 2017), assumes better market performance to originate from firm's ability to leverage information resources to reap network benefits which is not sufficient since the volatile nature of today's digital environment restricts a firm's innovation ability. Again, even when the *Five Forces model* expounded by Porter, (1979a), offers insight into key forces that determine the nature of market performance outcomes for an industry and its imperative call for strategy formulation that bases on key industry forces, it puts too much attention to the industry level and ignores individual firm differences.

For this reason, it is evident that Interactive marketing practices-market performance relationship has been explored extensively by individual industrial organisation, strategic marketing communication and relationship management scientists (Verhoef and Bijmolt, 2019; Kannan et al., 2016; Stone and Woodcock, 2014; Wedel and Kannan, 2016, Sorescu et al., 2011; Porter, 1985), however, whereas these theories tested these relationships in other economies, what remains unexplored, is the applicability of these theories to business organisations in Kigali City, which this study attended to.

This study was interested in knowing how interactive marketing practices, these soft drink manufacturing enterprises use have helped them manage customer experience and the extent to which this has impacted on their customer retention and sales. Lemon and Verhoef, (2016), observe that interactive marketing communication is a specific marketing capability area quite central to marketing practice but has not received much research attention. Whereas, a relative handful of studies have investigated these relationships in developed countries (Popovici et al., 2018; Omobono, 2018; Chaffey and Smith, 2013), this study examined similar relationships in soft drink manufacturing industry in a developing country context. Moreover, while recent studies have provided additional evidence on market performance dynamics and showing how managers can use interactive technologies to help them enhance buyer-seller relations (Nyagadza, 2020; Yogesh et al., 2020; Appel et al., 2019; Holliman, and Rowley, 2014; Stone and Woodcock, 2014), their studies tend to exhibit methods bias favouring certain methods and leaving out others contrary to recommendations by Creswell, (2013) who argues that relying on one method could make a researcher fail to take advantage of strengths in another method. Creswell postulates that if a researcher uses mixed methods, the weaknesses in one method are compensated by strengths from another. Against these guidelines however, Murugesan et al., (2016), while studying market performance used quantitative approaches to investigate financial aspects, whereas, Noor, (2012) used qualitative approach and investigated non-financial measures of market performance. Moreover, other market performance studies happen to have drawn samples from different industry settings e.g service sector (Wedel and Kannan, 2016; Sahi et al., 2016), merchandising (Wang et al., 2019a), from large firms using a single year or on many industries (Lobschat et al., 2017; Homburg et al., 2014; Jerman et al., 2012; Dushyenthan, 2012). This study differs from them since it adopted mixed methods approach and used samples from soft drinks industry in Kigali City-Rwanda. Additionally, previous studies in interactive marketing examined only process aspects of marketing interactivity (Nobel, 2011), whereas others looked at behaviour aspect of interactivity (Bolton, 2016), studied application of digital technologies on specific aspects of market performance (Osinga et al., 2019), investigated how internet affects customer engagement (Rodriguez et al., 2014), and yet others investigated resulting value (Kumar and Pradhan, 2015). This study investigated the resultant value aspect of marketing interactivity to do with how firms use interactive technologies to manage customer experience, which has been reportedly neglected in most relationship management research streams (Lemon and Verhoef,

2016). A related concern arising from review of the aforementioned studies is whether theories that tested these relationships in other economies and contexts are also applicable to soft drink industry organisations in Kigali City. This study aimed at filling this gap (s). The study is equally a response to repeated calls for more research on transformative nature of digital technologies on business firms (Kumar, 2018).

Further more contrary to the recommendations by Kamukama et al., (2017; 2011), Nkundabanyanga, (2016) and MacKinnon et al., (2012) related to the significance of assessing the effects of a third variable in business research, there has been a tendency to neglect investigating mechanisms in which interactive marketing practices and market performance are related (Aslam et al., 2015; Dushyenthan, 2012). This has been found to limit not only the understanding of actual relationships and processes through which one variable affects another (Kistler, 2009), but also expose practitioners and scholars to a risk of failing to make legitimate decisions and conclusions that can foster business growth. Consequent to this reflection, it has been observed that existing studies on market performance have not considered in their models the mediating role of competitive advantage in the relationship between interactive marketing practices and market performance (Wira and Yasa, 2018; Kamukama et al., 2017; Achmad et al., 2014; Kamukama, Ahiauzu and Ntayi, 2011; and Lopez-Gamero et al., 2009). These studies investigated competitive advantage as a mediator in different contexts and at different times, which makes a difference from this study. Besides, no study has investigated interactive marketing practices-market performance relationships in the soft drinks industry in Kigali City-Rwanda. This notwithstanding, other studies have found no mediation effect of competitive advantage (Setyawati et al., 2017). This study wanted to theoretically bridge this knowledge gap (s) by investigating the mediating role of competitive advantage on both interactive marketing practices and its relationship with market performance in the soft drink manufacturing setting in a developing country.

Finally, and in relation to the the above highlighted significance of investigating mechanisms through which variables are related, it has been observed that previous interactive marketing practices-market performance studies did not test for the moderating effects of competitive environment (Aslam et al., 2015; Dushyenthan, 2012). This is against the recommendations by Dawson, (2014) and Jose, (2013). These scholars argue that it is always important to examine the interaction effects especially if two or more independent variables are involved in the model. According to them this helps to establish if there is any conditional relationship or not (i.e whether

the effects of one independent variable on the dependent variable differ at different levels of another independent variable). Relatededly and in line with this reflection, Porter, (1997a), argues that failure to comprehend and appropriately respond to overriding forces in the industry in which a firm is operating in, leads to failure to attain desired market performance results. The same observations are made by Zhao, (2019) who find a big association between competitive environment and levels of sales realised by a firm. Even when previous studies have confirmed competitive environment as a moderator (Ogaga and Odhiambo, 2017; Adnana et al., 2016; Prescott, 1986), other scholars have found no evidence of competitive environment as a moderator (Slater and Narver, 1994). Such diagreements in literature tend to portray that the debate on moderating effects of competitive environment is still inconclusive. What makes these studies deficient for generalisation to our study context that necessitated a new study is that these studies used different philosophy and methods, besides being conducted outside Africa in different industrial setting at different points in time. This study tended to address this knowledge gap by examining the role of competitive environment as a moderator in the relationship between interactive marketing practices and market performance of soft drink manufacturing enterprises using a developing country context.

1.2 Problem statement

Soft drink industry has positively influenced Rwanda's national growth by contributing 6 per cent to its GDP and a substantial 14.3 per cent contribution to the private sector employment (NISR, 2018). It is perhaps the reason why the government has continuously provided an enabling legal and policy environment and this has precipitated growth in number of registered soft drink manufacturing enterprises in the country (RDB, 3rd. quarter, Business Register, 2020). Nevertheless, market performance of soft drink manufacturing enterprises has persistently remained poor in Kigali City. For example, Bralirwa company Ltd, has realised different sales declines with differing sales decline percentages over years e.g 0.6% in 2013 and 1.4% in 2016 (Bralirwa Annual Reports 2013 to 2016). Additionally, other soft drink manufacturing enterprises like Marakujya company Ltd and Ingenzi company Ltd failed to achieve their market targets and closed doors before celebrating their 1st anniversary, besides a reported average decline in the number of customers for 80% of manufacturing enterprises in the country (Pamela et al, 2010; Sophia and Söderbom 2013). Such poor market performance scenario has continued to worry researchers and professionals (Thow et al., 2021; Bushayija et al., 2020; Ezeanya-Esiobu et al.,

2019; Ndemezo et al., 2018; Sophia and Söderbom, 2013). Considering the direct economic contribution these enterprises make to Rwandan economy, if this problem is not solved this would derail national growth affecting negatively its GDP.

Theories such as social exchange theory, dynamic capability theory, network theory and five forces model have been used independently by prior industrial organisation, relationship and strategic marketing communication studies in examining Market Performance (Koch and Windsperger, 2017; Eisenhardt and Martin, 2000; Andrews, 1980; Homans, 1958; Blau, 1964; Porter 1979a; 2008), but the results of their studies have been inconclusive and therefore unable to explain such performance phenomena among soft drink manufacturing enterprises. Various scholarly works on market performance phenomena exist and have been documented (Van Heerde et al., 2019; Lobschat et al., 2017; Homburg et al., 2014; Osinga et al., 2019), however, these studies did not only miss out on testing the mediating role of competitive advantage in the relationship between interactive marketing practices and market performance, but also did not test the moderating role of competitive environment in the same relationships. Even when some scholarly works have confirmed that there is mediation of competitive advantage (Navarro-García et al., 2018; Kamukama et al., 2017; 2011) and others confirmed that there is moderation of competitive environment (Ogaga and Odhiambo, 2017; Adnana et al., 2016; Prescott, 1986), their studies used models quite different from this study, used different philosophical orientations and methodologies, besides studying different industrial contexts at different point in time. This study tested interactive marketing practices-market performance relationships in a soft drink manufacturing industry in Kigali City-Rwanda.

Additionally, prior studies on interactive marketing practices and market performance have reported mixed findings where some scholars have reported positive consequences of marketing interactivity on market performance (Aslam et al., 2015; Dushyenthan, 2012; Bezjian-Avery et al., 1998), and others have reported negative consequences (Bucy and Chen-Chao, 2007; Sundar and Jinhee, 2005). All this notwithstanding, there has been repeated calls for continued empirical examination of the relationship between interactive marketing practices and market performance (e.g Rodriguez et al., 2014; Smith, 2011; Debra, 2014). This study was carried out to address these knowledge gaps in literature.

1.3 Purpose of the Study

The study examined the relationship between Interactive Marketing Practices and Market Performance while assessing the mediating role of competitive advantage and moderating role of competitive environment in the relationships between Interactive Marketing Practices and Market Performance of Soft Drink Manufacturing Enterprises in Kigali City-Rwanda.

1.4 Objectives of the study

The study was guided by the following objectives.

1. To examine the relationship between Interactive Marketing Practices and Market Performance of Soft Drink Manufacturing Enterprises in Kigali City.
2. To investigate the relationship between Interactive Marketing Practices and competitive advantage of Soft Drink Manufacturing Enterprises in Kigali City.
3. To examine the relationship between competitive advantage and Market Performance of Soft Drink Manufacturing Enterprises in Kigali City.
4. To assess whether competitive advantage mediate the relationship between Interactive Marketing Practices and Market Performance of Soft Drink Manufacturing Enterprises in Kigali City.
5. To assess whether competitive environment moderate the relationship between Interactive Marketing Practices and Market Performance of Soft Drink Manufacturing Enterprises in Kigali City.

1.5 Study Hypotheses

From reviewed literature and theories, the following objectives and directional hypotheses in T*able 1:1* were formulated.

Table 1:1 Summary of the Objectives and Hypotheses

Objective	Hypotheses
1) To examine the relationship between Interactive Marketing Practices and Market Performance of Soft	**H1:** There is a positive relationship between Interactive Marketing Practices and Market Performance of Soft Drink Manufacturing Enterprises

Drink Manufacturing Enterprises	
2) To investigate the relationship between Interactive Marketing Practices and competitive advantage of Soft Drink Manufacturing Enterprises	**H2:** There is a positive relationship between Interactive Marketing Practices and competitive advantage of Soft Drink Manufacturing Enterprises
3) To examine the relationship between competitive advantage and Market Performance of Soft Drink Manufacturing Enterprises	**H3:** There is a positive relationship between competitive advantage and Market Performance of Soft Drink Manufacturing Enterprises
4) To assess whether competitive advantage mediates the relationship between Interactive Marketing Practices and Market Performance of Soft Drink Manufacturing Enterprises	**H4:** Competitive advantage mediates the relationship between Interactive Marketing Practices and Market Performance of Soft Drink Manufacturing Enterprises
5) To assess whether competitive environment moderates the relationship between Interactive Marketing Practices and Market Performance of Soft	**H5:** Competitive environment moderates the relationship between Interactive Marketing Practices and Market Performance of Soft Drink Manufacturing Enterprises

Drink Manufacturing Enterprises	

1.6 Significance of the study

Soft drink manufacturing industry play a big role in the economic development of not only Rwanda but also other countries world over. The manufacturing sector in general and soft drink manufacturing sector in particular has often been a sensitive area for policy makers in less developed countries and is viewed as the leading edge of modernization and skilled job creation, as well as a fundamental source of various positive spill-overs (Taylor and Jacobson, 2016; Tybout, 2000; Refik et al, 1989). In view of the conceptual, theoretical and empirical scope of this study, this study is expected to be of immense usefulness to the stakeholders and players in the soft drink sector in the region and around the world. Existing soft drink manufacturing enterprises in Kigali City are expected to find the report of this study useful in view of the fact that, all the combined independent and dependent variables which were not well researched within the Kigali City have been studied. The study outcomes are hoped to benefit soft drink manufacturing enterprises in Kigali City by offering them new insight on the appropriate communication strategy that can influence their market performance. Findings obtained from this study are expected to advance the body of knowledge and stimulate further discussions that will foster the goals of soft drink manufacturing enterprises in Kigali city.

The study provides valuable information to policymakers in enforcing interactive communication principles. The study will enable soft drink manufacturing enterprises in Kigali City and their stakeholders to understand the imperative of adopting an interactive communication culture and how human-to-content, human-to-human and human-to-computer interactions or exchanges combine to influence market performance. This will help such managers in deciding on better resource allocation and efficient interactive marketing practice choices, which will, in turn, enhance overall value creation for their customers and improvement in their performance.

The study ventured into how these soft drink manufacturing enterprises exploit their information networks in their value creation activities, build stable relationship, build trust with customers and

remain competitive. On the basis of the confirmed mediating role of competitive advantage, soft drink manufacturing enterprises' managers have been called upon to be mindful on the strategic choices that they make. This deduction has an impact on resource allocation and decision making which eventually promote market performance of enterprises concerned.

Having confirmed competitive environment as a moderator, the study emphasizes on the strategic imperative of establishing an agenda of dealing with competitive industry forces in a particular situation. The study in line with this argument benefits investors by agitating for understanding these forces before entry into any industry. They are advised to always find a niche that can be defended from the impact of those forces.

Last but not least, existing studies have yielded inconsistent results, given their limited scope. This study besides confirming the positive effects of interactive marketing practices, contributes positively to business management in soft drink manufacturing enterprises' performance as it provides a comprehensive representation of the significance of interactive communication to practitioners, academics, and researchers with a clear view of advancing knowledge on the relationship between interactive communication practices and the market performance of soft drink manufacturing enterprises in Kigali City.

1.7 Scope of the Study

1.7.1 Conceptual Scope

This study examined the relationship between interactive marketing practices and market performance in the context of soft drink manufacturing enterprises in Kigali City. It focused on interactive marketing practices as independent variable, competitive advantage as mediating variable and also competitive environment as a moderating variable. Market performance in this study was measured using sales and customer retention as the dependent variable. The study integrated these perspectives into the model to elucidate market performance among soft drink manufacturing enterprises in Kigali City.

The research focused on the market performance of soft drink manufacturing enterprises. The emphasis of this study was put on strategic marketing communication conduct or behaviour of soft drink manufacturing enterprises specifically identifying interactive marketing practices and how

they impact on their competitive behaviour and market performance from a practical strategic and relationship marketing management perspective.

For that purpose, the study conceptualised:

I. Market performance as ability of an organization to achieve its market objective with greater efficiency and effectiveness than its competitors (Morgan, 2012; Neely, 1998). Market performance was measured by sales (Hall and Lee, 2019) and customer retention (Li, 2016) (perception based).

II. Competitive advantage according to Victoria and Pantelis, (2009) as "the ability of a firm to take advantage of the potential market opportunities, sooner, better and possibly at a lower unit cost than competitors". It was operationalized using three value disciplines of operational excellence, product leadership, and customer intimacy according to Treacy and Wiersema, (1993). The mediating role of competitive advantage in interactive marketing practices-market performance relationship was reviewed.

III. Competitive environment (which is the moderator variable in this study) according to Porter, (1979a) is constituted by bargaining power of buyers, bargaining power of suppliers, power of existing competitors, threat of new entrants and the threat of substitute products. This study investigated the interactive marketing practices and tested their impact on market performance of soft drink manufacturing enterprises under the changing competitive conditions guided by the five forces model.

IV. Soft drink manufacturing enterprises using United Nations Food and agricultural organisation classification of Beverages report (2016), and Rwanda Revenue Authority Soft Drinks classification (2018), to refer to soft drink manufacturing enterprises as 'manufacturing enterprises that process raw materials to produce drinks containing no alcohol' i.e Juice, Water, Coffee, Tea, carbonates, Milk, Umusururu 'Bushera'. Only formally registered soft drink enterprises operating in Kigali City which employ a minimum of two people were considered.

1.7.2 Area scope

The study was limited to 322 formally registered Soft drink manufacturing enterprises in Kigali City. This scope was considered appropriate because all of them are registered with Rwanda Development Board, and regularly submit their annual financial reports to Rwanda Revenue

Authority, since Law No: 27/2017 of 31/05/2017 regulating companies requires that companies operating in Rwanda keep proper accounting records for tax purposes. This made it easy for the researcher to get data related to these soft drink manufacturing enterprises' sales. The study considered this geographical focus (the three central Region districts of Kigali i.e Gasabo, Gicukiro and Nyarugenge), simply because, even when soft drink production takes place in the whole country, over 70% of Soft drink manufacturing enterprises are located in Kigali city (RDB, 3rd. quarter, Business Register, 2020).

1.7.3 Time Scope

The study covered a period from November 2021 to January 2022, where the researcher collected, processed and analyzed data, and finally interpreted results.

1.8.0 Conceptual Framework of the Study

The conceptual framework on page 21 illustrates the link between the theoretical reviews discussed in details in chapter two. It explains interactive marketing practices, competitive advantage variables, competitive environment variables and market performance variables that were investigated in this study. *The study model predicted that a well planned and executed interactive marketing communication strategy leads to a better digital presence, increased product awareness and associated customer satisfaction, increase in customer numbers and sales which gives a firm a better competitive position (competitive advantage) hence superior market performance.* Evidence in empirical research suggests that several variables influence the relationship between interactive marketing practices and market performance as discussed in chapter two. Strategic competitive behaviour by employing technology-based better communication strategies improve relationships between market network actors which also leads to improved performance outcomes. The model also shows that market performance outcomes are a function of many factors where competitive environment largely determine the nature of performance results.

On one hand, the conceptual framework on page 21 involves interactive marketing practices as measured in terms of content marketing, social media marketing and search engine marketing (Nyagadza, 2020; Yogesh et al., 2020; Appel et al., 2019; Holliman, and Rowley, 2014). On the other hand, competitive advantage was measured by operational excellence, product leadership,

and customer intimacy (Treacy and Wiersema, 1993;1995), whereas Sales and Customer retention were used for measuring market performance (Hall and Lee, 2019; Li, 2016).

Competitive environment was measured in terms of the five forces of an industry according to Porter, (1979a; 2008) (i.e bargaining power of suppliers, bargaining power of buyers, threat of new entrants, threat of substitute products or services and rivalry among existing competitors), and was used as a moderating variable in the relationship between interactive marketing practices and market performance of soft drink manufacturing enterprises in Kigali City.

1.8.1 Independent variable: Interactive Marketing Practices

This study explored interactive marketing practices on the basis of competitive two-way communication practices which literature has summed into three broad areas: i.e content marketing, social media marketing and search engine marketing (Nyagadza, 2020; Yogesh et al., 2020; Appel et al., 2019; Holliman, and Rowley, 2014). This delineation reflects the three types of marketing interactivity functional approaches: i.e human-to-content, human-to-human and human-to-computer/technology interactions (Kim et al., 2012), reflecting the multifaceted nature of interactive marketing practices where each facet performs multiple functions in influencing buyer perceptions/behaviour.

The study anticipated that these soft drink manufacturing enterprises use interactive communication activities to build trust, personalise their services, improve their service quality and in their maintenance of relationship commitment with customers (Dushyenthan, 2012). A review of different empirical results, show that a good interactive marketing communication orientation has a resultant positive effect on market performance of firms (Verhoef, and Bijmolt, 2019; Kannan et al., 2016; Stone and Woodcock, 2014; Dushyenthan, 2012), and therefore relevant to the conceptual framework as an influencing factor. Literature tends to show differences that lie between the market place and the market space (physical product market and digital market) as basis for recommending these electronic communication tools for the 21st century innovative companies that strive for superior market positions (Verhoef and Bijmolt, 2019; Omobono, 2018; Lemon and Verhoef, 2016).

Thus, the uniqueness of firms that influence consumers to buy their products lies in the way they use their interactive communication technologies (Koch and Windsperger, 2017).

1.8.2 Mediating variable: Competitive advantage

From the study conducted by Kimiti, Muathe and Murigi, (2020), cost leadership strategy is one of the few critical competitive priority area that firms should consider to attain superior performance. Their study shows that cost leadership strategy yield results better than differentiation and focus. Reeves and Routledge, (2013), tend to emphasise that a firm should choose a competitive strategy based on its current position advantage. They argue that this will make the firm successful, for, it is dependent upon which resources are available to them. Hamermesh, Anderson and Harris, (1978), in surveys of successful low market companies that concentrate on market share as a competitive strategy, indicate that small market share is not necessarily a handicap; it can be a significant advantage that enables a company to compete in ways that are unavailable to its larger rivals. Their findings indicate that, in a division or in an independent company, management's first objective should be to earn the maximum return on invested capital rather than to achieve the highest possible market share. A critical review of these empirical studies reflect on the generic competitive model of cost leadership, differentiation and focus advanced by Porter (1980), which, Treacy and Wiersema, (1993;1995), improved after a series of field experiments to come up with a latest value chain model that entails, operational excellence, product leadership, and customer intimacy that companies seeking to attain a superior market leadership position should adopt. This has equally been empirically proved to be more effective in yielding positive market performance results (Zacharias, Nijssen and Stock, 2016), and was consequently adopted by this study.

Although previous empirical studies have focused on competitive advantage indirectly testing the sources of competitive advantage and firm performance, Navarro-García et al. (2018), Kamukama et al., (2017; 2011), are among the few scholars who incorporated competitive advantage as a mediator. Existing interactive marketing practices-market performance studies did not consider the mediating effects of competitive advantage in their models (Aslam et al., 2015; Dushyenthan, 2012). On the basis of a dearth of information in this area, the study investigated the mediating role of competitive advantage in the relationship between interactive marketing practices and market performance of soft drink manufacturing enterprises in Kigali City context.

1.8.3 Moderating variable: Competitive environment

It has been over time presented by strategic marketing management scholars that competitive environment determines the performance outcomes of a firm in an industry (Tsai and Yang, 2014; Porter, 1979a; 1985; 2008). Since increased competition threatens the attractiveness of an industry and reduces the possibility for achieving market goals (Prahalad and Hamel, 1993), soft drink manufacturing enterprises should at all costs assess and understand the five key competition forces within their operating environment to guide their strategy decision processes as advocated by Porter, (1979a). Moreover, firms that have been able to isolate particular forces that are potential threats affecting how much sales they get as they compete in the same industry, have seen their performance improve (Porter, 1980). In this study, competitive environment of these soft drink manufacturing enterprises was assessed around five constructs of bargaining power of buyers, bargaining power of suppliers, power of existing competitors, threat of new entrants and the threat of substitute products (Porter, 1979a; 2008).

Even when a number of studies like Ogaga and Odhiambo, (2017) and Adnana et al., (2016) confirmed competitive environment as a moderator, their studies had unique models (studied variables different from mine), used different research paradigm, were carried out in different industry setting and at different times which makes a difference from this study. This study therefore filled this knowledge gap by investigating the mederating role of competitive environment in the relationship between interactive marketing practices and market performance in soft drink manufacturing enterprises in Kigali City.

1.8.4 Dependent variable: Market performance

Apparently, there is no unanimously accepted definition of market performance and at certain point literature has shown interchangeable or even sometimes, conflicting use of the concept with other concepts, like, business performance and marketing performance. In attempt to unpack the business process management concept, Zemguliene and Valukonis, (2018), indirectly echo on business performance, market performance and marketing performance as business process (interrelated activities) concepts that researchers often conceptualise and measure differently. The common message that literature portrays in regard to these three concepts, that are at times often interchangeably used (conceptually identical), is that researches on these concepts, look at process or operational results of input-output variables of a firm's performance. There are always subtle differences, that come in the choice of concepts, methods, context and measurement dimensions

by previous researchers (Neely, 1998; Morgan, 2012; Ambler, 2008; Gao, 2010). In this case some scholars emphasise financial while others emphasise non-financial dimensions of these concepts. According to Homburg et al., (2007), these concepts altogether reflect on the effectiveness and efficiency of an organization's marketing activities with regard to market-related goals, such as revenues, growth, and market share. Gao, (2010), tends to emphasise that marketing performance studies, specifically try to quantify the contribution of the marketing function to the financial performance of the firm (looking at the sales revenue as a function of marketing expenditure). Different but related according to Akal, (1992), is that business performance studies evaluate all the management efforts devoted to achieving the business goals which at times cover bigger scope and lack specificity. This in away does not help practitioners in determining if they are, in the general sense, successful or not, or to make sure that the decisions made, are not based on emotions and thus, failing to determine which strategy areas or management intervention, need immediate attention (Parker, 2000). Since performance improvement is at the heart of every strategic manager, identifying a specific intervention (in this case interactive marketing practices), whether at theoretical, empirical or managerial levels, is important to achieve desired results (we are reminded that achieving results is the time test of strategy). All in all, the reviewed studies look at these three concepts differently but tend to portray certain commonalities: i.e they emphasize common elements of efficiency and effectiveness of firms and the multidimensionality character of these concepts.

Despite the ambiguity in the conceptual definition of market performance concept as shown above, quite a number of studies have attempted to operationalize and measure the concept, though, differently still. For example, Jayapal and Omar (2017), in their study on small and medium enterprises in Malaysia, measured market performance using sales revenue, market share, profitability, competitive advantage and customer satisfaction and loyalty. Rothaermel, (2017), used dimensions as accounting profitability, shareholder value and economic value, yet, Selvam et al., (2016), looked at profitability performance, market value performance, growth performance, employee satisfaction, customer satisfaction, environmental performance, environmental audit performance, corporate governance performance and social performance. Yildiz and Karakas, (2012), in their twelve years' literature review paper (2000-2012), tend to suggest an accepted criterion for determining market performance including indicators like; profitability, sales, market

share and new product launch (as subjective measures which are perception-based) and Return on Asset (ROA), Return on Equity (ROE), Tobin's q ratio and sales (as objective measures). This notwithstanding, Venkatraman and Ramanujam, (1986), propose market share, launching new products into the market, product quality, marketing activity, technological activity, sales increase and profitability (investment return, sales return, equity return and earning per share). According to Venkatraman and Ramanujam, this review tends to show the narrowest conception of performance concept, which centres on the use of simple outcome-based financial and non-financial indicators, that are assumed to reflect the fulfilment of the economic goals of the firm.

A thorough scrutiny of these studies show dominance of financial measures, which partly manifest the extent of continued difficulties, associated with relating consumer attitudes and behaviour to financial measures of performance (Yeung and Ennew, 2001). Also, in consideration of weaknesses in the objective criteria, due to flawed data from financial statements (or due to companies' reluctance to release their real performance data (reasons of confidentiality and sensitivity), Zehir and Acar, (2005), propose reliance on subjective data from managers to measure performance, asking them the extent to which their companies are successful. Song et al., (2005), have deliberated on the necessity for subjective methods in evaluating performance (the approach allows for assessment of relative improvement), simply because, they enable comparison across firms and contexts, such as industry types, time horizons, cultures or economic condition, especially for studies that focus on the firm's current condition (elicit information on practices) and or, where the objective data may not be compatible with the intended level of analysis (Wall et al., 2004).

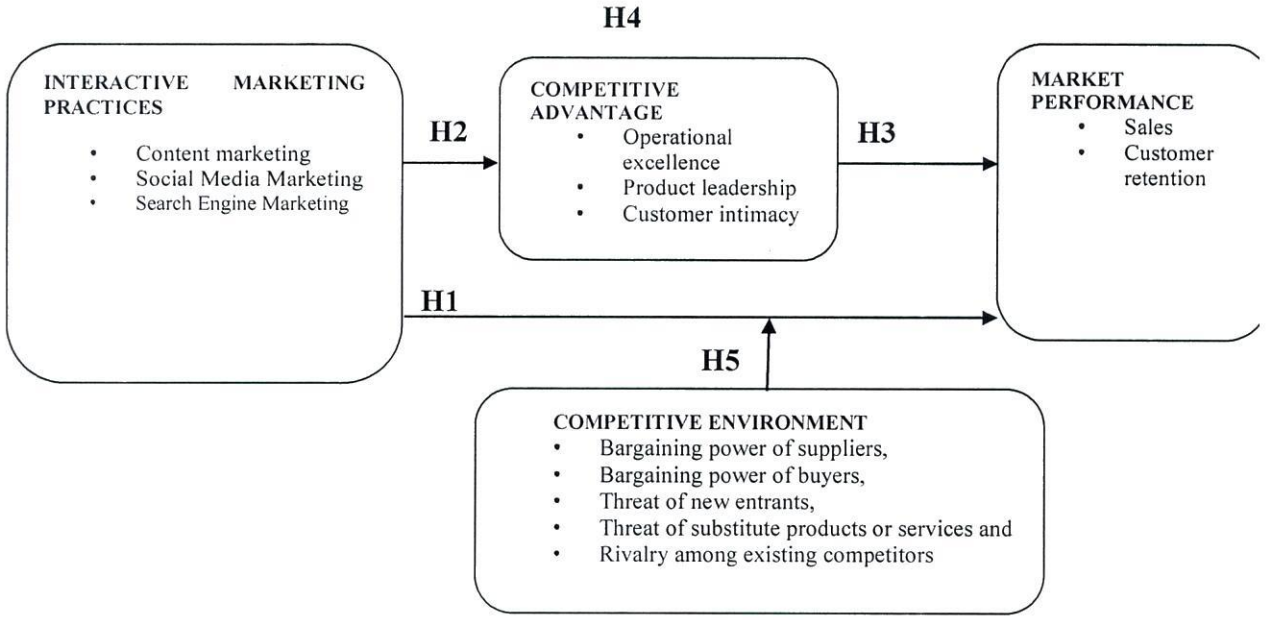
Besides, even, because of increasing complexity of organisations and markets in which firms compete, non-financial measures have also been proposed (Santos and Brito, 2012; Berger and Bonaccorsi di Patti, 2006), since the performance of an economic entity is influenced by both financial and non-financial forces, and considering the fact that sales realised are a function of many marketing and non-marketing, financial and non-financial factors, that deserve to be captured in overall performance measurement. Moreover, the effects of the so-called non-financial indicators are reflected in other indicators of economic and financial dimensions, whose size is easily translated in monetary units (Lorino and Tarondeau, 2002). Perhaps, it's the reason why

some studies have adopted multiple criteria in analysing market performance by collecting perceptual primary data on financial and operational or non-financial indicators (Gupta and Govindarajan, 1984; Glueck, and Willis, 1979). Literature tends to show that at some point, objective financial data of specific indicator (s) are unavailable, or they are obscured or manipulated by managers who are eager to protect their firms' reputations or avoid personal or corporate taxes (Sapienza et al., 1988). It is the reason why some scholars, partly, have adopted a single indicator (Glick et al., 2005), which tends to show an element of convenience in selection of indicators.

Overall, one observes that whether we direct attention to a financial dimension or a non-financial, we are referring to an action-oriented tactic or strategy area which covers the relevant aspects of a firm's market performance program. Moreover, it is theoretically possible for a firm to have an advantage relative to rivals on one or all dimensions. The ideal principle is to incorporate both financial and non-financial measures of market performance since previous studies have relied heavily on financial measures, which by themselves have been reported to be deficient, on account of being historic and backward looking, portraying inability to predict and explain well, future performance of a firm (Ahmad and Zabri, 2016). Consequently, the study investigated market performance on the basis of two dimensions i.e sales and customer retention (Perisa et al., 2017), which helped in capturing both financial and nonfinancial aspects of these soft drink manufacturing enterprises's market performance at a point in time. This was an attempt by the researcher to conceptualise the domain of market performance in terms, broader than economic performance, in trying to address the multidimensional nature of the concept. Either sales, or customer retention tend to reflect distinct dimensions that may be used to quantify performance differences across firms and indeed, help test the dimensionality embedded in the conceptualisation of market performance (Financial and non-financial).

Evidently, previous studies have used sales (Zulkiffli and Perera, 2011) and Customer retention (Li, 2016) to measure market performance. The study specifically looked at sales and customer retention for these soft drink manufacturing enterprises. The same approach has been adopted by Hall and Lee, (2019).

Figure 1.1: Conceptual Framework



Source: Developed from Reviewed Literature (i.e Chaffee and Schleuder, 1986; Nyagadza, 2020; Holliman, and Rowley, 2014; Kim et al., 2012; Treacy and Wiersema, 1993; 1995; Porter, 1979a, 2008; Morgan, 2012; Neely, 1998; 1999; Hall and Lee, 2019; Li, 2016)

CHAPTER TWO: LITERATURE REVIEW

2.0 Introduction

The study variables are developed through a critical review of a number of theories including; Social Exchange Theory, Dynamic Capability Theory, Network Theory and Five Forces model. These are organised in different sub-sections in this chapter, including theoretical review and empirical review with brief discussion on study variables that identify knowledge gaps in literature on interactive marketing practices, competitive advantage, competitive environment and Market performance.

2.1.0 Theoretical Review

Market performance issue has been central in industrial organisation, relationship and strategic marketing communication research for decades and encompasses other questions that have been raised in the field, as for instance, why firms differ, how they behave, how they choose strategies and how they are managed (Porter, 1980; 1985). A number of market performance theories and models have been devised to provide structure for identifying and examining problems, choosing and developing appropriate interventions, and assessing results (Miles et al., 1978; Klepper, 1996, and McGaham, 2015). To explain the market performance of Soft Drink Manufacturing enterprises (SDMEs), this study employed the *Network Theory* (Koch and Windsperger, 2017). To explore the impact of interactive marketing practices and the underlying competitive market environment dynamics, the study employed S*ocial Exchange Theory* (Homans, 1958; Blau, 1964), *Dynamic Capability Theory* (Teec, Pisano and Shuen, 1997) and F*ive Forces model* (Porter, 1979a; 2008).

2.1.1 Social Exchange Theory (SET)

The SET, developed by Homans, (1958) and Blau, (1964) is a systematic method to explain the impact of interactive marketing practices on buyer attitudes (i.e positive or negative) and behaviour. It was initially developed in the 1950s in attempt to understand and explain the nature of human interactions that are regulated by the subjective cost and benefit analysis that tend to base on comparison of alternatives one has at the moment (Homans,1958; Blau, 1964). Homans, (1958)'s interest was in psychological conditions that induce individuals to engage in exchanges while (Blau, 1964), was more in explaining exchange as an elementary particle of social life in which social structures are rooted. Blau, conceptualizes social relations in terms of exchange processes. He alleges that mutual bonds emerge in social interaction as persons who incur

obligations reciprocate, but the imbalance resulting from unilateral benefits engenders superior status.

It has been observed that, people interacting at the buyer-seller interface develop a certain degree of social embeddedness far beyond control of any of partners though each one pulls to self (Wathne and Heide, 2000; Jap and Anderson, 2003). The natural tendency of the relational dimension of social capital usually focuses on aspects such as trust, friendship, respect, and reciprocity as reinforcers of any relationship that characterise not only business relations but also social relations. In explaining the power imbalance between the buyer and the seller, Roberto, (2017), explains that, as the relational capital grows, the buyer's efforts to monitor, check and safeguard tend to decrease which gives the supplier an occasion for information asymmetry and opportunistic behaviour (Dawson et al., 2010). From the business ethics point of view, sustaining the relationship is usually a give and take scenario that requires discipline on both parties.

Embedded within the exchange framework are core assumptions of social exchange theory about the nature of individuals and about the nature of relationships (Sabatelli and Shehan, 1993). These are summarized as follows: (1) Individuals seek rewards and avoid punishments, (2) When interacting with others; individuals seek to maximize profits for themselves while minimizing costs. Because it is not possible to know the actual rewards and costs involved in interacting with another before interactions occur, individuals guide their behaviour through their expectations for rewards and costs, (3) Individuals are rational beings and, within the limitations of the information that they possess, they calculate rewards and costs and consider alternatives before acting, (4) The standards that individuals use to evaluate rewards and costs differ from person to person and can vary over time.

Exchange relationships in addition to the above general assumptions about the nature of one-to one or one-to-many human exchange relations hold that; (1) Social exchanges are characterized by inter-dependence, that is, the ability to obtain profits in a relationship is contingent on the ability to provide others with rewards, (2) Social exchanges are regulated by norms like reciprocity, justice, and fairness, (3) Trust and commitment result from the emergent experiences of individuals within relationships and help to stabilize relationships over the longer term, (4) The dynamics of

interaction within relationships and the stability of relationships over time result from the contrasting levels of attraction and dependence experienced by the participants in the relationship. One can precisely say that the theory explains why people (buyers and sellers) stay in relationships.

The theory has over time been used to develop effective buyer-seller relation management interventions on the basis of understanding the two forms of exchanges within the business relations: i.e economic and social exchanges. The theory is praised on the account of the fact that it brings sociology and economics closer by helping in interpreting social behaviour in terms of transactions using constructs of rewards or profits, punishments, costs and expectations which commonly characterize most buyer-seller relations (Homans, 1958).

Economic exchange is explicit and usually defined by detailed contracts with specific terms and conditions and usually associated with monetary benefits, whereas social exchanges are often implicit and based on the non-monetary features of business relations. These social exchanges in between buyer and the seller are mostly symbolic and grounded by intangible resources and the exchange process is regulated by the norms of trust and reciprocity (Smeltzer, 1997). According to him, a trustworthy buyer or supplier is one who: does not act in a purely self-serving manner, accurately discloses relevant information when requested, does not change supply specifications, and generally acts in an ethical manner. There is considerable research evidence in the support of reciprocity norms. It is argued that buyers reciprocate the benefits received from firms such as sincere concern shown by firms about the well-being and fulfilment of implicit promises. The norms of reciprocity are based on the dispositional orientation of buyers according to which buyers should help those who helped them by being loyal (Wu, Chan and Lau, 2008). Moreover, reciprocity is a key determinant of satisfaction in buyer-seller relationships (Johanson et al., 2000).

The inadequacy of the theory according to Miller, (2005), lies in its inability to explain failures in buyer-seller relations that are not caused by economic reasons. Even the forms of economic rewards referred to are not clearly defined. The theory uses generalized approach for interpreting human interactions. The patronage of some buyers to specific soft drinks is not well explained by SET. The theory does not accurately account for what causes variations in buyer preferences across different soft drink categories. The theory's assumption that individuals are innately selfish and

ready to terminate relationships where the costs outweigh the benefits is not always accurate because some relations go on not necessarily on the basis of economic gains (Blau, 1964). Equally the assumption that ultimate goal of a relationship is intimacy, might not always be the case (Miller, 2005). Moreover, placing relationships in a linear structure which the theory does is not realistic since some relationships might skip steps or go backwards in terms of intimacy.

Despite the fact that the theory helped the researcher underpin, interactive marketing practices as a concept, it does not explain the non-human interactions (human-to-content and human-to-computer). Because of the limitations arising above, the social exchange theory cannot explicitly explain the market performance outcomes of SDMEs in Kigali City. The study suggests that the prediction of market performance is improved when buyer-seller trust and reciprocity is included in SET (Choi and Storr, 2020; Butt, 2019; Tangpong et al., 2015; Chang et al., 2010) which interactive marketing practices have a potential to improve. Social trust and reciprocity may act as a mediator variable between the SET variables and market performance when interactive marketing practices are linked to them. The theory was used to explain interactive marketing practices relationship with market performance of SDMEs. The firm-buyer interactions are explained through a causal mechanism that runs from organisational communication practices through individual attitudes and behaviour (influencing trust perceptions/purchase intent) back to organisation-level performance (Customer retention and sales).

2.1.2 Dynamic capability theory (DCT)

The DCT developed by Teece, Pisano and Shuen, (1997), explain that a firm's competitive advantage emanates from its ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments. The theory explains a firm's spanning capabilities needed to integrate and connect internal and external processes. These spanning capabilities are knowledge-based and link the company's internal functioning with its market. For example, the skill to achieve sustainable growth in customer numbers and sales blends information on customer needs with technical capabilities. These capabilities also include customer retention planning and budgeting, customer order fulfilment, pricing, distribution or technology-based customer service delivery etc.

Further reference can be made also to dynamic marketing assets and capabilities as lavers of marketing efficiency and related favourable competitive position. Ferreira, Cardim and Coelho,

(2020), reckon on specific dynamic marketing assets and capabilities to include: distribution penetration, marketing expertise, market positioning, market knowledge, customer loyalty, strategic communication, brand name reputation and relationship with suppliers and distributors. These scholars tend to therefore combine resources and capabilities, marketing strategy formulation capabilities, organizational learning and strategic competitive advantage as predictors of market performance. Besides helping the study underpin, competitive advantage as a variable (mediator), we also drew from all these insights to inform the investigation on interactive marketing practices and market performance relationships.

Dynamic capabilities equally reflect an organization's ability to achieve new and innovative forms of competitive advantage given path dependencies and market positions (Leonard-Barton, 1992). The theory assumes that the competitive advantage of a firm lies with its managerial and organizational processes, shaped by its specific asset position, and the paths available to it. For the purpose of this study, dynamic capability theory was used to study the contribution of the interactive marketing communication practices (with information as a key resource) in enhancing competitive advantage and consequent market performance of SDMEs. Interactive marketing practices such as content marketing, social media and search engine marketing (Nyagadza, 2020; Yogesh et al., 2020; Appel et al., 2019; Holliman, and Rowley, 2014) helped in predicting market performance. With the official decleration of data as a new class of economic asset (World Economic Forum, 2012), interactive marketing practices in this study served as communication resources (dynamic capabilities) that enable a two-way interaction between these SDMEs and their customers. Therefore, the uniqueness of firms that influence consumers to buy their products lies in their dynamic capabilities (way they use their interactive communication technologies) (Koch and Windsperger, 2017).

The inattention to market characteristics however, makes the theory inappropriate in explaining complex relationships that exist in interactive marketing practices (communication practices) and market performance. Besides, the theory has been criticised for its emphasis on mere best practices which in the to-day's dynamic and competitive environment cannot be sustained: they are substitutable and, thus, violate the VRIN condition (Porter, 1980). Digital technology economy challenges the originally identified sources of competitive advantage: there is high degree of

uncertainty and value is co-created with several other firms a reason why Network theory was introduced in the model to help better explain market performance (follows next).

DCT was used to explain the relationship between the communication resources (dynamic capabilities) of SDMEs and their competitive advantage.

2.1.3 Network theory (NWT)

NWT as explained by Koch and Windsperger, (2017), Tureta, Rosa and Santos (2006), Callon, (1991) and Whatmore and Thorne, (1997), emerged, to offer explanation on different business network-related relationships. It is a relatively latest theory in the information society and hoped to address challenges of the digital economy by leveraging the power of information to create network harmony and reap network benefits for firms. Goodman, (1999), explains NWT as a widely applied theory because he believes it shows more clearly how natural and social entities become entwined with one another in the digital market networks. Tureta, Rosa and Santos, (2006), view the practical daily activity in organizations gaining importance through understanding the relationships between actors and is given form as they translate their contradictory interests, that is, converge their interests in a direction of a common goal.

Tureta, Rosa and Santos, assert that many social practices consist of mutually stable relationships between human agents and different technology objects. When describing the service-provider-end-user relationships, they portray that what is important, and which has weight, is the subject-object relationship (how technology tools shape human business interactions). The same authors assert that movement, continuity and fluidity are characteristics inherent to both strategies as social practice, where the focus is on the process, and also in the assumptions of the NWT, since it also pays close attention to the idea of information flow mechanisms. Tureta, Rosa and Santos, suggest using the NWT as an interesting possibility to research strategy with a basis in the notion of technology-based social communication practices. The theory assumes that the key determinant of market performance in the digital or networked economy, lie in exploiting network information benefits among suppliers, customers, etc. In this regard, the theory helped the study underpin market performance concept.

Other network authors (Callon, and Latour, 1981), earlier alone argue that chain or network activities can only be totally comprehended by taking into account the full range of entities

(natural, social, technological and so on) found therein. It is in this context that Callon, (1991), defines a network as a 'coordinated set of heterogeneous actors which interact more or less successfully to develop, produce, distribute and diffuse methods for generating goods and services'. This generalized and holistic view appears to accord better with Koch and Windsperger, (2017), whose concern for value creation in virtual market space is in managing relationships among the various heterogeneous network actors i.e suppliers, customers, etc. Contrary to the traditional value creation activities that were presumed to lie in the internal organisational processes (Porter, 1985), in the virtual market space today, key value creation activities include: information creation (gathering), systematisation, selection, distribution, exchange, evaluation and offer. This study considers information resources as key determinants of market performance which lies in exploiting benefits along networks of actors (Koch and Windsperger, 2017).

In the current digital era, where market ecosystem is constituted by a network of various, heterogeneous, and diverse actors who differently participate and contribute to value creation processes, information become a key resource. It shows a completely new situation from the traditional industry structure and Resource Based View assumptions of relative stable environment (incremental changes over time and only rare radical changes) quite different in the digital environment (Koch and Windsperger, 2017). In the digital environment (i.e era of Industrial Internet, Industry 4.0 or Internet of Things) value creation is not inherently in internal processes as traditional approaches assume it to be. The inbound, operations, outbound, marketing and service as primary activities assumed by Porter, (1985), are no longer holding in terms of value creation in the digital era.

Firms are embedded in dynamic and turbulent ecosystems characterized by high degrees of uncertainty, where value is co-created with several other firms and strategy-making is based on actively shaping the environment (Porter, 1979b). In the digital environment firms participate in intertwined networks and the only remaining constant under these circumstances is on how "to create value and compete". Thus, from a network-centric perspective, it can be concluded that firms' resources and capabilities extend beyond firm boundaries and can be embedded in set of relationships between and across firms (Snow, 2015). This discussion leaves behind certain thinking that firms in today's virtual market space cannot attain a desired level of competitiveness without leveraging on digital technologies to maintain relationships with clients.

The theory is used in this study to explain technology-mediated interactive marketing effects on market performance of SDMEs. The study ventured into how these SDMEs exploit their networks or chains of actors in their value creation activities, build stable relationship, build trust with customers and remain competitive. However, the high-level volatility that characterise digital environment today restricts the level of firm innovation (Koch and Windsperger, 2017), which limits the theory's power to explain better the market performance of SDMEs. It's the reason why five forces model was introduced in this study to explain the competitive behaviour of these firms (Follows next).

2.1.4 The Five Forces model (FFM)

The FFM expounded by Porter, (1979a), explains that the state of competition in an industry and how firms survive entirely depends on how they act on the five basic forces: i.e bargaining power of suppliers, bargaining power of buyers, threat of new entrants, threat of substitute products or services and rivalry among existing competitors. In his article published in Harvard Business Review, "How Competitive Forces Shape Strategy", Michael Porter, (1979), explains the five forces that determine the long-run profitability of any industry, which has, over time shaped a generation of academic research and business practice. These five forces govern the profit structure of an industry by determining how the economic value it creates is apportioned (Porter, 2008). He emphasizes that value may be drained away through the rivalry among existing competitors, at times, but it can also be bargained away through the power of suppliers or the power of customers or be constrained by the threat of new entrants or the threat of substitutes. Indeed, empirical research indicates that effective response to the competition can improve a company's competitiveness and even decrease the risk of loosing customers (Riitta, Eric and Henning, 2012). Compared to other analysises, the five forces analysis is more deep and comprehensive since it looks at many different factors that are most important and most influencing forces to companies' existence in an industry and therefore have been recommended as the most effective way of analysing how companies respond to competition in their operating environment (Panagiotou, 2006).

The model assumes that in industries where these forces are low, firms experience better market performance. FFM assumes generally that a favourable market position depends on a firm's ability to influence the key forces in its industry to create a more favourable structure for itself or to

expand the pie altogether. More still, the model assumes that buyers, competitors, and suppliers are unrelated and do not interact to collude. The five forces reveal why industry profitability is what it is. Baxter, (2019), has expressed support to this model alleging that the nature of industrial competition today goes beyond any firm's ability to confidently control. He concurs with Porter, (1979a), on the need to understand how the five competitive forces work and the imperative of establishing the strategic agenda of dealing with them in a particular situation.

In relation to this study, besides the model agitating for managers to understand these forces and incorporating industry conditions into strategy, it offers insight for firms looking to enter or exit industries and to help in finding a niche that can be defended from the impact of those forces (Porter, 2008). Porter's Five Forces is a strategic analytical tool that can be used to assess the level of intensity of competition in the industry. The tool can also be applied to evaluate the balance of power in the industry. Perhaps, if SDMEs use FFM and systematically identify factors that characterise their operating environment, their performance would improve since it has been reported that most of performance failures are a consequence of inability to well predict environment (Milliken, 1987).

However, much as the model offers insight into key forces that determine the nature of market performance outcomes for an industry and its imperative call for strategy formulation that bases on key industry forces, it cannot be used independently in addressing the challenge of market performance visible in the soft drinks manufacturing industry. The theory has been criticised on the basis of the fact that it directs too much managerial attention to the industry level and too little attention to idiosyncratic firm differences besides picturing the competitive market as relatively static (Barney, 1991; Ilinitch, Daveni and Lewin, 1996). Other scholars dismiss the model's deductive argument and assumption that in some industries, buyers can have bargaining power on price (Fuchs, 2019). Fuchs is pessimistic that on the basis of 5 forces partial analysis, firms cannot correctly give desired pertinent response. He fears that results of such industry analysis may be false thus resulting in performance failures. Others have refuted the assumption that consumers and suppliers cannot interact or that consumers have no access to substitutes (Garland, 2019). Garland posits that in the modern times this is not true. He alleges that the model is not applicable in all industrial settings since the conditions there require different planning different from how

five forces framework anticipates it. Gnjidić, (2018), has reminded readers about certain controls like antitrust rules in some markets that hamper industrial competitiveness which the model is silent about. Moreover, FFM viewed holistically as springboards for strategy may be at odds with complex market phenomena (Gnjidić, 2018). Gnjidić sees the model as impractical considering the technical difficulties involved in teasing out a single strategy from the five forces analysis that appropriately serves market needs at one point in time.

Despite these limitations, the model helped the study underpin the concept of competitive environment which is the moderator variable in this study. The study used it to explain how SDMEs manage their operating environment to achieve their set market objectives.

In this study FFM complemented social exchange theory, dynamic capability theory and network theory in examining the imperative of matching information resources and industry dynamics in a way that creates a favourable competitive advantage thus guaranteeing good market performance in form of increasing customer base and augmenting sales for the SDMEs. It can be synthesised from the above theoretical discussion that, one single theory may not sufficiently and separately predict firm performance variations when organizations operate in a digital dynamic environment. Therefore a hybrid of theories helped in offering a better explanation.

2.2. Empirical review

2.2.0 Introduction

This section covers review of literature related to variables under this study. It provides details relating to both theoretical underpinnings and empirical findings resulting from previous studies carried in different industries or sectors.

2.2.1 Conceptualisation of interactive marketing practices and market performance

This study borrows definitional insights from Stone and Woodcock, (2014), and refers to Interactive Marketing Practices (IMP) as a set of firm-level communication activities of using digital media to promote products and services. The definition scope of IMP covers all technology-based communication activities that firms use to elicit positive customer response. According to Lawton and Gregor, (2003), any marketing interactive process aims at helping the firm to uncover and meet customers' needs. In spite of the lack of shared agreement (mixed conceptual definitions) on marketing interactivity concept's unit of measure (Chaffee and Schleuder, 1986), there has been attempt to classify IMP into three broad areas though not mutually exclusive: i.e content

marketing, social media marketing and search engine marketing (Nyagadza, 2020; Yogesh et al., 2020; Appel et al., 2019; Holliman, and Rowley, 2014). Ostensibly, different types of marketing interactivity that may occur online have been categorized into three general dimensions portraying the multifaceted nature of IMP with each facet performing multiple functions in altering buyer behaviour. This kind of delineation of IMP bases on the premise that marketing interactivity occurs at multiple levels i.e human-to-content, human-to-human and human-to-computer marketing interactions that an organisation can use to elicit customer response that come in different forms which enable it achieve its marketing communication targets (Bucy, 2004). These broad types of interactive marketing reflect a set of communication practices. It is advertising through a two-way channel that allows for feedback from the one listening or viewing.

Some studies however have indicated that purchase intention may not be universally affected by all the three types of interactivity (Kim et al., 2012), and concentrated only on human to human and human to computer interactivity. But this study considered all the three types of marketing interactivity, in line with Bucy and Tao, (2007), who argue that to address the unit of measure of interactivity problem, the extant literature can be divided into three approaches: message-centred (based on semantic relatedness), structural (based on technological attributes), and perceptual (based on user perceptions).

Market performance (MP) in this study is defined as the ability of an organization to achieve its market objectives with greater efficiency and effectiveness than its competitors (Morgan, 2012; Neely, 1998; 1999). In a broader sense it relates closely with how well an organisation achieves its market-oriented goals as well as its financial goals through specific indicators like market share, return on investment, growth on market share, customer retention, growth of sales, growth in return on investment, profit margin on sales and overall competitive position (Dushyenthan, 2012; Flore, 2015; Murugesan et al., 2016; Grewal et al., 2019). It is evidently clear that, these market outcomes (output constructs) are attained differently by different firms on the market. The 1990's emergence of internet opened a new era in marketing communication between firms and their clients (Verhoef and Bijmolt, 2019). Marketing communication practice has since then continuously evolved and has taken new forms in trying to adapt to evolving technological and customer changes. Though still difficult to measure accurately the "success" of an interactive marketing system or model in terms of monetary gain (Alden et al., 1973), the past three-or four-decades' changes spurred by

computer and information shows a doubled significance of interactive marketing as a critical factor of increased performance outcomes on the market (Verhoef and Bijmolt, 2019; Kumar, 2018; Yanga, Shib, and Wang, 2015; Mulhern, 2010). Moreover, the marketer can measure interactive marketing effectiveness through digital technologies (Forrester, 2011).

Many scholars have tended to appreciate that IMP have a powerful potential as a competitive weapon that influence firm performance (Barwise and Farley, 2005). For example, a study in a private hospital sector in Saudi Arabia by Ajina, (2019), proved that IMP significantly influences organisational performance. Other scholars, including Wang et al., (2019a), found that IMP as content in different formats like video, text, voices, guides, graphics, ebooks, quizzes, blog posts/stories, are a significant predictor of sales increase especially in B2C contexts. Pew research centre, (2013) has linked shooting of online sales to the growing percentage of internet users who watch and download video and audio messages. A study by, Shen, Zhang, and Krishna, (2016), found a positive association between firm performance and IMP. They posit that IMP positively influence preferences for a product, alleging further that interacting with the product features, increases consumers' mental simulation and hence, increases purchase intentions.

More so, Aslam et al., (2015), in a study on commercial banks in Pakistan also confirmed a positive association, similar to Bhandari and Bansal, (2018), who basing on a sample of 338 from the National Capital Region of Delhi in India, obtained results that linked IMP with certain firm-level performance outcomes: i.e market share, brand loyalty, brand recognition, product information, brand image, brand awareness, consumer online behaviour, and user reviews. Relatedly, Van Heerde et al., (2019), Lobschat et al., (2017) and Homburg et al., (2014), also report a positive significant relationship between IMP and performance of a firm as measured by increased customer engagement and positive sales effects. Their studies emphasise on the value enhanced by digital presence especially for customers who are distant from the store. Osinga et al., (2019), also, confirm similar results where IMP are associated with unprecedented increase in offline sales, similar to Babić Rosario et al., (2016), who found a positive correlation between online word-of-mouth and sales.

Contrary to these positive findings, however, Hoeck and Spann, (2020), confirm a negative association between performance and IMP. In Hoeck and Spann's study experiments based on 233

samples, IMP were found to decrease advertising effectiveness for some participants who reported that increased interactivity increased on their cognitive load. Their finding agrees with a study by Liu and Shrum, (2002) which affirms that under certain circumstances marketing interactivity inhibit persuasion. Similarly, Kim et al., (2012), also found that IMP effects are doubtable in terms of usefulness for companies operating in U.S. Their findings indicate that increased interactivity results in a reduction of message effectiveness especially for digital immigrants, which means lost sales opportunity for such companies. Relatedly, Fahmy and Ghoneim, (2016), using 838 samples, observed an insignificant effect of IMP on performance for companies operating in Egypt. Fahmy and Ghoneim, advance interactivity theory explaining how, same media stimulus may have differential effects on different users basing on individual differences such as age. Additionally, O'Keefe, (2003) has shown that the persuasion effects of IMP hold only if we ignore biological differences of individuals and assume them to be the same across time and geography otherwise in certain situations people exposed to same media features may not experience similar cognitive effects (they may be thought-provoked differently).

Yet, in other circumstances, interactive marketing message exchanges may not equate with transfer of meaning or behavioural change (Yoon, 2009). Further still, certain interactive features have been accused of reducing interpersonal effect and social solidarity, besides increased internet usage leading to increasing isolation and instances of depression (Kraut et al., 1998). All this notwithstanding, when we make reference to the old adage "what goes up must come down", put in systems terms, there are certain entropy forces that may be at work besides having an electronic warm relationship with a customer, considering the human trait of changing one's mind especially in the firm-customer context of failing trust and cooperation (failure to fulfil a promise) or product obsolescence or any potential environmental, technology, social or political-driven force (Baker, Buttery and Richter-Buttery,1998). Moreover, other relationship scholars have shown that acquiring 'likes' on social media might have no effect on consumers' attitudes or behaviours (John et al., 2017; Mochon et al., 2017), or even showing that it is not convincing enough winning positive word-of-mouth; that this may have little or no effect at all on consumer's line of preferences or likely negative effects on consumer preferences if negative word-of-mouth is associated (Hennig-Thurau et al., 2015).

On the basis of these mixed views, it is seen that the position of IMP and how they influence MP in the soft drink manufacturing industry in Kigali city is elusive. This is what prompted a scientific investigation which links IMP and MP in a soft drink manufacturing sector in Kigali city. It is what necessitated the study to test the hypothesis:

***H1**: Interactive Marketing Practices* have *positive relationship with Market Performance*

2.2.2 Interactive marketing practices and competitive advantage

According to Victoria and Pantelis, (2009), a firm attains a competitive advantage position from its rivals if it has the ability to grab all the available market opportunities, sooner, better and possibly at a lower unit cost than others. Porter, (1985), and Treacy and Wiersema, (1993; 1995), advise on how firms can gain competitive advantage. They agree that no company can succeed by trying to be all things to all people. It must instead find the unique value that it alone can deliver to a chosen market. Porter presents generic strategies as competitive methods or priorities in which a business can compete to attain strategic advantages: i.e by focusing on either low cost (cost leadership) strategy, differentiation or focus on a chosen market niche.

For the consideration that different customers buy different value, Treacy and Wiersema, (1993), tend to modify porter's model by suggesting a value driven model that constitute three value disciplines that a company should choose from which should act as a central piece that shapes its every subsequent plan and decision it makes: i.e operational excellence, product leadership, and customer intimacy. This model which has been tested in a manufacturing setting and proved as valuable research tool for examining the strategic competitive dimensions of all competitors within an industry was adopted to help examine competitive decisions that SDMEs take and use (Zacharias, Nijssen and Stock, 2016). Treacy and Wiersema argue that companies need to make tough strategic choices in order to become market leaders. According to them, market leaders choose to excel in delivering extraordinary levels of one particular value to their customers. This way the company can remain focused and become the absolute best in a certain value proposition.

IMP are related to Product leadership especially when they lead to effective brand promotions and product awareness among customers (Debra, 2014; Pomirleanu et al., 2013). It explains both direct and indirect effects that happen either through human-to-content, human-to-human or human-to-computer marketing interfaces whose embedded functional roles allow for interactivity, that brings a change in consumer behaviour both in short and long run which has sales implications for the

firm. These marketing interactions impact on customer attitude (McMillan and Hwang, 2002), memory (Chung and Zhao, 2004), and purchase intent (Singh et al. 2000), which help firms to advertise, attract and retain customers. It is overly evident here that once a brand has become memorable, it eases the sales force job, reducing the required promotion expenditure. It is hoped that even referrals increase since a satisfied customer is the best marketer.

Extant literature tends to agree that IMP influence product leadership through altering consumers' perception of value and quality, which sequentially generate the consumers' intention to buy (Santosa, 2010). The company can also use IMP to minimise customers' environmental-related fears by using interactive communication to respond to customer environmental challenges or fears (Zhang, Sun and Xu, 2020). Moreover, failure to understand customer needs is one of the cited product leadership management gaps that IMP has a potential to resolve (Forrester, 2020).

The association between operational efficiency and IMP has been discussed especially in relation to reduction in total cost (Bag et al., 2020). Their study reiterates the significance of big data analytics for purposes of keeping organization informed about changes in customer environment. Ali et al., (2020), have stressed that for achieving world-class performance and competitiveness in today's global highly complex environment and competition, where resources are moreover limited, companies must pursue operational excellence in terms of reduced cost, and provide high-quality products in shorter lead times. Operational excellence manifests itself through integrated performance across revenue, cost, and risk. It focuses on meeting customer expectation through the continuous improvement of the operational processes and the culture of the organization around the five critical areas of operational excellence: i.e health, safety and environment, reliability (continuity of operations), quality, costs and people development.

Relationship management scholars have investigated IMP and customer intimacy relationship and have specifically, shown how it focuses on customer actions and directly responds to them (Stone and Woodcock, 2014). The data-based activities that proactively seek to provide best total solution to customer problems reinforce this relationship. Logically, the personalised one-to-one interaction between the brand and the customer expresses deep concern for individual needs that keeps the relationship warm (Ball et al., 2014). Ball et al tend to show that if done properly, personalization

of a service influences positively the level of customer satisfaction, which is known as a big influencer of customer loyalty. This refutes the argument of one-size-fits-all, since services that suit the customer's needs better, ought to be satisfactory.

Naturally, on the basis of personalized service encounters, the customer develops a sense of belief that the business enterprise in question is perssionate to him or her, which has some trust implications and related extended relationship that leads to future purchase action. Literature has also shown that IMP help companies in personalising their services and enhancing customer loyalty (Tong and Kam-Sing, 2012; Tyrväinen et al., 2020) and customer commitment (Shen and Ball, 2009). Though Makarem et al., (2009) and Wei et al., (2019), tend to emphasise the importance of human touch element in both customer satisfaction and behavioural intentions, the increasing use of information technology applications to personalize products and services, yields better results than the traditional face-to-face service encounters do or did (De Keyser et al., 2019).

Industrial organization, relationship and strategic marketing communication researchers, have disagreed on whether IMP and competitive advantage are directly related especially with regard to personalized promotions. Despite the fact that social networking sites present marketers with better opportunities to provide personalized promotions, Kim et al., (2019), show that when consumers receive any promotion with irrelevant items, they exhibit higher cognitive control and higher patronage behaviour with non-personalized (with many irrelevant items) than personalized (with one item) promotions. This notwithstanding, however, Baltes, (2015), shows how a specific content directed to a specific niche using a specific media channel can yield a firm certain information and service quality advantages than other firms (Cooper, Willard and Woo, 1986). Such a strategy improves brand awareness, generating leads, fostering customer loyalty and developing an audience base in that specific niche.

Smith, (2011), states that competitive advantage and long-term survival of a firm can be attained when it adopts a holistic interactive communication plan. Koch and Windsperger, (2017), have investigated the extent to which firm uniqueness or competitiveness derives from its ability to interactively influence consumers to buy their products through use of digital communication technologies. In one way or the other, this has been a cause for increased expenditure on interactive marketing activities but it has been a worthy investment since it translates into sales. Profitable

customer actions-related benefits have also been found by Kotler and Armstrong, (2018) to accrue to a firm using video, text, voices, guides, graphics, e-books, quizzes, blog posts/stories, etc on social media or through paid media. Same benefits are reiterated on by Homburg et al., (2015), while explaining the technology-based brand promotion experience that consists of individual contacts between the firm and the customer at distinct touch points in his or her purchase journey.

Relatedly, Osinga et al., (2019), associate IMP-related positive relationship with competitive advantage, just like Wedel and Kannan, (2016), who find close ties between competitive advantage and gaining customer insights through interactive processes. Moreover, besides, product exchanges, a customer desires and or equally buys memorable or satisfying experience, that emanates from the two-way exchanges. These studies deeply reflect on the importance of consumer's emotional aspects of decision making and experience, which aligns to the five natural types of customer experiences: i.e sensory (sense), affective (feel), cognitive (think), physical (act), and social-identity (relate) experiences, that Schmitt, (1999), uses to show the multidimensional nature of customer experience that marketers should attend to always. IMP are seen in this study to address these pre and post purchase customer emotional needs.

IMP positively relates to competitive advantage especially when businesses are able to grow their brand awareness, differentiate from the competition, increase customer loyalty, gather qualified leads, and increase their profits (Koch and Windsperger, 2017). However, the significance of interactivity in marketing communication cannot be overemphasised since, empirical evidences show that for certain categories of consumers especially those born before 1980 (digital immigrants), increased marketing interactivity might result in a reduction of advertising message effectiveness (Kim et al., 2012). Yet, other studies have shown that the persuasion effects of interactive marketing facets are not constantly attained across diverse groups of people (O'Keefe, 2003).

On the basis of these empirical findings, the study develops a hypothesis thus:

H2: *Interactive Marketing Practices have positive relationship with competitive advantage*

2.2.3 Competitive advantage and market performance (MP)

The pursuit of competitive advantage (CA) has been at the heart of many strategic management prior studies (Wang and Lo, 2003; Morgan, Kaleka, and Katsikeas, 2004) who have confirmed a significant relation between performance and competitive advantage. And different perspectives

have been used (Koch and Windsperger, 2017; Porter, 1985; Treacy and Wiersema, 1993; 1995; Teec, Pisano and Shuen, 1997) to explain this relationship. The diversity of perspectives used have led to mixed results which have led some scholars to question the empirical validity of such studies as they try to explain the heterogeneous firm performance issue and trying to figure out which factors exactly justify performance differences (McNamara, Aime and Vaaler, 2005). This implies that many efforts have been made to understand the sources of competitive advantage. Dynamic capability theory predicts CA from a firm's ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments (Teece, Pisano, and Shuen, 1997). The theory assumes that the competitive advantage of a firm lies with its managerial and organizational processes, shaped by its specific asset position, and the paths available to it. Continuous learning and adaptability are emphasised as being key in the whole process of attaining CA.

Kotler and Armstrong, (2018) postulate that CA and MP are eminent only if a firm makes a thorough investment in customer value creation activities. Similar argument has been supported by Lema et al., (2018) who hold that customers like products, have a life-cycle that companies must attempt to change. The whole idea is that customer growth chain is systematic, progressing from acquisition and retention which can be grown in value over time. These scholars contend that customers climb a value staircase or value larder, from suspect, prospect and first-time customer, to majority customer and ultimately to partner or advocate status (Omobono, 2018). Once this status quo is attained, competitive advantage defined by Victoria and Pantelis, (2009) as "the ability of a firm to take advantage of the potential market opportunities, sooner, better and possibly at a lower unit cost than competitors" can also be attained! Even market performance here defined by (Morgan, 2012; Neely, 1998) as ability of an organization to achieve its market objectives with greater efficiency and effectiveness than its competitors would become a reality.

Competitive advantage relationship with market performance has been widely researched and scholars tend to portray different sources of competitive advantage that strongly influence market performance of a firm. For example whereas, Porter, (1979b) predict improvement in performance from the angle of cost leadership, differentiation, focus strategies, Traecy and weasema, (1993) see a greater predictive power in operational excellence, product leadership, and customer intimacy, yet others like, Barney (1991), expect a specific firm's chosen value creation activities

to lead to better market position. All this notwithstanding, Meso and Smith (2000) predict the same using strategic assets, different from Nkundabanyanga (2016) and Kamukama et al., (2011) who explain the same using intellectual capital. Directly or indirectly, these studies allude to different processes in which firms try to "create customers" (Kotler and Armstrong, 2018). The customer growth chain is of great interest for this study since their acquisition and retention take most resources for firms which happen over time. Such customer life cycle growth according to Lema et al., (2018), involve a series of progressive activities, from suspect, prospect and first-time customer, to majority customer and ultimately to partner or advocate status. Same customer growth activity chains that link strongly with a way a firm attains its CA, are also alluded to by Omobono, (2018). The practical significance of all the above and the expectation for the firm is to have the customer "stay longer, buy more and tell a friend" hypothesised as key drivers of customer life time value (Kotler and Armstrong, 2018).

A number of studies have empirically examined competitive advantage and market performance relationship. Kimiti, Muathe and Murigi, (2020), for example, in their empirical study on competitive methods, generic strategies and firm performance, show that in financial businesses a cost leader strategy yield results better than differentiation and focus. Their study however, shows that, those, who chose differentiation and focus, performed better than the company that was stuck-in-the middle. Hosseini, Soltani and Mehdizadeh, (2018), tend to express a high optimistic position to the effect that a firm is guaranteed of attaining competitive advantage if it can provide quality products and services at a lower price than those of competitors. They present a four-factor model comprising of: superior efficiency, quality, innovation and accountability to customers as key distinctive competences for a firm to attain competitive advantage. The empirical logic in this model is that higher efficiency (i.e low cost structure) helps a company achieve competitive advantage; higher levels of service quality (i.e the customer experiences positive emotions or satisfaction) which lead to higher sales revenues; innovation provides a firm with unique advantages which the competitor does not have (i.e this uniqueness enables a firm to make itself distinct from competitors) and then it is able to put higher prices on its products or significantly reduces its costs compared to competitors ; whereas, suitable responses to customer (i.e accountability), differentiates a company products and services and creates loyalty to the brand and extra pricing.

Hamermesh, Anderson and Harris, (1978), in surveys of successful low market companies that concentrate on market share as a competitive strategy, indicate that small market share is not necessarily a handicap; it can be a significant advantage that enables a company to compete in ways that are unavailable to its larger rivals. Their findings indicate that, in a division or in an independent company, management's first objective should be to earn the maximum return on invested capital rather than to achieve the highest possible market share. In a relatively similar study but in different setting, Cooper, Willard and Woo, (1986), outline the differences in the strategies followed by successful and unsuccessful low market share companies operating in the same environment and concluded that "absence of a clear focus" was a major problem with unsuccessful companies.

There is a strong belief also that if a firm captures and maintains a competitive advantage (related to a firm's market superiority), it is in a better position to achieve unexpected positive profit levels. Guerras-Martín et al., (2014), raise key characteristics for a firm if it is to attain an ideal strong competitive advantage: i.e it has to focus on consumers' needs; enhance business success; be durable, lasting and inimitable by competitors; be based on company's core competences; promote a continuous improvement environment and guarantee direction and inspiration to the whole organisation. In the continuously changing business environment where enterprises have been internationalised, business entities need to strategically develop flexibility potential, be better organised, operate and respond rapidly to market's changes in order to grasp emerging opportunities with no delay and react promptly, to changes in consumers' preferences according to Dynamic capability theory (Eisenhardt and Martin, 2000). Similarly, Tomic et al., (2018), find and report a strong relationship between sales increases and a company's flexibility in Serbia.

Analysis of the above empirical reviews, bring out an array of competitive priorities or methods: i.e cost leadership, differentiation, focus, operational excellence, product leadership, customer intimacy, innovation, competitive pricing, serving special geographic markets, industry reputation, product quality (control), customer service, online advertising, operating efficiency, flexibility, accountability to customers, superior efficiency and quality of managers (Porter, 1980;Treacy and Wiersema,1993; Hosseini, Soltani and Mehdizadeh, 2018; Shalender and Yadav, 2019). Operational excellence, product leadership, and customer intimacy proposed by Treacy and

Wiersema, (1993; 1995), have been tested in many industrial setting and proven to be a valuable research tool for examining strategic competitiveness (Zacharias, Nijssen and Stock, 2016). Consequent to this observation, these value disciplines or areas were the key CA dimensions that were investigated in this study. Proponents of the model suggest that market leaders should choose to excel in delivering extraordinary levels of one particular value to their customers and focus on one value (i.e either operational excellence, product leadership, or customer intimacy) to become absolute best. Apparently, these relationships as seen above were investigated in different industry settings, in different countries and used different research designs, but no study investigated competitive advantage-market performance relationship in soft drink manufacturing industry in Kigali City. This study addressed this knowledge gap investigating these relationships among soft drinks manufacturing enterprises in the three districts of Kigali City-Rwanda.

Competitive advantage is positively related with market performance especially when businesses are able to use their cost advantages and information benefits to grow their customers, earning unfair share of the market leading to increased sales and related profitability (Sigalas and Papadakis, 2018; Eklof et al., 2018; Kornchai, 2018). Moreover, the quality services in terms of speed and timely delivery leaves the firm with trust benefits that influences both short and long terms sales (Fida et al., 2020; Shurair and Pokharel, 2019). However, literature has tended to show that for some market contexts competitive advantage has only remained temporary (Saadatmand, Dabab and Weber, 2018), suggesting that there is no competitive strategy that guarantees MP success for all market contexts. From the literature review above, the study develops a hypothesis thus:

H3: *Competitive advantage has a positive relationship with market performance*

2.2.4 Competitive advantage, Interactive Marketing Practices (IMP) and Market Performance (MP)

Adopted strategic priorities tend to differ from one organisation to another. However, firms that have been able to identify suitable competitive alternatives have been able to attain superior market leadership position. Literature has defined Competitive advantage (CA) differently. According to Victoria and Pantelis, (2009) CA is the ability of a firm to take advantage of the potential market opportunities, sooner, better and possibly at a lower unit cost than competitors. For Porter, (1985)

competitive advantage portrays a firm's ability to earn high returns on investment that are overly above industry average returns consistently. Whereas to some scholars, competitive advantage is related with value creation (Barney 1991), to others like Meso and Smith (2000), it originates from strategic assets, yet Nkundabanyanga (2016) and Kamukama et al., (2011) use intellectual capital to predict CA and firm performance. From the dynamic capability theory point of view, CA, emanates from a firm's ability to manipulate its specific assets to shape it's managerial processes that appropriately respond to market forces (Teec, Pisano and Shuen, 1997; Eisenhardt, and Martin, 2000).The theory emphasises continuous and positive firm-level learning orientation to acquire new knowledge and insights that characterise the overall customer value creation activities. Since customers naturally buy value/benefit, CA explains a situation where a firm creates and offers this value to a customer at a relatively low price than the competitor (Razak, Nirwanto and Triatmanto, 2016). If we go by these definitions, we locate the sources CA inside the organisation pointing to the traditional view of CA that locate sources of CA inside the organisation. This position is considered by this study to be inappropriate considering the volatility, complexity and uncertainty that characterize digital market ecosystem today. We therefore borrow Network theoretical perspectives to explain CA-market performance relationships. The network theory explains CA using information power that firms use to create value through partnership with other actors (customer, suppliers). The position by Koch and Windsperger, (2017) one of the contenders of network theory, is that information is the most key resource in the virtual market space where customers themselves are connected and in control of information. This discussion alludes to IMP as exchange mechanisms that keep businesses and their clients in close proximity.

IMP therefore, are seen to encompass, all technology-based firm-initiated communication activities that aim at improving brand awareness, which eventually fosters customer loyalty and developing an audience base (Kotler, Kartajaya and Setiawan, 2017). Such activities help in increasing brand recall and brand recognition (Hoeck and Spann, 2020), which helps in creation of a stable customer base that serve as a steady source of cash flow (Hollebeek, 2011). Similarly, Osinga et al., (2019) provide evidence on how IMP has led to increased customer engagement and sales leads, which are indicators of CA and market performance. Besides, IMP has a facilitative role especially in enabling communication exchanges between business and clients on one hand and, between, client and fellow client(s) (Liu and Shrum, 2002). In all this the interactive marketing features, allow for creation of memorable and valuable experiences which help improve

brand awareness in different buyer contexts which impact on a firm's market position or CA. Bag et al., (2020) add on other voices that purport to support how meeting customer expectation through the continuous improvement of the operational processes help in improving the competitive position of a firm. EY Future Consumer Index, (2020) advises that in the post COVID-19 era, with noticeable significant disruption in the customer journey map across almost every industry, companies that not only create meaningful connection (virtual customer intimacy) but also accelerate the use of analytics and Artificial Intelligence, will attain better market positions than others who still depend on physical interactions.

In a related case, Ball et al., (2014) acknowledge and appreciate personalised one-to-one interaction between the brand and the customer on the basis that, customer develops a sense of belief that the business enterprise in question is perssionate to him or her, which has some trust implications and related extended relationship that leads to future purchase action. Smith, (2011), postulate that a firm's unique position or competitiveness derives from its ability to interactively influence consumers to buy their products through use of digital communication technologies. Whereas it is, still debatable as to whether increasing use of information technology applications to personalize products and services yield results like the traditional face-to-face service encounters do or did, scholars like Makarem et al., (2009), still attach importance to human touch element in both customer satisfaction and behavioural intentions; yet, De Keyser et al., (2019), support virtual interactions for business purposes. Quite central to these findings, it is observed that competitive advantage is achieved by firms that manage to apply their IMP to bend or influence preferences of their customers.

Strategic communication and relationship literature has further tended to affirm that CA and performance of a firm are in a large measure influenced by IMP (Content Marketing Institute, 2017; Murugesan et al., 2016; Dushyenthan, 2012). They argue that for organizations to attain better market performance results, interactive marketing functions must be enacted. Despite this, there is a dearth of empirical research that practically investigates the role of CA on the relationship between IMP and MP. Previous studies investigating IMP have tended to ignore the significance of CA on the relationship between IMP and performance in general (Nyagadza, 2020; Yogesh et al., 2020; Appel et al., 2019; Holliman, and Rowley, 2014). Yet, according to Treacy and Wiersema, (1993), operational excellence, product leadership and customer intimacy are the core value disciplines that firms vying for superior market position should prioritise. The mediating

effect of CA and the extent to which it links IMP with MP is silent in literature. Wira and Yasa, (2018); Kamukama et al., (2017); Achmad et al., (2014); Kamukama, Ahiauzu and Ntayi, (2011), and Lopez-Gamero et al., (2009), confirmed competitive advantage as a mediator, however, these studies were carried out in different industry settings and at different times which makes it impossible to generalise their findings to this study context.

Thus, this study on the basis of this knowledge gap, set to examine the mediating effect of competitive advantage on the association between IMP and MP in a soft drink manufacturing industry. The hypothesis presented below was, therefore derived:

H4: *Competitive advantage mediates the relationship between interactive marketing practices and market performance*

2.2.5 Competitive environment, Interactive Marketing Practices (IMP) and Market Performance (MP)

Competitive environment drives the relationship between a firm's communication strategy (actions) and its performance (Simon and Arndt, 1980). A firm's way of disseminating its marketing information (its communication behaviour) is influenced by the nature of competition existing within an industry and the buyer characteristics (Nakata and Zhen, 2006). Apparently, both competition intensity and buyer behaviour portray an element of uncertainty for marketers since they cannot sufficiently address them (seem to be beyond the control potential of a firm). Interactive marketing communication practices of a firm have been reported in industrial organisation and strategic communication literature to have the potential to take advantage of any challenging condition, because IMP help not only in continuous awareness creation and bending the will of demand (Omobono, 2018), but also enable a firm to establish a favourable market position (Stone and Woodcock,2014). Therefore, directly or indirectly competitive environment does influence the relationship between IMP and market performance (Adnana et al., 2016). This brings out evidence to the kind of the conditional relationships that may exist between the independent variables which Jose, (2013) points out. According to Jose whenever a study design has two or more independent variables, it is always necessary to go beyond "main effect" analysis of the independent variables in question and test for interaction and assess whether effects of one independent variable is dependent on the levels of another independent variable. Moreover, Jerman and Bruno, (2012) has confirmed that the nature of competition in an industry, prompt a firm to

adopt more innovative communication practices that increase its digital presence and its levels of competitiveness and performance. However, Kim et al., (2012), report that such interactive communication practices do not constantly or necessarily lead to positive purchase impression and sales leads.

In this study, we consider first the moderating effects of competitive environment which largely affect a firm's strategic communication actions and likely bring about influences on its performance outcomes (Jerman and Bruno, 2012; Nakata and Zhen, 2006). Such combination of competitive environment forces is hypothesised to determine the profitability potential of a firm in an industry (Tsai and Yang, 2014; Porter, 1979a; 1985; 2008). This study adopts Porter's five forces model of competitive analysis to explain competitive environment of these SDMEs i.e bargaining power of buyers, bargaining power of suppliers, power of existing competitors, threat of new entrants and the threat of substitute products (Porter, 1979b). As presented in different literature, entry of new firms into an industry, high buyer and supplier bargaining power stiffen competition intensity and breed a fall in sales revenue stream for individual firms (Mugo, 2020; Lieberman, 1987). Also, higher entry barriers like high amount of capital requirement, high possibility to retaliate, possession of patents and trademarks by existing firms, government protection to existing firms, high customer switching costs have been found to create conditions that lead to oligopoly structures which lead to many market inefficiencies (Alemson, 1969).

Such market tendencies have positive or negative performance outcomes depending on the nature of communication practices adopted by a certain firm at a particular time. For example, according to Koch and Windsperger, (2017), competitive environment might exert positive effects if companies ably adopt an interactive communication culture that can take advantage of environmental changes. Positive benefits can accrue to a firm that invest in markets low in competitive rivalry, low buyer power, low supplier power, low substitutes, low number of entrants (Morgan, 2012; Meuss and Oerlemans, 2000; Damanpour,1996). These views are supported by the five forces model (Porter, 1979a), which assumes that in market situations where these forces are low, profitability is high. However, negative impact may beset a firm that adopts a communication approach that ignores the buyer's information needs (Lafley and Martin, 2014). Also, it might induce negative effects if buyers are able to demand low prices or high-quality

products, which reduces the revenue streams of producers in the industry and bring about reduced profitability effects (Mugo, 2020; Zhao, 2019). Relatedly, high supplier bargaining power has also been found to be highly associated with negative effects since suppliers are not only able to sell at higher prices but also sale low quality raw materials to their buyers which directly reduce the buying firms' profits as they pay more to acquire raw materials moreover of low quality which affect their pricing and market position negatively (Kankam-Kwarteng, Osman, and Donkor, 2019). Further still, existence of substitutes has been reported to constitute a threat especially when it's easy for buyers to switch to alternative ways of satisfying their needs with other products which are relatively attractive in terms of quality or price (Bhatt and Saiyed, 2017). Other scholars like Raza et al., (2011), evidence how too much rivalry in the industry characterized by many competitors of equal size, high exit barriers, slow or negative industrial growth, undifferentiated and easy to substitute products and low customer loyalty result in low profits (Ariffin and Sahid, 2019), since they have to aggressively compete for market share.

More contradictory arguments exist on competitive environment and interactivity. Different strategic marketing literature indicate that competitive environment might have positive impact on interactivity (advertisement success), for, it prompts a firm towards innovative and relational communication as a strategic competitive tool to better business performance (García-Zamora et al., 2013). They tend to argue that firms that adapt to competitive pressures by strengthening their IMP capabilities attain better market position that over time ensures their viability. The basis of their argument is that when for example consumer preferences are unstable, IMP facilitates surveyerance or tracking changes in consumers' sentiments thus better knowledge of customer insights and better response planning which leads to customer satisfaction and better operating margins. Ostensibly, the five industry forces squeeze the company out of its comfort zone and adopt communication initiatives that increase business digital presence and overall firm image. This is reported by Agyei et al., (2020) to increase product awareness and reduces the sales force job (reducing selling costs) and better market performance. Therefore, competitive environment directly or indirectly might enhance the firms' efforts to adoption of interactive marketing communication practices (Gaur, Vasudevan and Gaur, 2011). Competitive environment in this case serves as a catalyst for communication action to respond to industry forces, with hope to attain better market performance results. However, Mugo, (2020) and Zhao, (2019) find a big association

between competitive environment and reduction in sales levels especially when the competitive forces are high.

Competitive environment moderates the relationship between IMP and MP especially when linked with a firm's ability to offer greater value to the customer either by means of lower prices or by providing greater benefits and services that justifies a higher price (Porter, 1985). Here the customer will not switch to substitute products which will increase its competitive position in terms of market share and sales. Besides, systematic management of supply chain also guarantees fair deals in terms of cheap sources of supply whose effect is reflected in competitive prices etc. Moreover, if a firm concentrate on certain value chain activities or areas that give it a lead over competitors it would be in a good market position. Even when sufficient evidence exists supporting the relationship between IMP and MP (Verhoef, and Bijmolt, 2019; Kannan et al., 2016; Stone and Woodcock, 2014; Wedel and Kannan, 2016), this relationship, can be increased or decreased by the level of competition existing in an industry (Tsai and Yang, 2014; Slater and Narver, 1994). That means that the relationship between IMP and MP is more successful if a firm's competitive environment management strategy is well fitted in the overall organisational culture. In this case, competitive environment suits this study as a moderator since it depicts certain conditional relationship, where, effects of IMP on MP depend on competitive environment. The researcher consequent to this claim, calls for SDMEs' attention to their competitive environment through continuous scrutiny of their market forces to inform strategic decisions as advised by Porter, (1979a).

Ogaga and Odhiambo, (2017), Adnana et al., (2016) and Prescott, (1986), confirmed competitive environment as a moderator but Slater and Narver, (1994) failed to find sufficient evidence to confirm the moderation effects of competitive environment. Apparently, however, none of the reviewed studies investigated competitive environment as a moderator in a soft drink industry in Kigali City. This study filled this knowledge gap by examining the moderating role of competitive environment in the relationship between IMP and MP of SDMEs in Kigali City.

In view of the above presented contradictory views, the study developed the following non-directional hypothesis:

H5: *Competitive Environment moderates the relationship between* Interactive *Marketing Practices and Market Performance*

CHAPTER THREE
RESEARCH METHODOLOGY

3.0 Introduction

This chapter describes methodology and methods used to address the set objectives and hypotheses in this study of interactive marketing practices, competitive advantage, competitive environment and market performance. The chapter explains the philosophical assumptions, research design, the sample selection techniques, data collection methods, Operationalization and measurement of variables, ethical considerations, data cleaning and coding, validity and reliability of results, statistical modelling for data analysis and data analysis for both quantitative and qualitative studies.

3.1 Philosophical assumptions

According to Crossan, (2003), it is important for every researcher to take a philosophical position in order to better understand which methods to apply related to assumptions that define the general features of the world (e.g mind, matter, reality, reason, truth, nature of knowledge and proofs of knowledge). In line with this advice, critical realism was adopted as a guiding research paradigm in this study. If we go by Kaushik, and Walsh, (2019), we firmly believe that each paradigm has different perspectives related to: Ontology, epistemology, methodology, axiology and rhetoric of research. Positivism is good for quantitative research and therefore cannot apply to this study which is a purely social science study, whereas, interpretivism is good for qualitative researches that investigate context-dependent human experiences according to Creswell, (2011).

Positivists hold that there is a single, tangible reality that is relatively constant across time and setting whereas interpretivists believe that reality is socially constructed and that there are as many realities as there are people constructing them. Creswell et al., (2006), argue that interpretivist' reality is "mind-dependent, somehow limited to context, space, time and individuals or groups in a given situation and that it cannot be generalized into one common reality". Interpretivists' inquiry, therefore, tends to be value-bound and value laden, where investigators are assumed to be influenced by their value and belief systems. Apparently, as can be seen above, each paradigm is unique and is neither necessarily true nor false but, whether true or not, depends on the studied phenomenon. For interpretivists, the study is assumed to take place in a natural setting where participants live and the researcher seek to explore and understand their lived experiences using open-ended scales. So, according to Babbie, (2005), paradigms guide on how the world is

perceived differently and seek to offer explanation depending on the context of the phenomenon. Ontological assumptions are taken in line with provision of answers to the nature of social phenomena: is reality assumed to be orderly, fixed, and stable or changing, unitary or multiple, constructed by individuals or not? (Cresswell and Cresswell, 2005). According to Antwi and Hamza, (2015), ontology rotates around assumptions referring to the nature of reality and truth about the world. Researcher's ontology shapes his/her beliefs about the nature of reality, truth, being and existence (Killam, 2013).

The researcher's ontological position in this study is concerned with the reality and truth about two-way digital communication practices of soft drink manufacturing enterprises (SDMEs) and how they generate value for them. The study capitalises on the assumption that market performance constructs such as: sales and customer retention can be improved as a result of firm-based interactive marketing practice constructs such as: content marketing, social media marketing and search engine marketing. The study additionally investigated the reality and truth about the claims that SDMEs's performance on the market in general face challenges originating from poor or limited application of interactive marketing practices (IMP). The ontological perspective held in this study helped bring out the philosophical assumptions regarding the reality and truth among the relationship that exists among the major components referred to in this study: interactive marketing practices, competitive advantage, competitive environment and market performance of selected SDMEs in Kigali city.

Then the epistemological assumptions relate to possible means available for understanding and explaining 'how we know what we know' (Gray, 2014; Denzin et al., 2006). It broadly covers assumptions to do with how we acquire knowledge, what constitutes acceptable knowledge and how we can communicate it to others (i.e how is knowledge acquired, interpreted and shared). It describes what the researcher knows about the reality and the assumptions about how knowledge should be acquired and accepted. Consequently, the taken epistemological position guided the researcher on choice of appropriate methods and questions to bring about the knowledge gap (guide on which set of questions to ask during data collection) and to respond on the claim that there is a relationship between IMP and market performance among selected SDMEs (to establish whether the claim is true or false using relevant methods). The axiological view of critical realism, hold that, partly, inquiries may be value- free or not, since in certain contexts, the investigator may

influence what is observed, how it is observed and the outcome of what is observed (Chilisa and Preece, 2005).

Specifically, critical realism whose popularity originates from great works of Roy Bhaskar (2008), holds that real objective reality exists, but tends to show pessimism related to the extent to 'what man can exactly know'. The same knowledge position: 'humans have no capacity to know objective reality in totality' is held by Danermark, (2019). The argument is that 'no matter how faithfully the scientist adheres to scientific methods of research, research outcomes are neither totally objective, nor unquestionably certain. Contenders of critical realism philosophy see it as an answer to major divisive issues that happen to exist within science-based knowledge claims around natural versus social, positivists versus critical realists and constructivists. We are told by Hartwig, (2001) and Price and Martin, (2018), that critical realists tend to see the world as not only a composite of events, experiences, impressions but also underlying structures, powers, and tendencies that exist, irrespective of whether they can be known through experience and or discourse. Consequent to these allegations, this paradigm embraced plurality of methods, where, an investigator begins with a theory, collect data that either supports or refutes the theory, and then make necessary revisions before additional tests are made (Creswell et al., 2006).This approach is hypothesised to provide a more complete picture to a research problem or topic under study, by addressing a range of research questions, hence providing complete knowledge that enhance both theory development and practice (Johnson and Onwuegbuzie, 2004).

In line with this philosophical claim (critical realism), this study used both the etic and emic epistemologies (application logical scientific analysis on context/cross culture-based differences) and methodologically triangulated using a mixed method (QUAN + qual). Ontologically, the human-to-content, human-to-human and human-to-computer interactions (in a one-to-one, one-to-many and many-to-many technology-mediated marketing communication relationships) and how this translates into consumer behaviour change to generate sales leads for these Soft Drink Manufacturing Enterprises, present a complex set of study relationships that one approach could not exhaust. Moreover, the study was carried out in a multiple manufacturing enterprise setting. Critical realism philosophy's ontological, axiological and epistemological beliefs, combine assumptions of both positivism and interpretivism which this inquiry found to be a best fit and helped the researcher in tackling complex study relationships on interactive marketing practices,

competitive advantage, competitive environment and market performance of SDMEs in Kigali city. Triangulation, defined by Denzin, (2012), as 'the combination of methodologies in the study of the same phenomenon', helped the researcher to look for any convergence of the data collected to enhance the credibility of the research findings. As advised by Creswell, (2011), "mixed methods research design (or methodology) help the researcher to collect, analyse, and mix (integrates or connects) both quantitative and qualitative data in a single study or a multiphase program of inquiry". Moreover, mixed methods not only enable the researcher to have deep understanding of the studied phenomena, but also increase confidence in findings, provide more evidence and offset possible shortcomings from using a single approach (Bowen et al., 2017). Moreover, besides the fact that there can be single or multiple realities that may require open empirical inquiry, it is impossible to access the reality solely by using single scientific method in a social science inquiry (Maxcy, 2003). Perhaps another justification for the choice of mixed methods is that, actions cannot be separated from the situations and contexts in which they occur. If anything, social scientists and natural scientists share same goals for research (the need to identify and assess the causes that influence outcomes through experiments).

A combination of both approaches in one study, moreover, has been recommended by a number of researchers (Archibald, 2015; Denzin, 2012; Sale et al., 2002; Jick, 1979). They argue that advocates of a given methodological approach should incorporate insights from others (Cunliffe, 2010; Morgan and Smircich, 1980). This is the reason among others why mixed methods were used. Ontologically, emphasis was put on the different constructions and meanings respondents place upon their experience on IMP, Competitive Advantage, Competitive Environment and market performance (MP). Epistemologically facts about sales figures were extracted from financial statements using closed ended questions and also used open-ended scales to complement quantitative data. Both approaches were taken complimentary rather than opposite extremes (Remenyi et al., 1998). Quantitative method was primary or central to the research design (deductive scientific knowledge) and focused on precision (empirical facts or numerical methods), generalizability, reliability and replicability supplemented by subjective and experience or behaviour-based inquiry that was inductive in character.

3.2 Research design

Since this study aimed at addressing the set objectives and testing the formulated research hypotheses, the use of cross-sectional design was found suitable where data was collected at a point in time with intention of identifying patterns between variables (Bell et al., 2018). Choice of cross-sectional design was premised on the fact that, besides, helping the researcher estimate the prevalence of market performance phenomena, the design was helpful in generating and clarifying hypotheses and possibility of laying ground work for future studies that may wish to make follow up (Kraemer, 1994).

To be able to investigate the theoretical relationships as portrayed in the conceptual frameworks drawn from extant literature, mixed methods of both quantitative and qualitative approaches were used in line with the adopted philosophical position i.e critical realism. This was perhaps in line with Wynn and Williams, (2012), who argue that no single design should be seen to offer a universal solution. Besides, Saunders, Lewis and Thornhill, (2009), find a big benefit in using mixed methods since the weaknesses in one method can be compensated by the strength of another method. However, this method requires a considerable amount of time, as both quantitative and qualitative methods need to be reviewed and explained (Day, Sammons and Gu, 2008).

Practically, a sequential explanatory research design was employed. The quantitative cross-sectional survey was administered first, and the main objective was not only to understand what has happened or has been happening (Neuman, 2007), but also to gather facts to measure correlations (Sekaran, 2000), appreciate different constructions and meanings that respondents place upon their experiences (Sarantokos, 2012). Statistical relationships between interactive marketing practices, competitive advantage, competitive environment and market performance of SDMEs were tested. The second study which was qualitative cross-sectional in nature, was further carried out to compliment the quantitative findings using different constructions from the respondents' viewpoints. Findings from the quantitative data provided general patterns and width and the qualitative data added on a component of experience and depth (Newby, 2014). The qualitative data in this study helped provide contextual richness to the quantitative findings (Bryman, 2004), besides increasing the validity when interpreting the data (Bowen et al., 2017), and possibility for generation of new knowledge (Stange et al., 2006).

3.3 Population and sampling for the quantitative study

3.3.1 Study Population

The study population comprised of 1988 soft drink manufacturing enterprises (SDMEs) registered with Rwanda Development Board operating in the three districts of Kigali city (RDB-Business register 3rd Quarter, 2020). It was seen as a reliable source of information because the government of Rwanda through the Rwanda Development Board formally registers businesses on a day-to-day basis that fulfil legal requirements to operate.

The unit of analysis were SDMEs whose, CEOs, managers from marketing, communication or public relations, accounting, finance and sales departments were the units of inquiries.

3.3.2 Sample determination

The study targeted a sample size of 322 soft drink manufacturing enterprises determined using Krejcie and Morgan, (1970), sample determination table. According to Krejcie and Morgan, a total population of 1988, gives an approximate sample size of 322. The study targeted managers from marketing, communication or public relations, accounting, finance and sales departments. These were deemed suitable because they are technically knowledgeable, for, they engage in different performance decisions in their day-to-day work activities. The study considered a maximum of 5 participants (i.e., marketing, communication or public relations, accounting, finance and sales managers) per soft drink manufacturing enterprise for data collection, in line with Ntoumanis, (2001) and Field, (2006) who recommend that 5 to 10 participants should be able to provide answers to every independent variable, and then after the researcher aggregate responses at the firm level in order to address variation in firm responses. Lindstädt, Proksch and Slapin, (2020) approve the use of company names as "identifier variable" in the process of aggregating responses.

Table 3.1 below presents the total population, sample size and distribution:

Table 3:1 Total Population, Sample size and distribution

Soft drink categories	**Gasabo district**	**Kicukiro district**	**Nyarugenge district**	**Total response per soft drink category**
Carbonated drinks	3	1	9	13
Juice	5	3	15	23
Milk	6	4	14	24
Water	7	4	13	24
Coffee and tea	25	16	57	98
Umusururu (Bushera)	21	9	41	71
Total response per district	67	37	149	**253**
Total Population per each district	518	298	1173	**1988**
Targeted sample (Based on Krejcie & Morgan, 1970, sample selection approach)				**322**

Source: RDB, 3rd Quarter, Business Register, 2020

3.3.3 Sampling design and procedure

A two-stage sampling method was used to select participants in this study.

Stage one-stratification by region and soft drink category (unit of analysis)

Considering the fact that the records of SDMEs were readily available with RDB, the first step was to stratify SDMEs according to districts (i.e Kicukuro, Nyarugenge and Gasabo) and soft drink clusters (i.e Juice, Water, Coffee, Tea, carbonated drink, Milk, Umusururu 'Bushera'). The researcher used stratified proportionate sampling (depending on the number of enterprises in the district) to reach the desired respondent firms as the units of analysis. Enterprises were selected according to their proportion of available documented population. This approach has been approved especially for studies having finite population (Kozak, 2008). Considering the fact that businesses constantly change locations and at times close down quite often in Rwanda, Simple

random without replacement technique was used where each firm would be selected once because we did not want to select a subject more than once (Singh, 2003).

Stage two-selection of respondents (unit of inquiry)

A simple random sample from the population was selected satisfying certain conditions as: each element comes from a population and each element is selected independently (Anderson et al., 2017). A firm which manafactures soft drinks and operating in Kigali City (in three City districts) at the time of the survey satisfied the first requirement. The second requirement to be satisfied as a selection procedure was to select the items independently in order to avoid the selection bias that gives higher probabilities to certain soft drinks manufacturing enterprises.

Simple random sampling was also used to select marketing, communication or public relations, accounting, finance and sales managers who were assumed to be technically knowledgeable about their firms' performances. To be able again, to obtain these respondents from the SDMEs, a contact person (Director of HR in this case) was identified in each enterprise that then identified the managers to answer the questionnaire. This contact person equally helped us get mobile contacts of respondents in order to schedule appointments with them. This procedure is thought to have eliminated researcher's bias but then could introduce the biases of the contact person. The qualitative data as shown in sub section 3.10 below was collected from CEOs.

3.3.4 Inclusion criteria

To participate in the quantitative study, the selection criteria for the unit of analysis were: (1) an enterprise producing either Juice, Water, Coffee, Tea, carbonated drink, Milk, or Umusururu 'Bushera', (2) employs above 2 people, (3) formally registered with RDB, and (4) situated in the 3 districts of Kigali.

The selection criteria for the unit of inquiry were: (1) one with a full-time contract as marketing, communication or public relations, accounting, finance and sales managers (2) each respondent engages in strategic communication decision making in these SDMEs, (3) at least 80% of respondents have stayed in these companies for more than one year, (4) they are roughly the same percentage of respondents in each of the age groups 18–30, 31–45 and 46–65 years (5) educated with a minimum of senior six qualifications.

3.4 Data collection tools and techniques

Data was collected from both primary and secondary sources. A standard structured close-ended questionnaire was used for the quantitative study. It was administered using a face-to-face approach. Following the operationalization of variables of interactive marketing practices, competitive advantage, competitive environment and market performance, the researcher adapted already existing instruments but made adjustments to suit Kigali City study context. Since the study was based on perceptions of respondents, a 5-point Likert scale, with values: 1, strongly disagree to 5, strongly agree was adopted as recommended by Xu and Leung, (2017) and Saunders, Thornhill and Lewis, (2007). A 5-point likert scale was opted for by the researcher because; this type of scale creates a 'neutral' middle point which is essential in some scales where respondents may simply not have an opinion (DeVellis, 2003; Bryman and Bell, 2011). According to DeVellis it is also justified to use a 5-point likert scale considering the multidimensional nature of variables studied, since scales with middle points, increase response rate and reduce possibility for low reliability that usually accrue from random guessing and forced answers. The questionnaire was divided into six sections to capture the respondent demographics, firm characteristics, interactive marketing practices, competitive advantage, competitive environment and market performance of SDMEs.

3.5 Operationalization and Measurement of Variables

The dependent variable as stated in the conceptual and theoretical frameworks was market performance. The mediating variables included competitive advantage, moderating variables as competitive environment and interactive marketing practices was the independent variable. Interactive marketing practices, competitive advantage, competitive environment and market performance of SDMEs were all measured using items scales developed by previous scholars drawn from existing literature. The researcher modified these items to suit the study context; as majority were from marketing literature in developed countries. Interactive marketing practices, on the other hand were measured by evaluating the online and offline technology-based communication practices among SDMEs. The questionnaire was finalised after analysing data from a pilot survey that was carried out in Nyagatare District on a minimum of 10% of soft drinks manufacturing enterprises as advised by Hilton, (2015). The items were measured on a 5-point likert scale, with the following responses: strongly agree (5), agree (4), neutral (3), disagree (2) and strongly disagree (1). There were varied reasons for the choice of a 5-point scale in this study

as portrayed in sub-section 3.4 above. The questionnaire also had a bio data section to capture the demographic information of the participants.

3.5.1 Interactive marketing practices (IMP)

The big managerial question for marketers today is: *'which best way should companies disseminate their marketing information that best suit their customer information needs'*. Relationship management literature present different perspectives related to providing a solution to this question. Among others, interactive marketing perspective has been cited (Yogesh et al., 2020; Appel et al., 2019). These scholars, on the basis of the differences in the physical market space and digital market space characteristics recommend IMP for 21st century competitive firms that seek to attain superior market positions. Interactive marketing practices in this study have been used when referring to a set of organisational communication activities of promoting brands, products and services using digital communication media (Stone and Woodcock, 2014). IMP have been widely researched and several researchers have looked at them differently owing to the different forms of marketing interactivity that exist (i.e human-to-content, human-to-human and human-to-computer interactions) (Bucy, 2004). Previous studies have measured IMP by examining technology-based marketing communication practices across different firms in different business context i.e content marketing, social media marketing and search engine marketing (Nyagadza, 2020; Yogesh et al., 2020; Appel et al., 2019; Holliman and Rowley, 2014). This study examined how innovative and relational digital communication technology has affected market performance of soft drinks manufacturing enterprises in Kigali City in terms of sales and customer retention.

3.5.2 Competitive advantage

Victoria and Pantelis, (2009), define competitive advantage as "the ability of a firm to take advantage of the potential market opportunities, sooner, better and possibly at a lower unit cost than competitors" which this study adopted. Literature has tended to show different strategic choices organisations can pursue to attain competitive advantage and become market leaders in their operating industries. For example, Porter, (1980), proposed a generic competitive strategy model comprising of cost leadership, differentiation and focus. Basing on a series of field experiments, Treacy and Wiersema, (1993; 1995), modified porter's model and came up with a latest value driven model that constitute three value creation areas for a company to choose from which should act as a central piece that shapes its every subsequent plan and decision it makes: i.e

operational excellence, product leadership, and customer intimacy. Newbert, (2008), suggests that attention be put on flexibility, time and information, whereas, Acquaah, (2011), emphasises differentiation alleging that differentiation strategy of a firm is usually developed around many characteristics such as product quality, technology and innovativeness, reliability, brand image, firm reputation, durability and customer service, which, significantly must be difficult for rivals to imitate.

This study adopted competitive dimensions according to Treacy and Wiersema, (1993), because the model has been tested in a manufacturing setting and proved as valuable research tool (Zacharias, Nijssen and Stock, 2016). Ostensibly, a firm can't achieve a competitive market position in today' information society without developing dynamic capabilities that draw energy from exploiting digital market network benefits (Koch and Windsperger, 2017), through maximum exploitation of information resources.

3.5.3 Competitive Environment

Previous studies have described competitive environmental factors differently; however, this study adopted the five industry competitive forces according to Porter, (1979a) i.e bargaining power of buyers, bargaining power of suppliers, power of existing competitors, threat of new entrants and threat of substitute products. Competitive environment as a moderating variable was measured in this study using 5-point item likert's summated scales lined to these five forces model constructs. The study emphasises that firms in hyper competitive environment have to systematically identify key driving forces of competition and be able to tease out a strategy that is informed by this industry level analysis (Porter, 2008).

3.5.4. Market performance (MP)

Market performance has been studied and interpreted differently. For example, Santos and Brito, (2012), in their subjective model reviewed specific MP dimensions i.e: profitability, growth, customer satisfaction, employee satisfaction, social performance, and environmental performance. Selvam et al., (2016), suggest a comprehensive subjective measurement model for performance of firms comprising nine indicators i.e profitability performance, market value performance, growth performance, employee satisfaction, customer satisfaction, environmental performance, environmental audit performance, corporate governance performance and social performance. Jayapal and Omar, (2017), in their study on small and medium enterprises in Malaysia, measured

market performance using sales revenue, market share, profitability, competitive advantage and customer satisfaction and loyalty. Yet, Yildiz and Karakas, (2012), propose an accepted criterion for determining performance including indicators like; profitability, sales, market share and new product launch (as subjective measures which are perception-based) and Return on Asset, Return on Equity, Tobin's q ratio and sales (as objective measures). The financial and non-financial, objective versus subjective measures discussion as seen here is perhaps, the inspiration for Mihaela, (2017), who, expresses the difficulty involved in isolating financial from non-financial indicators: "Exploring the quantitative and qualitative approaches of the firm performance drivers is like removing the water from the ocean with the glass".

Apparently from the reviewed literature there are generally no accepted definition and measurement dimensions of MP concept. A mixture of objective and subjective measures is visible from past MP studies. Evidently, some researchers have adopted multiple criteria in analysing MP (Selvam et al., 2016), while others have adopted a single indicator to measure firm performance (Glick et al., 2005). This study used sales and customer retention to measure performance of these SDMEs. These measures were adopted because they are among the most used outcome-based financial and non-financial indicators (Jayapal and Omar, 2017; Brito, Santos and 2012; Yildiz and Karakas, 2012), that the researcher assumes to reflect the fulfilment of the economic goals of the firm and therefore suitable measures for assessing performance improvements.

Table 3:2 **Operationalization and Measurement of Variables**

Variable	Measures	Operationalization	Dimensions	No. of items	Source
Interactive marketing practices (IMP)	Content marketing activities	IMP as a combination of firm-based communication activities of promoting products and services through digital media IMP relate to all possible online and offline human-to-content, human-to-human and human-to-computer interactions that firms use to communicate their offers to the public.	(3 Ds)	15	Verhoef Bijmolt, (Stone Woodcock, (2014); (2004); Bu Tao (2007)
	Social media marketing activities			11	
	Search engine marketing activities			11	

Competitive advantage	Operational excellence	Ability of a firm to improve in its internal processes and adapt to external forces well	(3 Ds)	14	Porter, (1980);Trea and Wiersema,(1995)
	Product leadership	Ability of a firm to design products whose features match consumer expectations		14	
	Customer intimacy	Ability to deliver individualized customer service		10	
Competitive environment	-Threat of new entrants or competitors -Threat of substitute products -Bargaining power of buyers -Bargaining power of suppliers, -Power of existing competitors or rivalry	The ability of a firm to respond to key industry forces related to new rivals, substitute products, buyer power, supplier power and existing firms	(5 Ds)	11 3 6 8 7	Porter, (2008).
Market performance	Sales	The ability of a firm to realise set sales targets	(2Ds)	4	
	Customer retention	The ability of a firm to remain with the current customers		9	Hall and (2019); (2016)

Source: *Primary Source*

3.6 Ethical consideration

The researcher got cleared by the Faculty Examiners' Board and then sought ethical approval from Mbarara University of Science and Technology's Research Ethics Committee (REC). Also, further approval was sought from Kigali city authority. Uganda National Council for science and technology advised the researcher to consider ethical approval processes from Rwanda where the study was carried out from.

The researcher considered Miles and Huberman's (1994) main recurrent ethical issues: (1) informed consent (the study participant had to sign a consent form and was given full information about the research, including why and how they had been chosen to participate. Their consent was freely given). (2) Privacy (the researcher and team avoided intruding into the participants' privacy by first inquiring about the ideal time when the questionnaire was to be filled). (3) Confidentiality and anonymity (the information was safeguarded and the identity of participants was protected). Anonymity was preserved by keeping the participants' contacts and details separate from their identifiers or ID particularly those that were identified for the qualitative study. That is; each questionnaire was given an identifier; however, the names and contacts of the participants did not appear on the questionnaire (were given dummy names). (4) Ownership of data and conclusions (after collection and analysis); research results were reported and disseminated to the public through publication of research papers, through a viva voce defence and in several research conferences and proceeding, to influence policy in the area of interactive marketing practices and market performance.

Honesty and trust of the participants was maintained. In future the researcher will keep reciprocity by ensuring that participants gain from this study (through informing policy). Finally, protection from harm and risk (physical, emotional or any other kind) of participants was strictly preserved by ensuring that participants first consented and were free to pull out of the research at any given time.

3.7 Likert scales

Whereas there is no agreement on the length of a typical likert scale, some researchers have adopted and used wider likert scales, i.e. seven (7) to (9), simply because they produce better data distribution hence better results (Finstad, 2010). However, others have tended to render support to a five-point likert scale, for, it creates a 'neutral' middle point which they say is important in some scales where respondents may not simply have an opinion, besides a neutral point increasing response rate and reducing the possibility for low reliability that could be caused by random guessing and or forced answers especially where variables under investigation are multidimensional (DeVellis, 2003; Bryman and Bell, 2011). On the basis of these benefits and this study variables' multidimensionality, this study adopted a five-point likert scale with wordings ranging from (5) strongly agree to (1) strongly disagree. Even when the adopted measures were

previously tested and used in other studies and found to be valid and reliable, this study further tested them for reliability and validity to prove their applicability in the Kigali-city soft drink manufacturing context.

3.7.1 Pilot study

The draft questionnaire was modified through a pilot study process as summarized in Table 3:3.

Table 3:3 The pre-testing procedure followed in the study

Procedure	Target	Justification
Preliminary interviews	5 SDMEs's managers	To determine their understanding of interactive marketing practices To determine their understanding of competitive advantage To establish appreciation of the five industry forces To identify their market performance status
Panel of Experts	Twenty experts Academicians-(10) Soft drink manufacturing industry practitioners (10)	To establish ambiguities and difficult questions To critique and make suggestions for the improvement of the questionnaire To rank the relevancy of the questionnaire items in relation to the study To validate (face) the questionnaire
A pilot survey	A total of 32 managers from 32 SDMEs in Nyagatare town were given a structured questionnaire	To pre-test the adequacy of research instrument To improve the study design To provide clues, that the researcher had not foreseen i.e. lengthy instrument To test the analytical procedure i.e. SPSS To establish whether the sampling frame and techniques were effective and feasible To establish ambiguities and difficult questions Conclusion: The main study was feasible with minor changes

Source: Primary data

3.7.2 Structural Equation Modelling (SEM)

According to Tabachnick and Fidell, (2001), structural equation modelling refers to *"a collection of statistical techniques that allow a set of relationships between one or more independent variables to be examined"*. Hair et al., (2010) assert that the primary purpose of SEM is to explain the pattern of a series of inter-related dependence relationships simultaneously between a set of latent variables (unobserved constructs), each measured by one or more observed variables. The scholars further state that SEM is based on the assumption of causal relationships where a change in one variable is supposed to result in a change in another variable. In addition, SEM is efficient for other types of analyses such as estimating variance and covariance, confirmatory factor analysis, test hypotheses and conventional linear regression (Hair, et al., 2010). SEM also has the ability to assess the unidimensionality, reliability and validity of each construct (Hair, et al., 2010; Kline, 2005). All in all, it provides an overall test of the model fit and individual parameter estimate tests simultaneously. Therefore, given the listed advantages, SEM was employed to explore statistical relationships among the items of each factor and between the independent (interactive marketing practices, competitive advantage and competitive environment) and dependent (market performance) variables.

A two-stage SEM recommended by Anderson and Gerbin (1988), was employed. Stage one involved estimating a measurement model using confirmatory factor analysis (CFA) and stage two involved estimating the structural model. The SEM approach starts with model specification that links the variables assumed to affect other variables (Kline, 2005). Through the process of estimation, fit statistics were evaluated to establish whether the proposed model fit the data or not, and whether any modification was required to increase the fit. This considered the following model fit indices in evaluation of the specified model – the Goodness-of-fit index (GFI), Root Mean Square Error of Approximation (RMSEA), Comparative Fit Index (CFI), Tucker Lewis Index (TLI), Incremental Fit Index (IFI) and the normed chi-square index (CMIN/DF). Table 3:4 summarizes the selected fit indices and the cut off points for evaluating model fit in this study.

Table 3:4 Summary of fit indices used in this study

Fit Index	Level of acceptance	Comments
Absolute fit indices		
GFI	.90 or greater	Value close to 1 indicates a perfect fit
RMSEA	.05 - .08	Value less than .50 is considered acceptable
Incremental fit indices		
IFI	.90 or greater	Value close to 1 indicates a perfect fit
TLI	.90 or greater	Value close to 1 indicates a perfect fit
CFI	.90 or greater	Value close to 1 indicates a perfect fit
Parsimonious fit indices		
CMIN/DF	$1.0 \leq \chi^2/df \leq 5$	Lower limit is 1.0, upper limit is 3.0 or as high as 5

3.7.3 Reliability and Validity of the Quantitative data

3.7.3.1 Testing for Content Validity

Since validity is the required proof that a test is measuring what it claims to measure, different validity tests were run. The questionnaire was pre-tested seeking the views from 10 academic and 10 industry experts from soft drink manufacturing enterprises in the areas of interactive marketing practices, competitive advantage, competitive environment and market performance. These experts rated the questionnaire items on a scale of 1 (not relevant) to 4 (highly relevant). We did this, first, to check whether questions would work as intended and or would be understood by respondents during the final survey (Hilton, 2015). Second, we wanted to make improvements to the instrument (Neuman, 2007). On the basis of responses from raters (i.e the proportion of items rated as relevant to the total number of items per construct), we computed content validity index (CVI) using Aiken's (1985) coefficients and as can be seen from the results of the content validity analysis in *Table 3:5* below, the obtained CVI for interactive marketing practices, competitive

advantage, competitive environment and market performance are above 0.7 as recommended by Amin, (2005). This confirmed to the researcher that the questionnaire items were relevant.

Table 3:5 Validity and reliability results

Variable	CVIs	Cronbach's Alpha	Items
Interactive marketing practices	0.784	0.810	37
Competitive advantage	0.875	.702	38
Competitive environment	0.833	.938	35
Market performance	0.815	0.837	18

Source: Primary Data

3.7.3.2 Testing for Construct Validity

3.7.3.2.1 Factor Analysis

Exploratory factor analysis helped to test the construct validity at pilot stage where convergent validity i.e. the degree to which the construct measures are associated and discriminant validity: the degree to which the construct measures are disassociated were ascertained. In ascertaining the construct validity, the researcher was guided by exploratory factor analysis assumptions: 1) sample size has to be 150+, 2) the correlations should be equal or greater than .5, 3) Kaiser-Meyer-Olkin (KMO) should be .6 or above and with a significant ($P< .05$) Bartlett's test of sphericity (Tabachnick and Fidell, 2001). The study was able to discover patterns in variables and establish linear relationships among items and components through principle component analysis (Bennett, 2011). Varimax rotation approach was used in principal components extraction process, simply because according to Podsakoff et al., (2012), Varimax rotation has the ability to maximize the dispersion of loadings within factors where it loads a smaller number of variables onto each factor. Kaiser criterion, guided this process where only elements with Eigenvalues (variances extracted by the factors) greater than one and items with loadings higher than 0.5 were retained. Kaiser, (1960), the proponent of Eigenvalues as a criterion for retaining measures, assumes that eigenvalues represent the amount of variation explained by a factor and that an eigenvalue of

greater than 1 represents a substantial amount of variation, which is the major reason among other why it was preferred.

It is apparent in this study that the exploratory factor analysis assumptions were met since the study sample size was 322 SDMEs far above 150, considered only items with loadings above 0.5 from the rotated solution, as indicated in Appendix 5 *(Table I-4).* More still, KMO were above .6, and with a highly significant (p<.001) Bartlett's test of sphericity for all constructs, as indicated in Appendix 5 *(Table I-4)* which depicts a good model fit to the data (Podsakoff et al., 2012 and Bennet, 2011).

3.7.3.2.2 Confirmatory factor analysis

Confirmatory factor analysis was performed using AMOS 21.0™ to assess construct validity in the final survey. Construct validity refers to the extent to which operationalization of a construct does actually measure what theory purports (Sarantakos, 2012; Martı´nez-Lo´pez et al., 2010). This step involved specifying separate measurement models for market performance, interactive marketing practices, competitive advantage and competitive environment. Construct validity was examined through convergent and discriminant validity tests, where convergent validity shows item homogeneity within the same construct, while discriminant validity indicates heterogeneity between different constructs.

3.7.3.2.2.1 Convergent validity

Guided by Hair et al., (2014), the study defines convergent validity as the extent to which measures of the same construct are correlated. It provides empirical evidence that items that are indicators of a specific construct should converge or share a high proportion of variance in common (see inter-item correlations Appendix 4 *Table I-4).* Following Hair *et al.,* (2010)'s guidelines, three aspects were examined to test convergent validity. First, the final items should be statistically significant, with a factor loading of .50 or greater and highly loaded on one factor. Secondly, the average variance extracted (AVE) of a latent construct should be a value of .50 or above suggesting adequate convergence. Thirdly, construct reliability should be .70 or above, although reliability between .60 and .70 is acceptable if other indicators in a model's construct validity are good. Modifications were made for cases where the guideline requirements were not met by checking the factor loadings and then inspecting the normalized residual (standardized residual) and modification indices. The convergent validity results are presented as follows.

3.7.3.2.2.1 CFA Measurement model for Market Performance

Eighteen items were used to measure a one-factor model of market performance. Three (3) items with poor loadings were deleted ('CR2', 'CR8', and 'CR9'). The number of deleted items did not change the content of the construct as it was conceptualized.

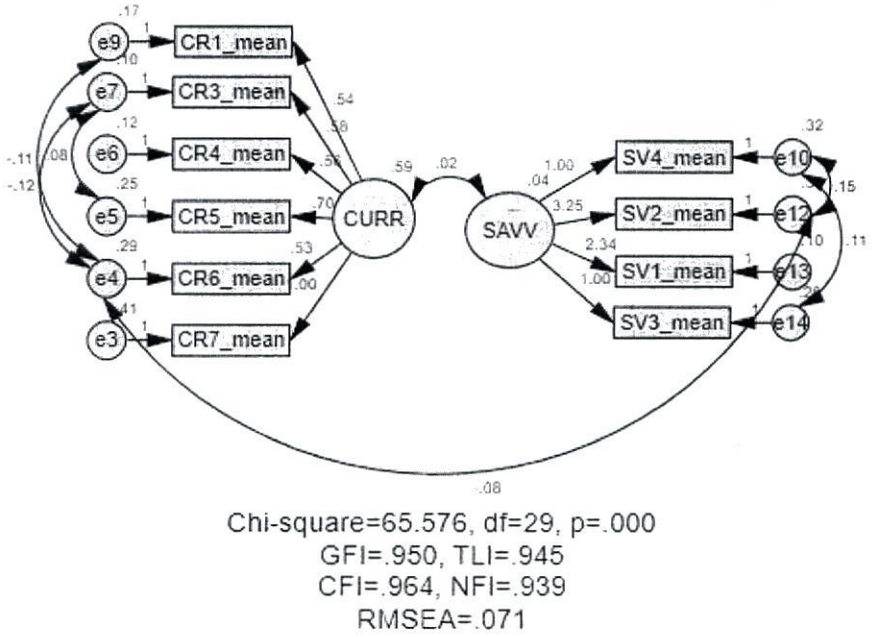


Figure 3:1: CFA for market performance

Table 3:6 Standardized weights for market performance

Code	Items	Standardized regression estimates	C.R (t)
	Customer Retention		
CR1	Our customers repeatedly buy our products	0.712	
CR3	We put emphasis on our long-term clients	0.819	9.148
CR4	We have data base for our product customers	0.773	11.879
CR5	We put extra efforts to win back lost customers	0.734	13.501
CR6	Our good communication content has enabled us enhance trust among our clients	0.602	12.849

CR7	We very much understand the significance of both online and offline communication channels in increasing customer retention	0.766	11.749
	Sales		
SV1	1M-20M	0.822	
SV2	20M-50M	0.715	
SV3	50M and above	0.593	6.002
SV4	We met our sales targets in the previous year	0.502	5.017

Achieved Fit Indices

CMIN/DF	RMSEA	GFI	CFI	TLI	NFI
2.261 (65.576 / 29)	.071	.950	.964	.945	.939

3.7.3.2.2.2 CFA Measurement model for Interactive marketing practices

Interactive marketing practices were measured using content marketing, Social media marketing and search engine marketing. The results show that although the standardized parameter estimates of the initial measurement model were all significant ($p<.001$), the model provided a poor fit as indicated by the poor fit-indices. The model was re-specified by iteratively removing six ('SM1' 'SM8' 'SM9' 'SM10' 'SM11', 'SE1' 'SE8') out of thirty-seven items that did not meet the acceptable criteria. The removal of the weak correlated items did not change the content of the construct as it was conceptualized.

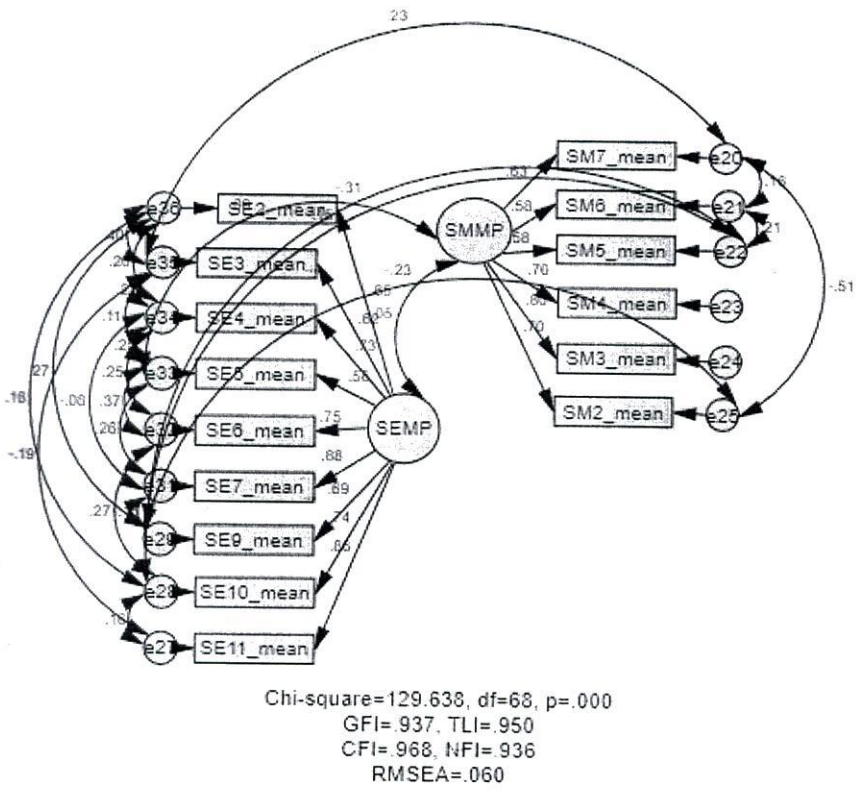


Figure 3:2: CFA for Interactive marketing practices

Table 3:7 Standardized weights for *Interactive marketing practices*

Code	*Items*	*Standardized regression estimates*	*C.R*
	Social Media Marketing		
	We increase our interactive teams every year	0.699	
SM3	We have inactivated many social public relations programs	0.802	13.882
SM4	Our company capitalize on social media feedback to improve our services (direct response advertising)	0.698	11.856
SM5	We involve our clients in real life discussions via social media with strong calls to action that makes	0.575	9.561

	them interactively lured to buy		
SM6	We go beyond conversation to creating intimate connections with our clients on social media platforms	0.585	9.989
SM7	We value our customers' feedback/comments/reviews	0.633	17.68
SM9	We use both offline and online channels to communicate with our customer	0.692	13.962
SM10	We regular carry out market surveys to know our customers better	0.737	15.756
SM11	We take interest in following up trends in our customer's sentiments over time on social media platforms	0.858	
	Search engine marketing		
SE2	We are mindful of using specific Google sensitive keywords as part of our web advertisement campaign	0.652	
SE3	We use Google platform to drive interested people to our website	0.621	12.179
SE4	Our website is linked to other relevant websites that help send more visitors and more referral traffic	0.732	13.893
SE5	We have a Google mail account that help us to access Google ad services	0.56	9.247
SE6	Our advertising plan leverage Google keyword research to grow our business	0.746	14.277
0SE7	Our product naming puts into consideration common searched words on Google	0.876	

Fit Indices

CMIN/DF	RMSEA	GFI	CFI	TLI	NFI
1.906	0.060	0.937	0.968	0.950	0.936

(129.638 / 68)

3.7.3.2.2.3 CFA Measurement model for Enterprise competitive advantage

Enterprise competitive advantage was measured using operational excellence, product leadership and customer intimacy. The results showed that although the standardized parameter estimates of the initial measurement model were all significant (p<.001), the model provided a poor fit as indicated by the poor fit-indices. The model was re-specified by iteratively removing twenty eight ('PL2', 'PL3', 'PL4', 'PL5', 'PL6', 'PL7', 'PL8' 'PL12' 'PL13' 'PL14' 'OE1' 'OE2' 'OE3' 'OE4' 'OE5','OE6', 'OE7', 'OE10', 'OE11', 'OE12', 'OE13', 'OE14' 'C12', 'C13', 'C17', 'C18''C19', and 'C110') out of thirty eight items that did not meet the acceptable criteria. The removal of the weak correlated items did not change the content of the construct as it was conceptualized.

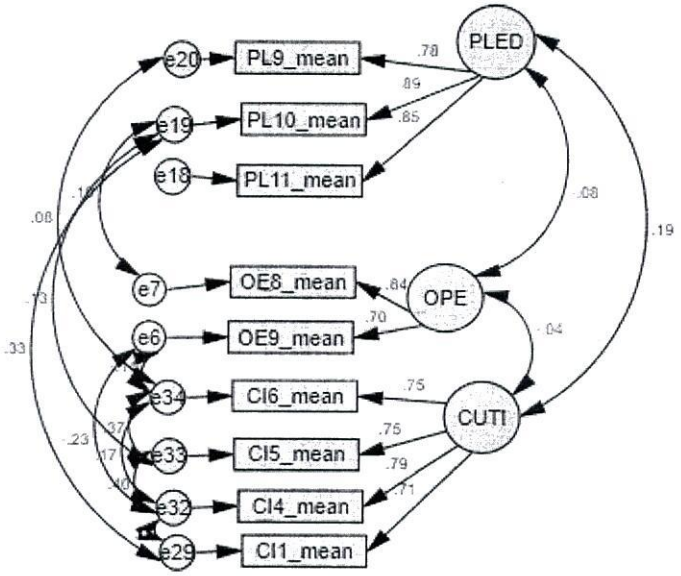


Figure 3:3: CFA for competitive advantage

Table 3:8 Standardized weights for Enterprise Competitive Advantage

Code	Items	Standardised regression estimates	C.R (t)
	Product leadership		

PL9	We consult our clients before developing any new product	0.716	7.677
PL10	We offer explanation regarding our product use to our customers	0.641	7.124
PL11	Our company integrates the voice of the customer in our product and service design		
	Customer intimacy		
CI1	We offer individualized attention to our customers	0.648	9.491
CI4	We allocate a big budget towards creating emotional satisfaction to our customers	0.961	10.712
CI5	We value our customers' inputs at every stage in our service provision	0.734	6.329
CI6	We communicate with customers to ascertain their needs	0.579	5.624
	Operational excellence		
OE8	We constantly empower our staff by giving them necessary trainings to deliver	.928	
OE9	We encourage centralised process management	.648	

Achieved Fit Indices

CMIN/DF	RMSEA	GFI	CFI	TLI	NFI
1.738 (66.051 / 38)	.054	.960	.974	.956	.943

3.7.3.2.2.4 CFA Measurement model for competitive environment

Thirty-five items were used to measure a one-factor model of competitive environment. Four (4) items with poor loadings were deleted ('SB7', 'RF1', 'RF6', and 'RF7'). The number of deleted items did not change the content of the construct as it was conceptualized.

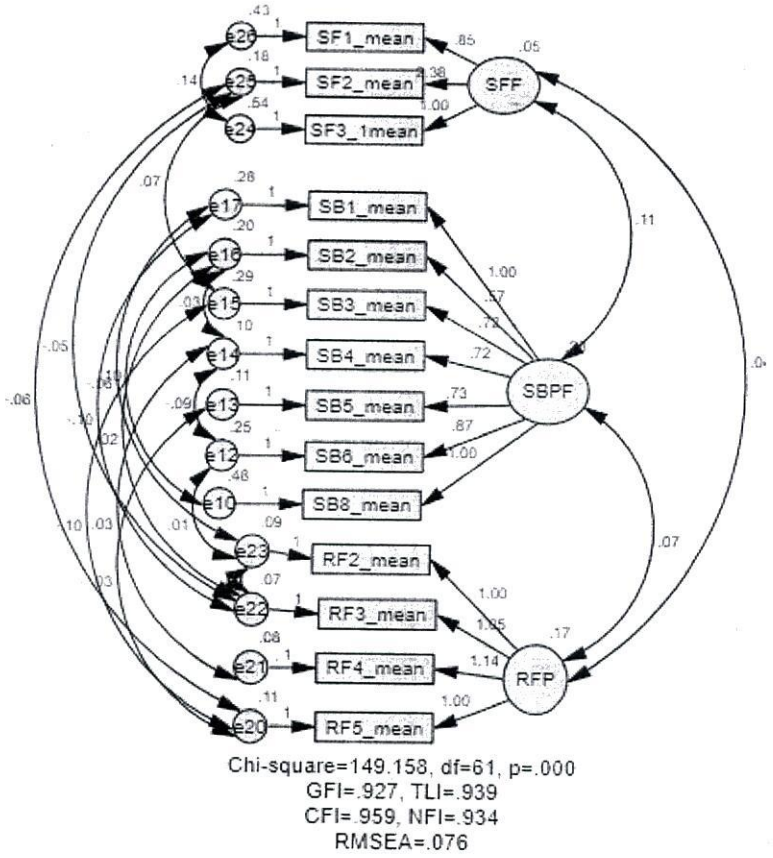


Figure 3:4: CFA for competitive environment

Table 3:9 Standardized weights for competitive environment

Code	Items	Standardised regression estimates	C.R (t)
	Substitutes Force		
SF1	There are alternative soft drinks on the market	0.575	3.612
SF2	Our products are liked by clients	0.774	4.05
SF3	Our customers have consistently bought our products	0.587	
	Supplier Bargaining Power Force		
SB1	There are a large number of potential suppliers of raw materials for us	0.755	
SB2	The raw materials needed are unique	0.615	11.913

SB3	Raw materials Purchases from suppliers represent a large portion of the business cost	0.63	12.974			
SB4	It is difficult for our suppliers to enter our business, sell directly to our customers, and become our direct competitor.	0.812	14.945			
SB5	It is easy to switch from one supplier to the other	0.797	15.398			
SB6	We are well informed about our supplier's materials and market	0.726	12.883			
SB8	There are few suppliers who control prices	0.663				
	Rivalry Force					
RF2	There is a clear leader in our soft drinks market	0.817				
RF3	The soft drinks market is growing fast	0.858	27.371			
RF4	We store our product to sell at the best times	0.858	19.496			
RF5	Our soft drink products are unique	0.781				
Fit Indices						
CMIN/ DF	**RMSEA**		**GFI**	**CFI**	**TLI**	**NFI**
2.445 (149.158/61)	0.054		0.960	0.974	0.956	0.943

The CFA results as shown above confirmed the validity of the final model with excellent model fit statistics for this construct measure as reported in *Figures 3:1-4 and Tables 3:6 to 3:9* above. Given that the model fit the data well and the correlation between the underlying factors was less than .85, no further adjustments were required.

3.7.3.2.3 Discriminant validity of the study variables

Campbell and Fiske, (1959), recommend that discriminant validity can be determined by comparing square correlations between constructs and the square root of the average variance extracted (AVE) of each construct. Apparently, all values of AVE met the criterion of (AVE=> 0.5) and were higher than the square correlations among the constructs, which exhibited good discriminant validity *(Table 3:10 below).* The researcher was guided by the views of Hair et al., (2010), who posit that discriminant validity is supported if the square root of the constructs' AVE is higher than the squared correlations of the construct with all other constructs.

Table 3:10 Correlation among global variables/ discriminate validity (no relationship exceeded 0.8)

Variables	1	2	3	4
Interactive marketing practices-1	1			
Competitive advantage-2	.400**	1		
Competitive environment-3	-.025	.304**	1	
Market Performance-4	.265**	.439**	.699**	1

**. Correlation is significant at the 0.01 level (1-tailed), N=253

3.7.4. Testing for Reliability of the questionnaire

This study assessed the reliability (internal consistency or the ability of an instrument to produce consistent results) of the questionnaire with an intention of improving it. Reliability test indicates the extent to which the instrument is without bias or error free, and hence ensures consistent measurement across time and across the various items. Internal consistency of the Likert scales refers to the degree to which the items that make up the scale are all measuring the same underlying attribute or the extent to which the items 'hang together'. There are various methods of testing reliability of an instrument. In the current study, the internal consistency method particularly the Cronbach's alpha (Cronbach, 1950), was used. This assessment was done before the full-scale survey, during instrument pilot test where the researcher administered it to 10% of sample of SDMEs in Nyagatare district as recommended by Hilton, (2015). The pilot test ran from 3rd November, to 14th November, 2021.

While some scholars like McAllister (1995) and DeVellis, (2003) have set the acceptable minimum at .70, others have set it at .50 (Cronbach, 1950). The reliability of an instrument may vary depending on the sample. In this study, a cut-off point of 0.70 was found appropriate (Nunnally, 1978). On the basis of these indicators (Field, 2009), we confirmed that our instrument was reliable since the reliability coefficients are all above the acceptable minimum, as can be seen on *Table 3:5* above under sub-section 3.7.3.1 for Cronbach Alpha coefficients.

3.8. Control of potential bias

The researcher in line with recommendations by Podsakoff et al., (2003) controlled for common methods bias (CMB) since failure to do it leads to contamination of data which in turn falsify the

real value of observed correlation between variables. Details below show how it was controlled for;

3.8.1 Control for common methods bias

Since existence of common methods bias has been reported to influence observed scores in behavioural science research where correlations are altered (inflated) due to methods effect (Williams, Hartman and Cavazotte, 2010; Doty and Glick, 1998), the researcher endeavored to minimize such risks by using research design-related procedural remedies which are recommended for cross-sectional self-report studies (Lechner et al., 2006). Such methods-based measurement errors caused by consistency motif (Chang, Witteloostuijn and Eden, 2010); or consistency effect (Zalesny and Ford, 1990) were partly addressed by (i) collecting independent, mediator, moderator, and dependent variables data from at least five managers in each soft drink manufacturing enterprise and (ii) collecting data for the dependent variable (market performance) and predictor variables from different sources: i.e financial reports and primary sources respectively. Podsakof et al., (2003) allege that, collecting measures of both criterion and predictor variables from different sources help control for common method variance.

More efforts were made to seriously reduce item ambiguity in line with Richardson, Simmering, and Sturman (2009), who observe that it helps generate good responses since respondents are faced with no interpretation challenges. The researcher also had to thoroughly define unfamiliar terms, reduced vagueness as much as possible and ensured questions clarity (Tourangeau, Rips, and Rasinski, 2000). The researcher did all that was possible to improve scale items through their careful construction (Jakobsen and Jensen, 2015), besides having to protect the anonymity of respondents by not indicating their names on the questionnaire but instead used dummy names (Campbell and Fiske, 1959).

Besides controlling for common methods bias using research design-related procedural solutions, the researcher followed guidelines by Podsakoff et al. (2003), and statistically tested for common methods bias by running Herman's Single factor test in SPSS V.26 with intention to confirm the presence or absence of common methods bias. The study used advice by Williams, Hartman and Cavazotte, (2010), who note that to confirm absence of CMB, no single component should account for more than 50% of the total variance. Apparently, the factor-loadings show that this condition was thoroughly met since all study variables accounted for less than 50% (see Appendix 5, *Table I-4)*.

3.8.2 Data entry, editing, diagnostic tests and analysis

3.8.2.1 Data entry and editing

Data collection stage was followed by entry of data into the Statistical Package for Social Sciences (SPSS) version 26 for cleaning. The researcher however had to first engage in a thorough check for missing data and outliers (using minimum and maximum frequency counts) to establish whether data was correctly entered, or that there was no missing information and that it was useable, reliable, and valid for further analysis.

3.8.2.2 Management of outliers in the data set

According to Pallant, (2010) and Tabachnick and Fidell, (2001) in case of a study having three independent variables, all cases with mahalanobis distance equal or greater than the critical value of 16.27 are treated as outliers (i.e data points that are unusual or numerically distanced from others) (Hair et al., 2017). In line with this criterion and given three independent variables (i.e interactive marketing practices, competitive advantage and competitive environment) in the regression model, the researcher statistically assessed multivariate outliers by inspecting Mahanalobis distance and Cooks distance. Apparently two cases with Mahalanobis (Mah_1) score above a critical value of 16.27 and cooks distance (COO_1) equal to or greater than one (i.e case 100 and 52) that were potential influential multivariate outliers, were identified and were hence deleted. More importantly, genuine values were changed to less extreme values hence including such cases in the analysis but not allowing outlying scores to distort results (Tabachnick and Fidell, 2001).

3.8.2.3 Missing Values management

In due considerations of the shortfalls that any missing data has or may cause, i.e in terms of affecting power, precision and causing bias in results (Tabachnic and Fidell, 2007), the researcher generated simple frequency distributions using SPSS Version 26 trying to identify if there were any missing values. It was evident in the missing values analysis performed that missing values were less than 5%, and non-significant ($P>.05$). Moreover, little's missing completely at random (MCAR) test showed that values were missing completely at random, which gave the researcher confidence to apply multiple imputation techniques in managing missing values. This specific technique was opted for simply because it accounts for uncertainty in predicting missing values by injecting appropriate variability into the multiple imputed values (Field, 2009). Another advantage

for multiple imputations is that it makes no assumptions about whether data are randomly missing (Tabachnick and Fidel, 2007).

3.8.4.0 Testing for Parametric assumptions

Given the conceptualization of this study and the hypotheses generated for testing, it required running some tests to establish whether the data meets the assumptions for parametric tests to inform the choice of which statistical technique to use (i.e either Pearson correlations or spearman rank correlations) (Osborne and Waters, 2017). Specific parametric assumptions that were tested included normality of the distribution of the data, homogeneity of variance, linearity of the data and multi-collinearity using procedures prescribed by Field, (2006).

3.8.4.1 Normality test

A common statistical rule of thumb to test for normality is to check the skewness (symmetrical) and kurtosis (peakedness) of each measured variable. Whereas the skewness and kurtosis indicate the deviations from normality, they deal with only one aspect of non-normality (Field, 2006). In addition, they work well with large samples (our sample size >300). The interest in the current study was to determine whether the distribution as a whole deviate from a comparable normal distribution. This was done both statistically and graphically (Field, 2006).

The statistical method using the Kolmogorov-Smirnov and Shapiro-Wilk test for normality was employed. According to Field (2009), the Shapiro-Wilk test compares the scores in the sample to a normally distributed set of scores with the same mean and standard deviation. If the sig. value of Shapiro-Wilk test is greater than .05, then the data is normal. If it is less than .05 then the data significantly deviates from a normal distribution. The results presented in *Appendix 6 (Table A2),* show that the data met the normality test since Shapiro-Wilk test values were non-siginificant, and so there was no need for data transformation. Equally, the skewness and kurtosis statistics presented in *Appendix 6 (Table A1)* fell within the normal distribution range of +/-1 and were not far from zero in accordance with Allen and Bennett, (2010), which showed that the study sample was drawn from a normally distributed population.

Graphically, normality was confirmed using histograms. A bell-shaped histogram indicates that data is normally distributed (Allen and Bennett, 2019). The results in this study reveal a fairly bell-shaped histogram *(see Appendix 6, Figure A1)*, thus upholding the normality assumption.

3.8.4.2 Homogeneity test

To further ensure the suitability of the data for robust analysis, homogeneity test was performed. According to Field, (2006), homogeneity principle assumes that the variance of one variable should be stable at all levels of other variables. Levene's test is one of the commonly used tests for homogeneity. Field, (2006) states that if the Levene statistic is non-significant ($p>.05$), then the data is homogeneous (the differences between the variance is close to zero) and vice versa. The results presented in Appendix 6 *(Table A4)* show that the assumption of homogeneity of variances was upheld.

Graphically also, a scatter plot was drawn by plotting the residuals against the dependent variable. The result of the scatter plot in Appendix 6 *(Figure A2)* shows that the points are not only evenly dispersed around zero but also shows no clear curve-linear pattern in the distribution of points and all observations fell in the range of +/-3 on X and Y axes, thus providing evidence that the homogeneity assumption was met.

3.8.4.3 Linearity test

Linearity means there is a straight-line relationship between two variables. This assumption is important because regression analysis only tests for linear relationship between the independent variables (IVs) and the dependent variables (DVs). Linear data is where scores are seen to be in a fairly straight line, not a curve. In the current study, a normal probability plot (normal Q-Q plot) was used to plot the residuals against the predicted scores. The results in Appendix 6 *(Figure A3)* reveal a fairly straight line thus the data passed the linear assumption test. Linearity among variables was also confirmed from the Pearson correlation matrix in Appendix 6 (*Table A3*), where all study variables were significantly related ($p<.001$) (Field, 2006).

3.8.4.4 Multi – Collinearity test

According to Field, (2009) multi-collinearity exists if the predictor variables correlate highly (when the correlation (r) between any of the regressors is 0.9 and above) when regressed against each other. Apparently, seen from the Pearson correlation matrix in Appendix 6 *(Table A3),* the multiple correlations among study variables were below 0.9. Again, two collinearity test values i.e the tolerance and the variance inflation factor (VIF) guided the analyst in the process of interpreting collinearity results. The tolerance value is an indicator of how much of the variability of the specified independent variable is not explained by the other independent variables in the

model. Tolerance value is equal to the inverse of VIF mathematically expressed as: $(ToleranceValue = VIF^{-1})$ or $= \frac{1}{VIF}$

Various scholars indicate different cut off points for the accept/reject standard. According to Hoerl, and Kennard, (1970), if the tolerance values are below 0.1 that shows the existence of multicollinearity, while VIF values above 10 indicate serious concern also according to the same scholars. Based on the results in Appendix 6 *(Table A5),* the tolerance values were far above 0.1 and VIF values were far below 10, indicating that the data was collinear (independent variables were actually independent of one another) (Tabachnick and Fidell, 2001).

3.9.0 Qualitative Research Design

3.9.1 Sample size and selection

A total of 17 respondents were purposively selected and participated in the qualitative interviews. The study took up Creswell, (2013)'s advice for cross- sectional studies on having to first create a good rapport with respondents before collecting data from them. As selection criteria to participate in this qualitative study, one had to have been a CEO, knowledgeable on not only strategic communication plans of the company but also its performance in general. Purposive sampling suits the purpose because the researcher was of the opinion that the selected respondents had sufficient technical knowledge arising out of their work performance experience on the soft drink manufacturing enterprises (Sekaran and Bougie, 2010).

Specifically, interviews were conducted on 17 CEOs and this sample size was arrived at using the saturation principle (Crouch and McKenzie, 2006). This was the point at which analysis of additional interviews led only to aspects that had already been mentioned in previous conversations and did not result in new findings (Creswell, 2006). Moreover, small sample sizes are often recommended for the qualitative in-depth study (Miles and Huberman, 1994).

The study results in *Appendix 8*, show that for the CEO's, 13 out of 17 interviewees were male, 7 out of 17 were in the age bracket of 30-39, 2 falling between 18-29, 4 with age bracket 40-49 and 4 in age bracket of 50+ years. In terms of years of experience, 8 out of 17 had less than 10 years of experience, another 8 with experience ranging from 10-20 and only 1 out of 17 had an experience above 20 years but less than 30 years. In terms of education the majority (10) had bachelor degrees as their highest level of education, 5 with secondary school level and 2 with master's degrees.

3.9.2 Qualitative Data Collection

Qualitative data in this study were collected using semi-structured interviews. We were guided by Qu and Dumay, (2011) who observe "a semi-structured interview involves questioning guided by identified themes in a consistent and systematic manner interposed with probes to elicit more elaborate responses". This approach was chosen because of its ability to generate descriptions grounded in reality. The interview guide was developed after a comprehensive review of the literature on the study variables. The data collected sought to complement the quantitative findings using the individual's own point of view. With the respondents' permission, all interviews were audio recorded and each of them lasted between 20 minutes to 30 minutes.

Two research assistants helped in this exercise and note books, tape recorders, and pens were among the tools used during the interviews.

3.9.3 Qualitative analysis and Coding

Since note taking and audio recording were used during field data collection (with respondents' consent), the typed notes and audio data from the interviews were transcribed verbatim and thereafter fed into software NVivo version 7 and analysed using content analysis technique. Units of analysis were the paragraphs (segments) in each transcript that dealt with management of the study variables. Each interview was assigned a number or code. The recommendations by Miles and Huberman (1994), Pope, Ziebland and Mays, (2000), Creswell (2006) and Bazeley (2009) guided our Data analysis. Practically, we categorized data and reduced it into analysable units, first by transforming it in order to make it more understandable, and secondly, drew out themes and patterns. After the researcher, followed Silverman, (2000)'s guidelines related to the one-to-one coding process of each interview transcript. The generated themes at literature review stage guided in coding and eventual comparisons of participants' responses (similarities and differences). Careful attention was made by the researcher while displaying data to allow for extraction of new themes, patterns, propositions, and concepts that emerged during transcription (Miles and Huberman, 1994).

Berg, (2001), advises that data can be displayed using tables, tally sheets of themes, summaries or proportions of various statements, phrases, or terms. This makes it possible to reduce and transform groupings of data. The researcher was then able to use themes that emerged into sub-category codes within each of the major categories, which helped to eliminate irrelevant data. On the basis

of displayed data, conclusions were finally drawn and the coded data made it possible for the researcher to reflect the respondents' perspectives and not the researchers' own biases.

3.9.4 Reliability and Validity Tests for Qualitative data

The study carried out four tests in establishing quality of the qualitative data as recommended by Hirschman, (1986), Miles and Huberman, (1994) and Robson, (1993). These are confirmability, credibility, transferability and dependability tests.

Confirmability corresponds to construct validity in quantitative methods. This test assesses whether the interpretation of data is drawn in a logical and unprejudiced manner. Therefore, in order to ensure that the conclusions were the most reasonable ones from the data, confirmability audit was conducted during data collection and analysis stages. This involved checking the retained recorded interviews and field notes to ensure logical inferences and quality of findings.

Credibility corresponds to internal validity and thus the test demonstrates that the inquiry was carried out in a way that ensured credibility. This was achieved by employing two carefully trained research assistants to collect the data (Lincon and Guba, 1985). In addition, researcher self-monitoring was guaranteed through carrying out the research in such a way to ensure credibility.

Transferability is analogous to the function of external validity or generalizability in positivism. The researcher achieved transferability by the cautious use of specific procedures in coding and analysis (Miles and Huberman, 1994).

Dependability corresponds to reliability in quantitative research, and therefore tests the indications of stability and consistency in the process of inquiry. This was achieved by conducting a dependability audit, which involved an independent examination of the interview process. Consistent with the recommendations of Patton, (2002), the researcher provided a full account of ideas for each phase, record of observations and actions as concrete as possible, using an interview protocol and two credible research assistants/coders. This careful documentation process allowed the auditor to assess how data were collected, produced and interpreted.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION OF RESULTS

4.0 Introduction

This chapter presents the results of the quantitative and qualitative studies conducted to determine the combined effect of Interactive Marketing Practices (IMP), competitive advantage (CA) and competitive environment (CE) on Market Performance (MP) of Soft Drink Manufacturing Enterprises (SDMEs) in Kigali City-Rwanda. The chapter covers response rate, demographic characteristics of respondents, firm characteristics, descriptive and inferential statistics of the study variables. Five hypotheses earlier generated were re-stated and tested in order to achieve the objectives of this research work as stated in chapter one. The chapter presents both quantitative and qualitative results.

4.1 Quantitative results

4.1.1 Response rate

Since it was a firm-level-based study, questionnaires were distributed by the researcher to a maximum of 5 managers from each of 322 SDMEs in Kigali City, however; only 253 enterprises filled and returned them. This represented an overall successful response rate of 78.57%. The rest 69 (21.43%) of the copies consisted of those questionnaires that were never returned or were found incomplete. A response rate of 21%–70% is acceptable for self-administered questionnaire according to Wimmer and Dominick (2006), whereas, Dillman et al., (2009), consider a response rate above 70% acceptable, as it guarantees accuracy and minimizes bias.

On the basis of this high response rate (78.57%) achieved, it was adequate to draw conclusions on the study objectives. The researcher therefore used the questionnaire copies collected for analysis and reporting. *Table 4.1* presents results of the response rate.

Table 4.1 Questionnaire Administration Response Rate

Questionnaire	Frequency	Percentage (%)
Completely filled and returned	253	78.57%
Non-response	69	21.43%)
Total	**322**	**100.0%**

Source: ***Field Survey, (2021)***

4.1.2 Characteristics of Unit of Analysis

Characteristics of soft drink manufacturing enterprises included their employee numbers, location, age (years of operation), products produced, markets served and Communication channels that take a big advertisement budget, as indicated in *Table 4.2.*

Table 4.2 Demographic Characteristics of Unit of Analysis

Category	*Item*	*Frequency*	*Percent*
Number of employees in the firm	2-20	63	10.1
	21-50	79	12.7
	51-100	396	63.6
	101-250	36	5.8
	251 or more	49	7.9
Location of the firm	Gasabo	67	26.5
	Gicukiro	37	14.6
	Nyarugenge	149	58.9
Number of years of operation	Less than 2 years	47	18.6
	3-5 years	56	22.1
	6-10 years	102	40.3
	11-14 years	19	7.5
	More than 15 years	29	11.5
Product (s) produced	Carbonated	15	5.9
	Water	22	8.7
	Milk	25	9.9
	Coffee and Tea	100	39.5
	Umusururu 'Bushera'	70	27.7
	Juice	21	8.3
Market (s) served	Rwanda	133	52.6
	East Africa	57	22.5
	Africa	47	18.6
	International	16	6.3
Communication channels that take a big advertisement budget	Traditional communication channels (Radio, newspapers and other print media)	165	65.2
	digital communication channels (e.g social media, search engines)	88	34.8
	Total	***253***	***100.0***

Source: ***Field Survey, (2021)***

Apparently, by location, a significant proportion (58.9 %) was from Nyarugenge district, 26.5 per cent were from Gasabo district and 14.6 per cent from Gicukiro district *(Table 4.2).* Again, the majority (65.2%) of SDMEs's interactive marketing behaviour showed a bend into the traditional communication orientation since their advertisement budget spending were into the traditional communication channels. On average the majority of surveyed firms (63.6%) had employees ranging between 51-100, and also the majority (40.3%) with years of existence/operation ranging between six to ten years.

4.1.3 Demographic Characteristics of Unit of Inquiry

This section delves into the background information of the respondents in terms of gender, age, education, working experience (or years of service), and position in organisation. *Table 4.3* displays a summary of the demographic profile of the respondents.

Table 4.3 Demographic Characteristics of Unit of Inquiry

Category	*Items*	*Frequency*	*Percent*
Gender	Male	361	57.9
	Female	262	42.1
Age	18–30	151	24.2
	31–45	340	54.6
	46–65	111	17.8
	66 and above	21	3.4
Education	Certificate	2	.3
	Diploma	48	7.7
	Degree	477	76.6
	Post Graduate or above	96	15.4
Years of Service	Less 1 year	26	4.2
	1-3 years	102	16.4
	4-7 years	459	73.7
	7 years and above	36	5.8
Position held	Marketing managers	226	36.3
	Communication or public relations managers	95	15.2
	Accountants	52	8.3
	Finance managers	46	7.4
	sales managers	204	32.7
	Total	***623***	***100.0***

Source: ***Field Survey, (2021)***

Results presented in *Table 4.3* show that majority of the respondents were males represented by 57.9% while 42.1% were females. Most (54.6%) of the respondents were aged between 31 and 45 years, 24.2% were between 18 and 30, 17.8% between 46 and 65 years with a mild 3.4% aged 66 years and above *(Table 4.3)*. This is an indication that respondents were well distributed in terms of their age. It implies also that the majority of respondents were mature enough to understand and respond to research questions in a responsible way. In addition, the result of Academic Qualifications analysis revealed that most respondents (76.6%) were degree holders, while 7.7% were diploma holders and 15.4% holders of post graduate degree. From the findings, 0.3% were certificate holders *(Table 4.3)*. This means that surveyed soft drink manufacturing enterprises had competent managers capable of giving accurate responses.

Quite a big number (73.7%) of respondents had spent 4 to 7 years in their positions, 4.2% had spent less than 1 year, 16.4% between 1 to 3 years, 5.8% having spent 7 years and above in their positions *(Table 4.3).* This implies that most respondents were highly experienced and with broad knowledge about performance operations, and thus were able to provide more reliable responses. The study also showed that the majority (36.3%) of the respondents were working as Marketing managers, 15.2% as communication/public relations managers, 8.3% as accountants, 7.4% as finance managers and 32.7% as Sales managers *(Table 4.3)*. The result showed that all the respondents were highly experienced with broad knowledge about operations and therefore qualified to respond to this survey.

4.1.4 Descriptive Statistics for the studied variables

The study computed the mean scores of variables studied and compared them with their standard deviations to be able to establish whether the computed averages represented reality (Field, 2006).

Table 4.4 Means and Standard Deviations for studied variables

Variables	*N*	*Min*	*Max*	*Mean*	*SD*
Interactive marketing practices	253	2.9	4.8	3.88	0.39
Competitive advantage	253	2.92	4.27	3.60	0.30
Competitive environment	253	2.62	4.32	3.56	0.38
Market Performance	253	2.67	4.54	2.45	0.365

Source: ***Field Survey, (2021)***

As can be seen from *Table 4.4,* the mean scores of all variables are in the range 2.45 to 3.88, with standard deviations between 0.30 and 0.39. One observes, that standard deviations are extremely

smaller compared to mean values, an indication that data points were close to means; thus, the calculated mean scores significantly represented the observed data (Field, 2009; Saunders et al., 2009).

Again, a closer scrutiny on the descriptive statistics indicates that market performance had the lowest mean score of 2.45 among all variables studied. This finding could justify the earlier depicted poor market performance scenario (in chapter one) among SDMEs in Kigali City-Rwanda. Respondents tended to agree that performance of soft drink manufacturing enterprises could be improved if they could adopt an interactive communication culture (Mean, 3.88). This finding is not far from the assumptions of social exchange theory and empirical scholarly works by Van Heerde et al., (2019), Lobschat et al., (2017) and Homburg et al., (2014).

Respondents largely agreed that SDMEs need to seriously consider appropriate strategic choices (Mean, 3.60), if they are to have desired competitive market positions. Their views are in great support of the practical value of operational excellence, product leadership and customer intimacy decisions in changing the market position quality of firms (Treacy and Wiersema, 1993; 1995). Such views tally with not only, dynamic capability theory stipulations, but also earlier observations by Razak, Nirwanto and Triatmanto, (2016) and Victoria and Pantelis, (2009).

Last but not least, the observed mean score of 3.56 shows respondents' support on the need for comprehension and management of the overriding industry forces as a secret to realizing desired firm's performance results. This finding is in agreement with not only the five forces model but also empirical observations by Zhao, (2019) and Tsai and Yang, (2014).

4.2.0 Correlation analysis and hypothesis testing

The preliminary analyses performed (see chapter three) in assessing whether our data conformed to parametric assumptions of normality, linearity, homoscedasticity, multicollinearity, among others, as suggested by Field, (2009), gave the researcher confidence to apply Pearson correlation analysis.

Further analyses conducted aimed at testing the set hypothesis as restated below:

H1: *There is a positive relationship between Interactive Marketing Practices and Market Performance of Soft Drink Manufacturing Enterprises*

H2: *There is a positive relationship between Interactive Marketing Practices and competitive advantage of Soft Drink Manufacturing Enterprises*

H3: *There is a positive relationship between competitive advantage and Market Performance of Soft Drink Manufacturing Enterprises*

H4: *Competitive advantage mediates the relationship between Interactive Marketing Practices and Market Performance of Soft Drink Manufacturing Enterprises*

H5: *Competitive environment moderates the relationship between Interactive Marketing Practices and Market Performance of Soft Drink Manufacturing Enterprises*

Table 4.5 shows Pearson correlation coefficients of Interactive marketing practices, Competitive advantage and Market Performance.

Table 4.5: Pearson Correlation Results

Variables	1	2	3	4	5	6	7	8	9	10
Social media marketing-1	1									
Search engine marketing-2	-.058	1								
Interactive marketing practices-3	.753**	.614**	1							
Operational excellence-4	.574**	.081	.508**	1						
Product leadership-5	-.154*	.227**	.028	-.113	1					
Customer intimacy-6	.014	.052	.045	.074	.012	1				
Competitive advantage-7	.247**	.309**	**.400****	.522**	.653**	.225**	1			
Customer Retention-8	.014	.052	.045	.074	.012	.450**	.225**	1		
Sales-9	.224**	.273**	.357**	.719**	.003	.064	.426**	.064	1	
Market Performance-10	.156*	.215**	**.270****	.522**	.011	.759**	**.396****	.759**	.698**	1

**. Correlation is significant at the 0.01 level (1-tailed).

*. Correlation is significant at the 0.05 level (1-tailed).

4.2.1 There is a positive relationship between Interactive Marketing Practices and Market Performance *(H1)*

The results in *Table 4.5* indicate that there is a positive significant relationship between interactive marketing practices and market performance at 99% level of confidence (r=.270, p<.01), thus rendering support to hypothesis one (H1). The results signify that increases in the level of interactive marketing activities, are highly associated with improvement in market performance of SDMEs. It implies that SDMEs which embrace interactive communication culture experience high levels of market performance. This is true because enterprises which have been able to continuously ensure smooth interactions (firm-customer and customer-customer(s)) through their interactive online features, have been able to cause immediate effects on their buyer attitudes (thoughts, feelings, knowledge); able to uncover and meet customers' needs; create memorable and valuable user-experience hence increasing awareness; loyalty; customer retention and new sales leads (Ajina, 2019; Aslam et al. 2015; Dushyenthan, 2012; Hollebeek, 2011).

4.2.2 There is a positive relationship between Interactive Marketing Practices and competitive advantage *(H2)*

Further still, from the correlation analysis *(Table 4.5)* it was established that Interactive Marketing Practices has a moderate positive and significant association with competitive advantage (r =.400, p<.01). The implication is that an efficient firm-based interactive communication capability is associated with improvement in the firm's competitive position. This is true because a firm that has fully adopted Interactive Marketing Practices is able to make effective brand promotions and increase product awareness among customers (Debra, 2014; Pomirleanu et al., 2013) and therefore realise improvement in sales, consequent to brand-image-based growth in customer patronage which renders the firm with ability to enjoy economies of scale through lowering unit costs (Bag et al., 2020) than others in the industry. Yasmin et al., (2015) provide evidence on how a company can be able to minimise customers' fears by using interactive communication to respond to customer challenges or fears which positively impact on its market position. This finding renders support to the stated hypothesis that Interactive Marketing Practices positively relates with competitive advantage (H2).

4.2.3 There is a positive relationship between competitive advantage and Market Performance *(H3)*

Relatedly, the study established that competitive advantage was positively and significantly associated (r =.396, p<.01) with the Market Performance of SDMEs *(Table 4.5)*. This means that companies that have been able to attain operational excellence (technical efficiency) in their internal processes and matching their product features with customer needs have experienced outstanding market performance (Kimiti et al., 2020). This holds great meaning because a firm that provides quality products and services at a lower price than those of competitors can give it a leadership position (Hosseini et al., 2018), thus, enabling better performance of the company. This very finding support H3, which states that competitive advantage, is positively associated with Market Performance of SDMEs.

4.2.4 Competitive advantage mediates the relationship between Interactive Marketing Practices and Market Performance *(H4)*

Various scholars including Kamukama et al., (2017; 2011), Nkundabanyanga, (2016) and MacKinnon et al., (2012) recommend that to be able to understand actual relationships, business researchers should investigate mechanisms and processes through which one variable affects another. Kistler, (2009), moreover argues that not all relationships are direct. In line with all these claims and following recommendations of Jose, (2013) and Aiken and West, (1991) an attempt was made by the researcher to explore the mechanism through which Interactive Marketing Practices influenced the Market Performance of SDMEs, hence testing the mediating effect of Competitive advantage in the same relationship.

In the mediation tests that were performed, we established that conditions as suggested by Baron and Kenny, (1986), were fulfilled. This study used hierarchical regression analysis, and MedGraph v3.xlsm (Excel Version 2010) to establish the significance of the mediation effects of Competitive Advantage on the association between interactive marketing practices and market performance. Results of these inferential statistics are summarized in *Table 4.6* and *Figure 4.I* for regression coefficients and sobel z-values respectively.

Table 4.6: The mediating effect of competitive advantage on the relationship between interactive marketing practices and market performance

	Dependent variable								
	Competitive advantage (MV)						**Market performance (DV)**		
	Model 1			**Model 2**			**Model 3**		
Predictors	B	SE	β	B	SE	β	B	SE	β
Intercept	2.423 (.000)	0.172		2.596 (.000)	0.222		1.415 (.000)	0.275	
Interactive Marketing practices (IV)	0.304 (.000)	0.044	0.40	.248 (.000)	0.056	0.27	.100 (.012)	0.057	0.157
Competitive advantage (MD)							.487 (.000)	0.075	0.396

Note: n=253, B=Unstandardized coefficients, =standardized coefficients, SE, Standard errors

As can be seen in *Table 4.6,* the four conditions for mediation were met as suggested by Baron and Kenny, (1986). Firstly, we observe that there was a significant direct effect of Interactive marketing practices on market performance (β =.270; p<.05).Secondly, Interactive marketing practices and competitive advantage have a significant relationship (β =.400; p<.05), and thirdly, the observed coefficient of the mediator (competitive advantage) is significant as seen in the regression model 3 (β =.396; p<.05). It is observed, finally, that the absolute effect of Interactive marketing practices on market performance is smaller in regression model 3 (β =.157; p<.05) than in regression model 2 (β =.270; p<.05).

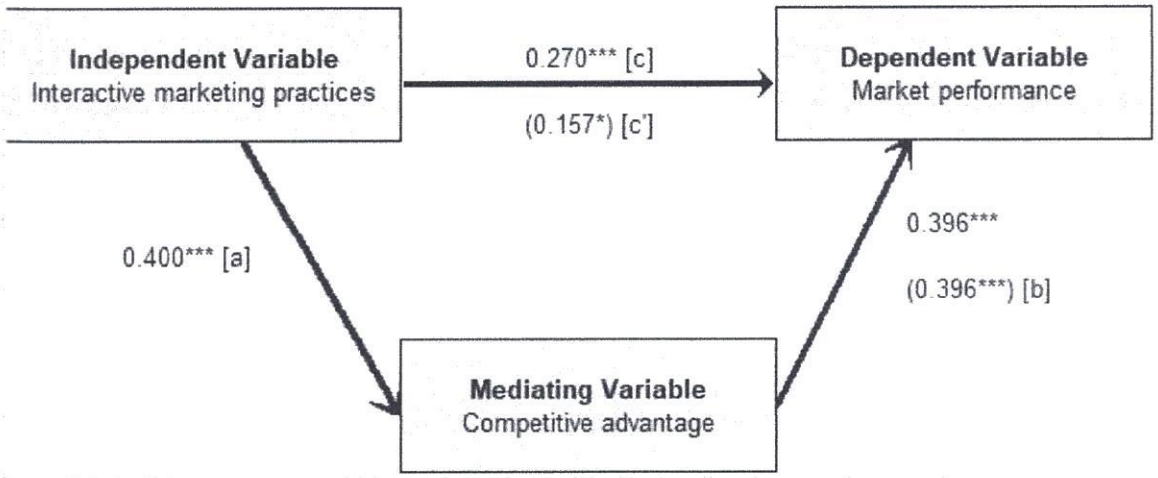
Figure 4.1: MedGraph program graphically showing mediation among three variables (i.e Interactive marketing practices, Competitive Advantage and Market Performance)

Type of mediation Significant
Sobel z-value 4.731637 p = 0.000002

95% Symmetrical Confidence interval
Lower **0.08672**
Higher **0.20937**
Unstandardized indirect effect
a*b **0.14805**
se **0.03129**

Effective Size measures

Standardised Coefficients		R^2 Measures (Variance)
Total:	**0.27**	**0.099**
Direct:	**0.157**	**0.009**
Indirect:	**0.158**	**0.089**
Indirect to Total ratio	**0.586**	**0.903**



The study calculated Sobel's z-value and ratio index using MedGraph program in trying to establish the significance of the mediation effect and the type and nature of mediation. As indicated in figure 4.1, a Sobel z-value of 4.731637 and a p-value of 0.000002 was found. According to Preacher and Hayes, (2004) in case the calculated Z-vale is greater than 1.96 (with a confidence level of 95%), the variable in question is deemed significant in mediating the relationship between endon variable and exogeneous variable.

Also, the Beta weight for the relationship between IMP and MP (r=.270) were realised. Firstly, the indication of these results is that, since the Sobel z-value is bigger (greater than 1.96) with a p-value less than 0.05, it signals to the existing mediation of competitive advantage in the relationship between interactive marketing practices and market performance. This is affirmed further by the significant decrease in the association between the criterion variable (market performance) and the predictor variable (interactive marketing practices) at the inclusion of the mediating variable in the third regression model. Secondly, since the correlation between I.V and D.V reduced to a significant level (i.e from 0.270** to 0.157**), a partial type of mediation was eminent according to Jose, (2013) and Zhao, Lynch and Chen, (2010). In the words of Little et al., (2007), partial and full mediation are "informal effect size descriptors" that portray the importance or magnitude of the mediation effect from the angle of p-value or significance. However, Little et al caution on the possibility of being misled into full mediation conclusions when we rely on p-value to define effect size especially when the sample size is small. This study used a bigger sample size that overcomes this p-value-effect size dilemma.

Thirdly, seen from the ratio index of 41.9% given by [(.270-.157)/.270]*100), it is implied that 41.9% of the effect of interactive marketing practices on market performance goes through the competitive advantage and 58.1% of the effect is direct (Hensler, 2017;Zhao, Lynch and Chen, 2010).

4.2.5 Competitive environment moderates the relationship between Interactive Marketing Practices and Market Performance *(H5)*

The fifth objective which was to establish the relationship between the combined effect of Interactive Marketing Practices (IMP) and competitive environment on Market Performance required testing the hypothesis that competitive environment interacts with Interactive marketing

practices to positively influence Market Performance of Soft Drink Manufacturing Enterprises in Kigali City. The overriding advantage of using hierarchical multiple regression models here is that the resulting model coefficients (regression coefficients) are not affected by differences in the variances of the independent variable or differences in measurement error in the dependent variable, just like normal correlation analyses do (Mahmood, 2015; Baron and Kenny, 1986). That means that it shows true variance of variables.

Consequently, the researcher endeavoured to establish whether the prediction of the market performance from interactive marketing practices differed across different levels of the competitive environment. For confirmation and interpretation of existing moderation, mean scores and standard deviations of centred variables, as well as their unstandardized coefficients (in model 3) *(Table 4.7)*, were plotted on Mod-graph as recommended by Jose (2013), and effects estimated via hierarchical multiple regression analysis.

According to the above, the following hypothesis was tested;

H5: Competitive environment moderates the relationship between interactive marketing practices and marketing performance

In testing the above hypothesis, the following regression models were specified;

$MP = b_0 + b_1IMP + e$..... i

$MP = b_0 + b_1 IMP + b_2CEV + e$..... ii

$MP = b_0 + b_1 IMP + b_2CEV + b_3IMP*CEV + e$..... iii

Where

MP = Market performance

b_0 = Constant

b_1IMP = Beta coefficient of Interactive marketing practices when competitive environment is held constant

b_2CEV = Unstandardized Beta coefficient of competitive environment when interactive marketing practices is held constant

b_3IMP*CEV = Beta coefficient of the interaction term for interactive marketing practices and market performance.

The hierarchical regression results for the moderation of competitive environment on the association between interactive marketing practices and market performance are shown in *Table 4.7* below.

Table 4.7: Hierarchical Regression Results depicting path coefficients for the interaction effects model

	Model 1	Model 2	Model 3
	B	B	B
Constant	2.596	0.97	-3.917
Interactive marketing practices	.248***	0.270***	1.284***
Competitive environment		0.683***	1.814***
IMP*CE			1.322***
R	-	0.270	0.276
R Square	-	0.469	0.484
Adjusted R Square	-	0.465	0.478
R Square Change	-	0.398	0.013
F Statistics	-	164.733	116.282
F Change	-	288.623	8.93
Sig. F Change	-	.000	0.003
Sig. (ANOVA)	.000	.000	.000

Note: ***p<.001, **P,<.05, N=253,
IMP CE= Interaction term*

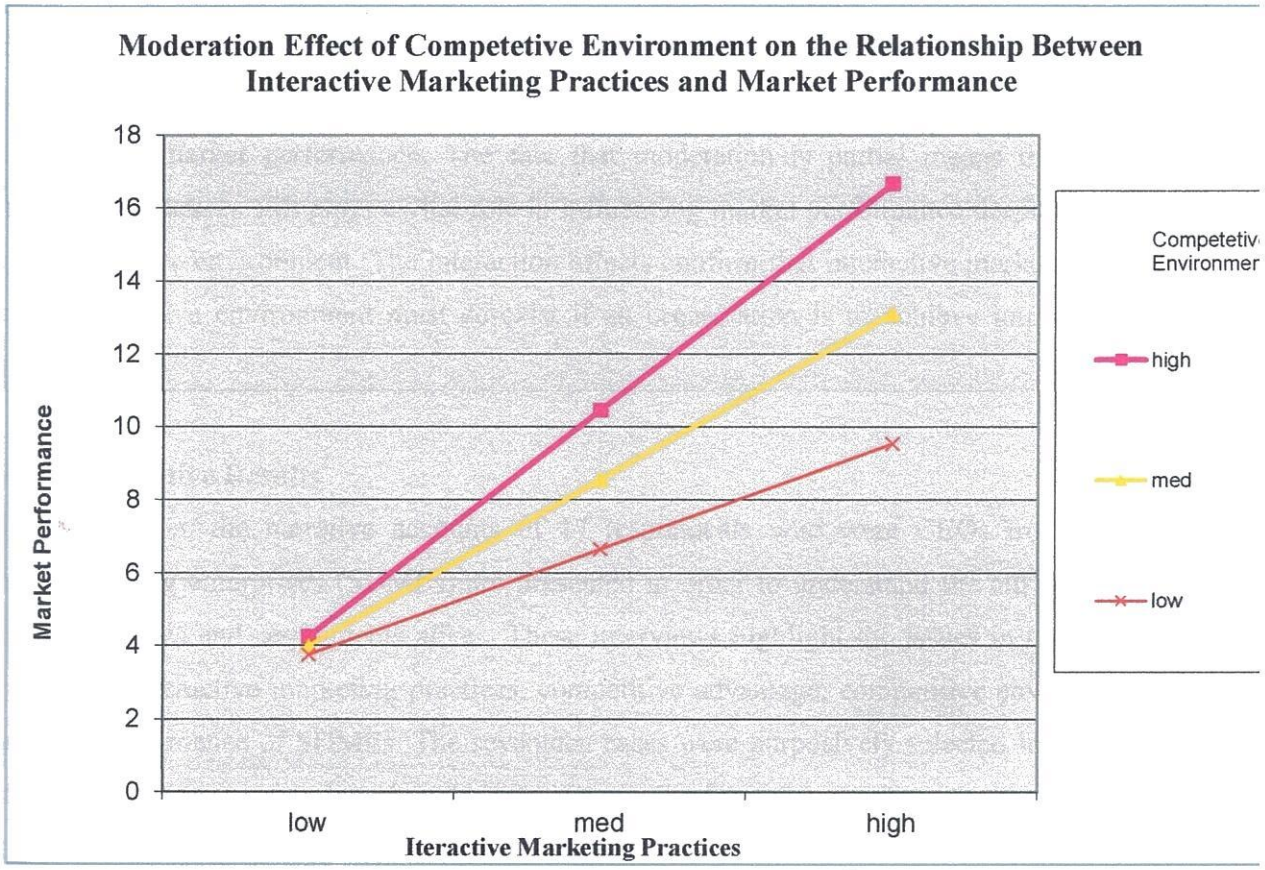
Source: Primary Data

In model 2 *(Table 4.7),* regression analysis revealed that interactive marketing practices (B= .270, p<.001) and competitive environment (B=.683, p<.001) accounted for a significant (46.5%) amount of variance in the market performance (*Adjusted* R^2=.465, p<.001) hence supporting hypothesis H5. Results also revealed that competitive environment had more predictive power as the effect of interactive marketing practices in model 1 increased significantly from (B=.248, P<.001) to (B=0.270, p<.001) on the introduction of competitive environment in model 2. The positive coefficient of the moderator means that a one unit increase in the multiplicative effect of interactive marketing practices and competitive environment leads to a 1.814 positive changes in market performance, which is a bigger change than what Interactive marketing practices alone would cause to market performance of SDMEs. Eminently, this path is significant (P<.001).The introduction of the interaction term (B=1.322, p<.001) in model 3 further increased the predictive

power of the model by a significant 1.3% (i.e see from changes in *Adjusted* R^2=0.465, p<.001 to *Adjusted* R^2=.0.478, p<.001).

According to Aiken and West (1991), the positive coefficient of the interaction term is an indication that the moderating variable (competitive environment) enhances the causal effect of interactive marketing practices on market performance of SDMEs thus showing the multiplicative effect. It shows that the effect of interactive marketing practices on market performance increases with an increase in effects of the moderator, which shows the kind of conditional relationship that exist between interactive marketing practices and competitive environment as per the studied context. However, since the main effect of competitive environment (B=1.814, p<.01) is still significant even after fitting the interaction term in model 3, a partial moderation was achieved (Jose, 2013).

Figure 4.2: Mod-graph showing the Interaction plot of competitive environment and interactive marketing practices (IMP) on market performance



Note: According to (Jose, 2013), Low = One standard deviation below the mean, Medium = the mean score of performance, High = One standard deviation above the mean.

Further still, an examination of the interaction plot (Figure *4.2*) as proposed by Jose, (2013) and Aiken and West, (1991) revealed that; (i) the effect of interactive marketing practices on market performance depends on the level of competitive environment (i.e., low and high), (ii) regression lines are not parallel (iii) the magnitude of an effect is more significant at one level of a variable than at another hence confirming occurrence of a significant interaction. Therefore, all the above results are indicative that Interactive marketing practices and competitive environment fuse to predict market performance; Interactive marketing practices highly dependent on the competitive environment to influence market performance hence supporting hypothesis H5.

The major implication of the above positive effect of the interaction in model 3 (main effect of interactive marketing practices (B=1.284, p<.001) and main effect of competitive environment (B=1.814, p<.01)) is that at a high level of Interactive marketing practices, a high level of competitive environment could positively affect market performance. On the other hand, at a lower level of Interactive marketing practices, a low level of competitive environment would lead to a decrease in market performance. The fact that moderation is partial means that interactive marketing practices still plays a vital role in influencing market performance despite moderation by competitive environment. The interaction effects confirm that interactive marketing practices and competitive environment must co-exist if an organisation is to achieve improved market performance.

4.3.0 Qualitative Results

In this section, the narrative accounts of 17 respondents who were CEOs from soft drink manufacturing enterprises (SDMEs) are presented in order to understand the attributes of both study variables and respondents alike. These interviews highlight the issues in the study with respect to interactive marketing practices, competitive advantage, competitive environment and market performance of SDMEs. The seventeen cases were purposively selected from soft drink manufacturing enterprises based on their positions and information that they could give. The main

analytical tool used for the qualitative study was content analysis, where, each interpretation and finding were compared with existing findings as it emerged from the data analysis.

4.3.1 Market performance of soft drink manafucturing enterprises

A combination of factors affect positively or negatively the ability of a firm to achieve its set goals. Without being able to exactly know which factors influence performance outcomes of a firm, then its performance outcomes will remain poor. The market performance of SDMEs was observed in terms of customer retention and sales. The majority of respondents said that their customer numbers have been declining and sales had remained stagnant.

Below are the sub-themes:

Sub Theme 1: Customer retention (How best have they been able to remain with their customers?)

Sub Theme 2: Sales (To what extent have they achieved their sales targets)

Table 4.8: Market Performance of SDMEs

Attributes	*Views*	*Frequency (n=17)*	*Percentage*
Customer retention	Declining	14	82%
	Relatively stagnant	3	17.4%
Sales	Remained same	12	70.5%
	Increased	5	29.5%

Source: Primary source. Frequency: Number of interviewees and views raised

Generally, from the in-depth interviews, the majority of the key respondents noted that their customer numbers have been reducing over years. Many of them revealed that they have not been able to meet their sales targets in the last three years. The in-depth interview extracts below portray details:

".....our performance has not been good generally in the last five years". But sales for some quarters in a year shoot but tax percentages levied at the end of the year affect the net revenues. The covid-19 also added to the very existing challenges, we could close for some months but landlords still request for their rental fees. That means that we could draw from already retained profits to cover-up for such unexpected occurrences.... [.....]. The good thing is that our soft drink products have recently realized increasing demand perhaps because of sunshine that has

persisted for some days [……] .....many factors explain such increases besides weather conditions:,...for example the adverts that we put on radios and at times posting instant messages of our products and on the face book" **(Janvier, case 7)**

Eric, a respondent from Gasabo district (Case 10) said that;

".... Generally, we roll out our products on the markets and realize sales everyday but not all days are the same because of varying purchase behaviours of customers. By the fact that we are able to pay our staff salaries and meet other operational costs, we continue hoping that performance will be better in future.... [...]....our customer numbers have not been constant though monitoring them has also been another issue [.....]. There has been no stability in realizing our sales targets…… ".

Abayo, Case 1, from Kicukiro district pointed out that;

".....Soft drinks now days are witnessing high competition different from past five years where we could realise high sales. Perhaps we need to do something in our value creation strategies [....] our approach to realising numbers has been through our strategy of constantly keeping in touch with our clients through instant short messages and at times using bloggers. At times we are not sure which approach specifically leads to results we see. Generally, we realise what is sufficient to keep us moving... ".

Placidia, from Nyarugenge district, Case 5 observed;

"....The soft drink market has been good in the last ten years but now the whole market has many soft drink combinations in different flavours, shapes and colours and at time customers go for those that are near to them, we have recently learnt to use social media to communicate but it has not yielded for us much;[……] customer numbers have relatively increased in the last ten years but now days, our sales have started to decline or keep constant for some months. We are in the process of revamping the whole marketing campaign to see how we can improve our sales [……] ……. "

The performance of SDMEs in Gasabo district was reported also by Jackeline, Case 15;

"……it was only in the year of 2018 when we met our sales targets and even exceeded [….] we keep persisting because closure would mean loss of employment to us and our families would suffer. I say this because for sure, business is not going well [……..] They have always varied from time to time, sometimes realizing big sales sometimes realizing relatively smaller volumes [….] when things go well, we thank God……"

4.3.2 Competitive advantage of soft drink enterprises

Different factors influence the extent to which a firm achieves a desired market position. Firms that have been able to design strategies that suit their segment needs usually experience a positive shift towards realising desired market positions. The competitive advantage of SDMEs was observed in terms of operational excellence, product leadership and customer intimacy. The majority of respondents said that their market position is not yet established since their focus is on garnering customer patronage and not on establishing comparative positions that they occupy.

Sub Theme 1: Operational excellence (Ability of a firm to improve in its internal processes and adapt to external forces well).

Sub Theme 2: Product leadership (Ability of a firm to design products whose features match consumer expectations).

Sub Theme 3: Customer intimacy (Ability to deliver individualized customer service).

Table 4.9: Soft drink manafucturing enterprises' competitive advantage

Attributes	*Views*	*Freq(n=17)*	*%*
Operational excellence	We have done much to improve our internal processes	7	41%
	Reducing operation costs has been a problem	4	24%
	Improving internal processes requires resources that we don't have	6	35%

Product leadership	Our product position is established	2	12%
	Product improvement has been our focus though costly	8	47%
	No market survey yet to confirm our product position	7	41%
Customer intimacy	We offer individualised services	4	24%
	We have not been able to sufficiently offer individualised services to our clients	13	76%

Source: Primary source. Frequency: Number of interviewees and views raised

From the in-depth interviews, the majority of the respondents noted that improving internal processes requires resources that they didn't have, also, noting that although achieving good position for the product is good, the product improvement exercise is costly. Many of them noted also that they have not been able to sufficiently offer individualised services to their clients. The extracts from individual in-depth interviews below convey more details:

"....we have done much to improve our cost effectiveness but have not been successful all through [.....].....of course there are issues we continue to sort in our cost management strategies..[.....] ...to attain this market position, we have tried to offer products with features that have passed quality assurance standards internally and externally from the government..... We feel delivering the best to our customers but have been challenged by the shifting preferences of our clients which have at times made them to go for substitute products on the market. It has not been our attention to compare our products with those of competitors since it requires market surveys that we can't afford at the moment.... we have thought of offering indivualised services. [.....] actually, haa... [...] ndabyibuka twagize amahugurwa batwigisha uburyo bw'ogukoresha

ikoranabuhanga kumenyekanisha ibicuruzwa byacu, ariko twasanze bisaba amikoro menshi tudafite...." (**James, case 14, Kicukiro district).**

Jeanne, a respondent from, Nyarugenge district, case 8, had this to say;

"...to maintain our market leadership position, we have constantly tried to offer the best products to our clients though budget constraints related to new innovations still affect us.....we have not and will not give up even when other new firms producing similar products have come up on the market [.....] .... we shall do all we can to maintain a good relationship with our clients...[.....]...."

Another respondent from Gasabo district, Ivan, Case 17, observed;

" [.....] Improving our operational efficiency has been our motivation though constrained at times by the high operational costs that we do not have control over. Most of our raw materials are imported which is relatively a small problem since the government partly subsidizes them [.....] having to deliver the best products at a low price still poses a challenge especially where competition is high with many other players in the soft drink industry [.....] We have tried to offer individualized products especially making physical deliveries on orders for people having big functions; though not done regularly, when we do this, we sell more in a short time period"

Aphrodice, from Nyarugenge district, case, 9, had this to say;

"...we as business people in the soft drink industry have to conform to high quality assurance standards set by the government and international quality assurance bodies the reason why we have invested much in improving our internal operations efficiency [...] all this add to the cost of production.....ariko ntakibazo kuko abakiriya bacu turabakunda kandi tubifuriza kubaho neza [.....]...twiyemeje kwegera abakiriya bacu mu buryo bwose bushoboka...."

4.3.3 Competitive environment of soft drink manufacturing enterprises

Different factors influence the extent to which a firm survives external forces from its operating environment or industry. A firm that appropriately understands the key forces affecting what they do and how they do them, will be able to craft out a strategy that neutralises threats and exploits opportunities. The competitive environment of SDMEs was observed in terms of the extent to

which new entrants/competitors constitute a threat, how substitute products constitute a threat, bargaining power or ability of buyers to negotiate prices downwords, bargaining power or ability of suppliers to influence supply prices and power of existing competitors/rivalry. The majority of respondents said that their operating environment is very competitive.

Here below are the sub-themes:

Sub Theme 1: Threat of new entrants/competitors (how are new firms entering the soft drink sector a problem to those existing?)

Sub Theme 2: Threat of substitute products (to what extent are substitute products a problem to existing soft drink products?)

Sub Theme 3: Bargaining power of buyers (do buyers have power or capacity to negotiate prices downwords?)

Sub Theme 4: Bargaining power of suppliers (are suppliers having power or capacity to bargain supply prices?)

Sub Theme 5: Power of existing competitors/rivalry (to what extent are existing firm escalating competitions or causing challenges to each other?)

Table 4.10: Soft drink manufacturing enterprises' Competitive environment

Attributes	*Views*	*Freq(n=17)*	*%*
Threat of new entrants/competitors	New competitors are a problem	13	76.5%
	Being there does not affect us	4	23.5%
Threat of substitute products	Substitute products are a problem but we try to minimize reasons for switching	6	35%
	Not as such a problem	11	65%
Bargaining power of buyers	Buyer Bargaining power is a big challenge	3	18%
	Not a problem	14	82%
Bargaining power of suppliers	Suppliers Bargaining power is a big problem	17	100%
	Not a big challenge	--	0%

Power of existing competitors/rivalry	Existing competitors constitute a big challenge	10	59%
	Relatively a small challenge	7	41%

Source: Primary source. Freq: Number of interviewees and views raised

From the in-depth interviews, a big number of respondents noted that new competitors constitute a challenge to existing players. A big number reported that substitute products are not a problem to them since they are able to operate in their own geographical niche and sale. Majority also were not bothered by the buyer bargaining power, besides, a big number also having a worry on suppliers bargaining power and existing competitors. More on the in-depth interviewed are portrayed in the extracts below:

"[……] ... despite the fact that our customers' buying habits are unpredictable, we have been able to command a sizeable portion. This has not been persistent though. [……] the existing players in the soft drink industry have in a big way affected the way we sell since they are known than us. Our big challenge has been the sources of raw materials. Our suppliers dictate on us and at times we have no choice, which affects our pricing and our sales...." **(Diogene, from Nyarugenge district, case 12)**.

Another respondent based in Gasabo district (Mireille, Case 2) observed;

"[……] ……haaa what should I tell you! Our way of managing competitive forces has been chaotic. We have no one defined way but at least new entrants into the soft drink industry have added to the whole crisis but the struggle continues [....] our customers seem not to command the way we do the pricing and our competitors have not played a price-based competition since the government intervenes. That's good so far……substitute products do not scare us since we focus on specific geographical niches".

Leandre, one of the respondents from Gasabo district, (Case 3) observed;

"……in our firm we have used different techniques to manage competition, including trying by all means to outsource from cheapest sources, designing products whose features are admirable thus minimising substitute threats and also having to copy some of the techniques our competitors

use....haaaaa... ariko ubwo sinkubyiye amabanga yacu y'akazi?[.....]....generally we try to deliver best services to retain the customers that we so far have.....despite all these efforts we are not realising our targets the way we want it......"

4.3.4 Interactive marketing practices used by SDMEs

Firms use different communication approaches to influence the extent to which customers perceive their products. They choose to use one way of disseminating marketing information and not the other depending on certain reasons. A firm that uses appropriate or suitable communication approaches influence customers' attitudes towards their offers and win them towards their products. The interactive marketing practices of SDMEs were observed in terms of content marketing, social media marketing and search engine marketing activities.

From in-depth interviews, the sub-themes emerged and these include;

Sub Theme 1: content marketing (information in different forms like voices, texts, video, blog post that companies use to ensure continued interactivity. It was assumed that consumer after interacting with these information features, give a feedback to the sender company) regarding their emotional feelings (positive or negative)).

Sub Theme 2: social media marketing (interactions on different social media platforms like facebook, whatsup, twitter, instagram etc. It was assumed that firms use these platforms to keep in touch with clients and influence purchase behaviour. Such media platforms allow for continued interactivity which helps a company to monitor public reaction/sentiments; and such mentions are of great value to the business firm).

Sub Theme 3: search engine marketing (Search engine-enabled-interactions enable a consumer to navigate on the websites, do many transactions online, seek for product information, make purchase orders, etc).

These interactive facets practically depict how firms are able to continuously keep in tough with clients and change their purchase behaviour.

Table 4.11: Interactive marketing practices used by SDMEs

Attributes	*Views*	*Freq(n=17)*	*%*
Content marketing	Text, video, audios, short messages are part of our communication	6	35%
	We mostly use traditional modes of disseminating our content	8	47%
	Our content largely go by online means	3	18%
Social media marketing	Social media platforms like facebok, twitter, whatsup etc take a big part of our ad budget	11	65%
	We mostly use traditional communication means	6	35%
Search engine marketing	We have websites which we use to disseminate our marketing info	7	41%
	Traditional means of information dissemination are more preferred	10	59%

Source: Primary source. Frequency: Number of interviewees and views raised

From the in-depth interviews, a big number of respondents noted that they mostly use traditional modes of disseminating their content, spend a relatively big advertising budget on social media platforms like facebook, twitter, whatsup etc and yet another big majority reported using traditional means as opposed to websites to disseminate their marketing information. Generally, majority of respondents said that their big advertisement budget goes for the traditional channels.

The extracts below portray key information from the in-depth interviews:

"……two-way digital communication means are known to us as being good for information delivery to our customers but we have tended to use Tvs, radios and phone-based short text messages most of the time. If budget allows in future, we shall use websites. We however try to use social media through our facebook and whatsup accounts....[……]...we largely use live events and demonstrations, Print ads like newspapers besides using games sponsorships to advertise……" **(Antoine, from Nyarugenge district, Case 4).**

Moise, another respondent from Nyarugenge district, (Case, 13) observed;

"..... we do have google, facebook and twitter accounts and a corporate website besides using short message services also at times but our challenge has been in assessing how they all contribute to our marketing effectiveness [.....] perhaps the sales increase that come abruptly and go come because of such efforts!!.....mu mwaka washize twagize amahugurwa batwigisha ukuntu umuntu yakoresha ibyuma kabuhariwe mwikoranabuhanga gukurikirana uko abakiriya bacu badukunda.....but we have not been able to get money to install them...."

Fidele, a respondent from Gasabo district, Case 11, had this to say;

".....frankly speaking traditional media still dominate and we still see it relevant though still planning to increase our budget spending on digital technology infrastructure. We know the potential that social media and sending product info on individual emails and, or on websites can do, but we lack the resources to use them fully [.....] ndabizi neza rwose ko zifite akamaro kanini ariko urabona nabakozi bacu ntibaramenya kubikoresha neza...[...]...however since the government has installed fibre optic cables across the country, we will exploit the benefits of such technology for our business benefits..."

" [...]..... our approach to communicating with our clients has been through a mix of website, facebook and short messages by phone. Though facebook and whatsup are used in our city Kigali many people still use them for social connections, which we hope to tap into.....and as business we cant confine ourselves to using one or two approaches to reach our customers but a combination of them including emails, websites, Live events, newspapers, customer rewards programs and games sponsorships to advertise and increase awareness for purposes of changing our market position [.....] bizakunda! I realise that many people have smart phones which

provides an opportunity to interact with them for our business gains...." **(Ronald, a respondent from Kicukiro district, case 6).**

".....yes we engage in different online communication activities and we use a combination of technologies to disseminate our product information which has helped to improve our market position...[...] however the return on such expenditure has not been well ascertained.....we equally spend a reasonable portion of money on traditional media. We cannot exactly tell which one accounts for the sales we realize!!haaa [.....] I realize there have been many changes in the customer environment where many of them have social media accounts but as businesses we have not been able to fully use them...[...] big data analysis skills are apparently lacking from our staff and thus unable to fully keep details on our customers.....[.....] We had training in big data management last year where government through the ministry of commerce was training us on technology usage for business purposes. I still remember it and will request our bosses to increase our budget on such technologies...." **(Bosco, a respondent from Gasabo district, case 16)**

Figure 4:3 A reality hierarchical model of market performance of soft drink manufacturing enterprises in Kigali City

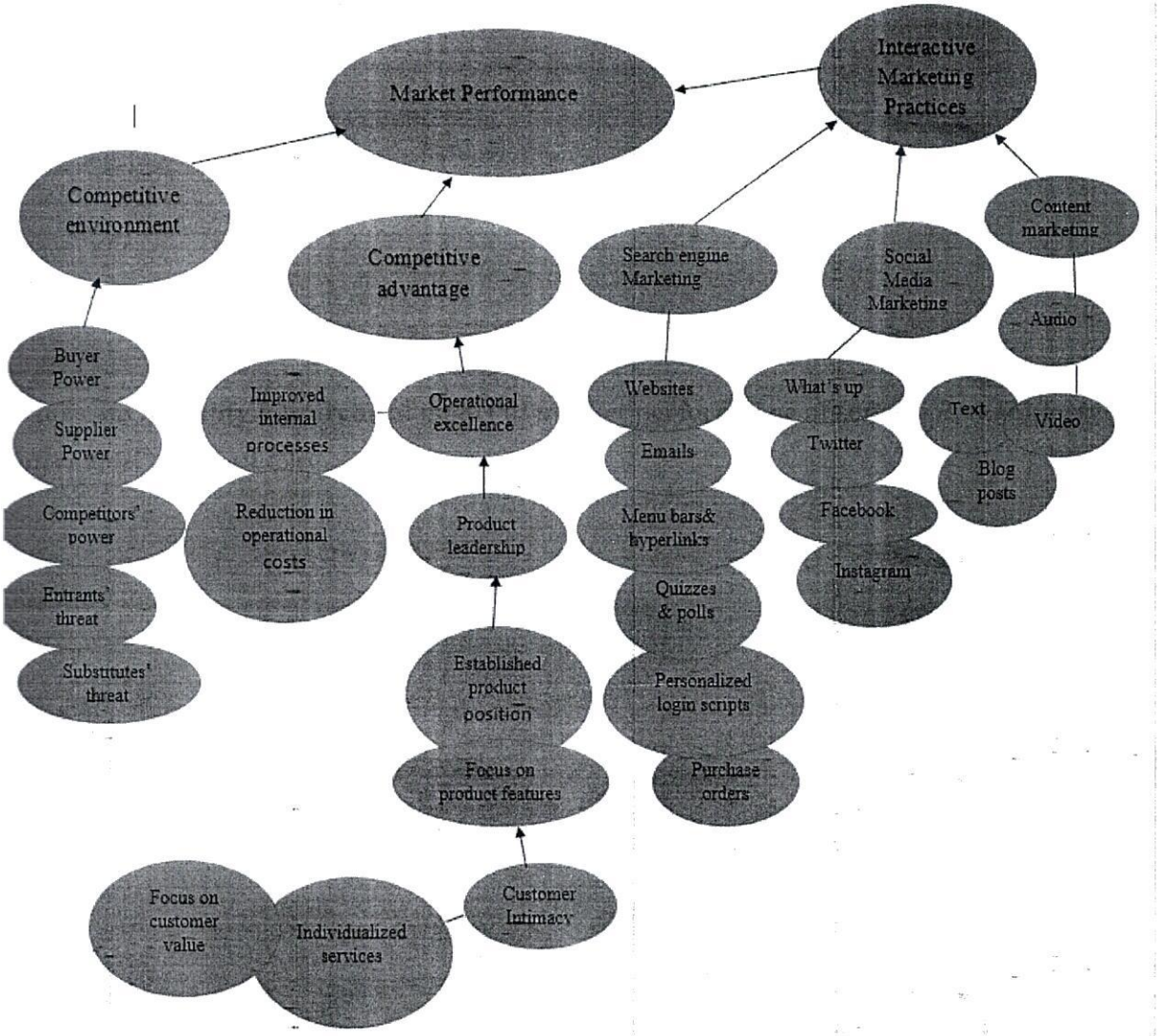


Figure 4:3 summarizes market performance of SDMEs. The findings, provide empirical evidence indicating that SDMEs do manage their performance; the general competition management principles apply to SDMEs. They disseminate their marketing information using interactive marketing practices. The findings therefore, confirm the descriptive statistics (Mean=3.88). In addition, it is evident that management of competitive alternatives constitutes activities involved in managing not only customer retention but also sales, thus providing further support for the study proposition. The in-depth qualitative interviews with SDMEs's managers, revealed that market

performance realized by a firm truly has an empirical connection with interactive marketing practices, competitive advantage and competitive environment constructs, as conceptualized by the researcher. This shows that observed changes in market performance of SDMEs has a big association with communication strategy used, competitive priorities used and the extent to which these SDMEs manage key overriding forces in their operating environment.

4.4 Summary of Findings

4.1 Quantitative and Qualitative results summary

From the descriptive analysis, most (58.9%) of the SDMEs were located in Nyarugenge district, with 39.5% producing coffee and Tea. 63.6% of these enterprises had employees ranging between 51-100, and a significant 65.2% had their big advertisement budget expenditure into the traditional communication channels. Also, the majority (40.3%) of SDMEs had operated for years between six and ten.

Tables 4.5 reveal correlation analysis results for variables studied: i.e Interactive Marketing Practices and competitive advantage on Market Performance. Apparently, Interactive Marketing Practices and competitive advantage were positively associated with the market performance of SDMEs in Kigali City at the $p<.01$ level. Specifically, correlation coefficient for Interactive Marketing Practices were ($r=.270$, $p<.01$) and competitive advantage ($r=.400$, $p<.01$).

These findings mean that besides adopting an interactive communication culture, firms should prioritize competitive alternatives that add customer value and help in overcoming industry competitive forces and gaining a favourable market position that guarantees customer patronage and increased sales. This, altogether, rendered support to hypotheses H1, H2, and H3.

Furthermore, the mediation tests, revealed that competitive advantage partially mediated the relationship between Interactive Marketing Practices and Market Performance with a significant ($p<.01$), 41.9% of the relationship being explained through the indirect path, thus supporting hypothesis H4. Competitive environment was also found to be a moderator of the relationship between Interactive Marketing Practices and Market Performance, given a significant positive interaction term, besides, the direct effect of Interactive Marketing Practices on Market Performance differing at different levels of competitive environment, which confirmed the conditional relationship; hence supporting hypothesis H5.

The performed hierarchical regression analysis established that the moderator enhanced the power of Interactive Marketing Practices on Market Performance, considering the positive coefficient of the interaction term. This means that with a strong interactive communication culture, an additional attention to key industry forces can positively affect Market Performance. The finding indirectly tells that even with poor communication approaches, if a firm appropriately attends to key industry forces, this could still improve the market performance of SDMEs. The effects of interactive marketing practices on market performance are contingent on competitive environment, depicting the kind of conditional relationship that exist between interactive marketing practices and competitive environment.

From the in-depth interviews, the majority of the key respondents noted that their customer numbers have been reducing over years. Many of them revealed that they have not been able to meet their sales targets in the last three years *(Tables 4.8)*.

A review on In-depth Interviews as indicated in *(Tables 4.9)* also shows respondent's position on improving internal processes which seemed to require resources that they didn't have. They further noted that although achieving good position for the product is good, the product improvement exercise is costly. Many of them noted also that they have not been able to sufficiently offer individualised services to their clients.

Last but not least, the in-depth interviews *(Tables 4.11)* unveiled that a big number of firms used traditional modes of disseminating their content, spend a relatively big ad budget on Social media platforms like facebook, twitter, whatsup etc and yet another big majority reported using traditional means as opposed to websites to disseminate their marketing information. Generally, majority of respondents said that their big advertisement budget goes for the traditional channels.

CHAPTER FIVE: DISCUSSION OF RESULTS

5.0 Introduction

This chapter presents the details on the tests carried out in the previous chapter. The chapter also tries to relate the obtained results with not only theoretical underpinnings but also with the empirical findings in the extant literature. The chapter concentrates more on the outcomes of the quantitative and qualitative analyses as per the study objectives and the tested hypotheses.

5.1 The current State of market performance of SDMEs in Kigali City

Despite the Rwanda government policy support to soft drinks manufacturing sector (i.e subsidizing industrial water supply, providing export incentives and providing favourable legal and policy frameworks), the market performance of SDMEs has not improved according to findings. A thorough scrutiny of the soft drink manufacturing enterprise market performance trends for the financial years 2013 through 2017, as earlier indicated in chapter one, show a poor performance scenario in terms of sales which has shown a declining trend, and decline in numbers of customers (Pamela et al., 2010; Bralirwa Annual Reports 2013/2016; Inyange industries Financial Reports 2014 to 2017). The mean market performance score in this study of 2.45 on a five-point scale is apparently as indicated in *Table 4.4,* below average and tend to show that performance of SDMEs in Kigali city has not gotten better. The extracts below from the in-depth interviews reveal more details;

".....our performance has not been good generally in the last five years". But sales for some quarters in a year shoot but tax percentages levied at the end of the year affect the net revenues. The covid-19 also added to the very existing challenges, we could close for some months but landlords still request for their rental fees. That means that we could draw from already retained profits to cover-up for such unexpected occurrences....[.....]" **(Janvier, case 7)**

".....it was only in the year of 2018 when we met our sales targets and even exceeded....we keep persisting because closure would mean loss of employment to us and our families would suffer. I say this because for sure, business is not going well [.....] **(Jackeline, Case 15);**

This makes the researcher remain with unanswered questions around the going concern of these firms that still remain unclear. Besides, quite a number of industrial organisation and strategic

marketing communication scholars have attributed such precarious performance scenario to ineffective marketing communication in various offer-beneficially situations (Wendt, 2020; Jensen, 2017; Quiring, 2017; Johnson et al., 2006; Ewing, 2009; Kim et al., 2004). Similarly, Lafley and Martin, (2014) tend to specifically link it with failure to adopt a marketing communications policy that aligns well with the competitive market space and customers' buying habits.

5.2 The current State of interactive marketing practices of SDMEs in Kigali City

The researcher was motivated in this study to examine the state of interactive marketing practices among SDMEs in Kigali City. On the basis of the empirical evidence and theoretical underpinnings, the study examined the current state of interactive marketing practices in the direction of content marketing, social media marketing and search engine marketing among SDMEs in Kigali City. Though the descriptive statistics tended to support that the market performance of SDMEs can be improved if they could fully adopt an interactive communication culture (Mean, 3.88) as indicated in *Table 4.4,* the majority (65.2%, *Table 4.2*) of surveyed firms spend most of their advertisement budget on traditional communication channels. This finding contravenes the social exchange theory which expects constant firms-clients interaction through modern interactive means (Koch and Windsperger, 2017; Homans, 1958). Further analysis of in-depth interviews revealed SDMEs' acknowledgement of the significance of a two-way communication strategy as portrayed in the extracts below:

"……..two-way digital communication means are known to us as being good for information delivery to our customers but we have tended to use TVs, radios and phone-based short text messages most of the time. If budget allows in future, we shall use websites. We however try to use social media through our facebook and whatsup accounts....[……..]...we largely use Live events and demonstrations, Print ads like newspapers besides using Games sponsorships to advertise……" **(Antoine, Case 4).**

"..... we do have google, facebook and twitter accounts and a corporate website besides using short message services also at times but our challenge has been in assessing how they all contribute to our marketing effectiveness [……] perhaps the sales increase that come abruptly and go, come because of such efforts!!...[.. ***]…. Moise, Case, 13)***

".....frankly .....[....]..... We know the potential that social media and sending product info on individual emails and, or on websites can do, but we lack the resources to use them fully [.....]...
(Fidele, Case 11)

Assessment of the above quotes show respondents agreement to the fact that interactive communication can create positive turnarounds for a firm, the same argument advanced by Lafley and Martin, (2014), though traditional media still take much of their advertisement budget. This perhaps explain why they have not been able to increase their digital presence to be able to expand customer patronage that would help them attain better market position in terms of increased customer numbers and sales.

5.3 Relationship between interactive marketing practices and market performance of SDMEs

The study revealed that there is a positive and significant relationship between interactive marketing practices and market performance of SDMEs in Kigali City *(Table 4.5)*. This was further confirmed by a significant positive beta coefficient from the regression analysis with interactive marketing practices, explaining 6.7% (*Adjusted R Square=.067*) *(Appendix 7, Table 44)* of the variation in the market performance of SDMEs in Kigali City. This finding implies that adoption or usage of interactive marketing practices (increased advertisement expenditure on digital communication channels (e.g social media, search engines) is well associated with improvement in soft drink manufacturing enterprises' performance). This is seen to be true because, Interactive Marketing Practices have the potential to help a firm not only increase its digital presence and awareness but also help it uncover and meet customers' needs, thus creating a memorable and valuable experience, which help keep a firm-client-relationship warm that has present and future sales implication emanating from the positive customer response (Sama, 2019; Hallier Willi et al., 2014). This finding resonates well with conclusions by Wedel and Kannan, (2016), and Kübler, Wieringa, and Pauwels, (2017), who associate Interactive Marketing Practices with gaining customer insights that help a firm to derive actions on how to respond to customers' electronic word of mouth. Another support is seen from the works by Hill and Alexander, (2017) and Hollebeek, (2011) who argued that the attitudinal and behavioural aspects of customer satisfaction form a formidable base for creation of loyal customers which provide a steady source of cash flow.

Linking the social exchange theory to the result of hypothesis one in this study, there is a consistency between the finding and the assumption that the seller-buyer relations can be improved if a firm interactively attends to the buyer economic motives (Homans, 1958). It is hoped that such two-way technology-mediated relational linkages keep the relationship warm between them and increase customer patronage. Pasharibu *et al.,* (2020) argue that the relationship creation and maintenance activities through interactive communication media influence buyer perceptions that help firms achieve performance targets. Further still using the advertisement effect perspective, Lavidge and Steiner, (1961), earlier alone add on the same voice explaining how the advertisement effect happens through a set of consumer behavioural stages descending from the level of "think," characterised by awareness creation, to "feel", exemplified by brand feelings formation, and finally to "do" which, is the action part that sees the doubt converted to real purchase behaviour through building trust. Interactive Marketing Practices, live to all these behavioural outcomes, and therefore, powerful in predicting future sales for the firm in question. Liu and Shrum, (2002) comment on the facilitative role of Interactive Marketing Practices that enable communication between a firm and individuals, first, and also making it possible for an individual customer or user (s) to communicate with another customer or other user (s), enabled by internet infrastructure. A deeper scrutiny of the in-depth interviews reflects the same effects. The extracts below reveal more details;

"....[....]..... our approach to realising numbers has been through our strategy of constantly keeping in touch with our clients through instant short messages and at times using bloggers....[.....]". **(Abayo, Case 1)**

"....[.....]. The good thing is that our soft drink products have recently realized increasing demand perhaps because of sunshine that has persisted for some days.....Many factors explain such increases besides weather conditions:,...for example the adverts that we put on radios and at times posting instant messages of our products and on the face book" **(Janvier, case 7)**

The on-going theoretical and empirical assertions fit well with this study finding, especially when it establishes the association between interactive marketing practices and market performance of SDMEs, hence providing support for the hypothesis one *(H1)*

5.4 Interactive marketing practices and competitive advantage of SDMEs

Interactive marketing practices and competitive advantage were found to have a positive and significant relationship *(Table 4.5)*, which lent support to our second hypothesis *(H2)*: *interactive marketing practices have positive relationship with competitive advantage*. This very finding means that a positive change in Interactive Marketing Practices is highly associated with increase in competitive advantage of a firm. It specifically indicates that any orientation towards an interactive communication culture strengthens a firm's ability to attain a desired market position. Previous works have earlier confirmed the kind of interdependence that exists between Interactive marketing practices and competitive advantage (Odden, 2012). In his study, he tends to argue that Interactive Marketing Practices (all technology-based firm-initiated communication activities) potentially improve brand awareness which eventually fosters customer loyalty and developing an audience base. These interactivity outcomes increase brand or product image, which altogether are indicators of competitive advantage. Hoeck and Spann, (2020) show that such activities help in increasing brand recall and brand recognition, which helps in creation of a stable customer base that serve as a steady source of cash flow (Hill and Alexander, 2017).

The observations by Bag et al., (2020) also concur with the findings of this study. According to them interactive marketing practices and competitive advantage are positively inter-related. Bag et al noted that interactive communication infrastructure allows for the possibility to ably meet customer expectation through the continuous improvement of the operational processes which help in improving the competitive position of a firm. This is true because a firm is able to develop a personalised one-to-one interaction with the customer on the basis of which, a customer develops a sense of belief that the business enterprise in question is passionate to him or her, which has some trust implications and related extended relationship that leads to future purchase action. This theoretical assertion reflects what a firm in the current digital market eco-system can achieve even amidst the existence of array of stakeholders that have contradictory interests. All this fall in line with dynamic capability theory and network theory viewed in this study through information as the key dynamic resource that enable marketers to exploit network information benefits to attain market leadership positions.

A further review on the in-depth interview more show close ties with this finding as portrayed in the extracts below:

".....yes we engage in different online communication activities and we use a combination of technologies to disseminate our product information which has helped to improve our market position ... [....]...." **(Bosco, case 16)**

[ ]..... "and as business we cant confine ourselves to using one or two approaches to reach our customers but a combination of them including emails, websites, Live events, newspapers, customer rewards programs and games sponsorships to advertise and increase awareness for purposes of changing our market position [.....] ...." **(Ronald, case 6).**

Basing on these results, and again with support from conclusions by Makarem et al., (2009), interactive marketing practices (information technology applications to personalize products and services) cannot be completely isolated from a firm's communication behaviour if it is to achieve its goals. From the above discussions, it can be deduced that Interactive Marketing Practices and competitive advantage have a unique co-existence character in SDMEs in Kigali city. Besides interactive marketing features having the potential to allow for creation of memorable and valuable experiences for soft drinks, Interactive Marketing Practices help soft drink manufacturing firms to improve brand awareness in different buyer contexts which impact on their market position or competitive advantage.

5.5 Competitive advantage and market performance among SDMEs

Arising from the results of this study, it was established that a positive and significant relationship exists between competitive advantage and market performance of soft drink manufacturing enterprises in Kigali city *(Table 4.5),* thus supporting our hypothesis number three *(H3).* This finding in essence means that a positive change in competitive advantage is associated with high market performance among soft drinks manufacturing enterprises. The better the competitive advantage position, the better the market performance in soft drink manufacturing enterprises. We solely find truth in this finding because firms which have been able to achieve high levels of operational efficiency, good product leadership position and intimate with customers have been able to attain positive market performance outcomes (Zacharias, Nijssen, and Stock, 2016;Treacy and Wiersema, 1993). It implies that investment in customer value creation activities have seen them transform from being suspects, prospects, to first-time customer and advancement to partner or advocate status (Kotler and Armstrong, 2018; Omobono, 2018). Relatedly, this finding is

consistent with Kornchai, (2018) just like Eklof et al., (2018) who observe that businesses with ability to use their cost advantages and information benefits have been able to grow their customers, earn unfair share in their operating market segments leading to increased sales. Tomic et al., (2018) purport to report sales increases associated with a company's flexibility in regard to product design that responds to customers' needs and preferences.

A close examination on the in-depth interviews with managers from soft drink manufacturing enterprises testified as follows:

"..[ ].....to attain this market position, we have tried to offer products with features that have passed quality assurance standards internally and externally from the government....." ....."(**James, case 14).**

".....[.....] our sales have always varied from time to time, sometimes realizing big sales sometimes realizing relatively smaller volumes....when things go well, we thank God...[...]..." **(Jackeline, Case 15).**

Same finding has further support from network theory which posits that market performance of a firm can more than improve if it is able to use prudently its information resources to reap benefits from an array of network actors that constitute the digital markets today (Koch and Windsperger, 2017). Moreover, Porter, (1979b) report on how firms have survived the dynamic and turbulent market ecosystems characterized by high degrees of uncertainty, by being able co-create value with several other firms by actively shaping their customer environment. Other scholars have highlighted how operational excellence is a source of efficiency hence better performance (Morgan, Kaleka, and Katsikeas, 2004). Thus, a strong competitive advantage position is a sure way of attaining improved market performance in terms of retaining sufficient customer numbers and increased sales among SDMEs in Kigali City.

5.6 Mediation effects of competitive advantage on the relationship between interactive marketing practices and market performance of SDMEs

From the results of testing H4, the researcher claims that while Interactive Marketing Practices are important for market performance of SDMEs in Kigali City, the total effect on market

performance is enhanced by Interactive Marketing Practices through competitive advantage. Extant literature tends to theoretically depict that interactive marketing practices-market performance relationship is arbitrated by competitive advantage. The argument by Kamukama et al., (2017; 2011), Nkundabanyanga, (2016) and MacKinnon et al., (2012) guided this study. These scholars emphasise that in case a relationship exists between two variables, it is always advisable for researchers to consider the role of other variables in the relationship. This study on the basis of such arguments found it relevant to examine the significance of competitive advantage in the relationship between Interactive Marketing Practices and market performance.

During hypothesis testing, efforts were made to ascertain whether the conditions for mediation, as suggested by Baron and Kenny, (1986) were met. First, there was a significant direct effect of Interactive Marketing Practices on market performance (Beta=.270; $p<.05$), thus supporting hypothesis 1 *(H1)*. This finding is supported by a number of studies including Ajina, (2019) and Aslam et al., (2015) which proved that interactive marketing practices have the potential to influence performance results in terms of increased customer patronage and sales. Second, there was a significant direct effect of interactive marketing practices on competitive advantage (Beta=.400; $p<.05$), further supporting hypothesis 2 *(H2)*. The implication is that as a firm adopts an interactive communication culture, it is able to effectively promote its brands and create strong product awareness among customers (Debra, 2014). Scholars like Pomirleanu et al., (2013) also observe that such interactive relations positively alter customer purchase motives, helping in not only retaining them as customers but also increasing sales for firms concerned. The market position of such firms improves substantively as they use their interactive features to respond to customer challenges and minimise their fears (Yasmin et al., 2015). Third, there was also a significant direct effect of competitive advantage (mediating variable) on market performance (Beta=.396; $p<.05$); thus rendering support to hypothesis 3 *(H3)*.This finding is in line with the conclusion by Hosseini, Soltani and Mehdizadeh, (2018), Eklof et al., (2018) and Kornchai, (2018). They argue that a firm's bottom line can see tremendous changes in terms of not only customers retained but also sales realised consequent to efficiency-led operations that yield multiple economies of scale. The ability to match product features with customer needs is a management action that has the potential to influence market performance substantially (Kimiti et al., 2020). Last but not least, when controlling for competitive advantage, the direct effect of Interactive Marketing Practices on market performance reduced from Beta=.270 to Beta=.157 but remained significant. This is an

This finding links well with network theory which postulates that in a market ecosystem with an array of actors, a firm seeking to attain good performance results, should use its information resources to fully exploit network information benefits. The findings indicate that competitive advantage partly mediates (partial mediation) the relationship between Interactive Marketing Practices and market performance. This means that the entire effect on market performance does not only go through the main predictor variable (Interactive Marketing Practices) but also competitive advantage. This signifies that the connection between Interactive Marketing Practices and market performance is weakened by the presence of competitive advantage in the model. The foregoing discussion confirms that the presence of competitive advantage partly acts as a conduit in the association between Interactive Marketing Practices and market performance in the SDMEs. Thus, Interactive Marketing Practices and competitive advantage are true predictors of market performance in Kigali City's SDMEs.

5.7 Interaction effects of Interactive Marketing Practices and competitive environment to cause market performance of SDMEs

This study was partly a response to Friedrich, (1982) who posits that when a study or research design has two or more independent variables, it is always necessary to go beyond "main effect" analysis of the independent variables in question. The emphasis is that it is necessary to test for interaction and assess whether effects of one independent variable is dependent on the levels of another independent variable. All this point to the significance of testing interaction effects which Jose, (2013) reiterate on as paramount especially in establishing the presence of the conditional relationships that may be existing between the independent variables. Central to these assertions and since this study had three independent variables, the researcher found it necessary to test for interaction effects of Interactive Marketing Practices and competitive environment on market performance. Consequently, the researcher tested the interaction effects of Interactive Marketing Practices and competitive environment on market performance.

It was established that the effects of Interactive Marketing Practices on market performance differ as a function of competitive environment levels as indicated by the interaction plot on Figure 4.2. It was observed also that the interaction term in the moderated regression model is significant as portrayed in *Table 4.7.* Apparently from these results, it is portrayed that the total effect of Interactive Marketing Practices on market performance depends on competitive environment.

Again, a significant interaction effect of Interactive Marketing Practices and competitive environment was observed signifying that combining the two enhance further the market performance of soft drinks manufacturing enterprises in Kigali City than what a single variable would have caused. The hypothesis that examines the interaction effect of Interactive Marketing Practices and competitive environment on Market Performance of Soft Drink Manufacturing Enterprises in Kigali City (H5), is therefore supported.

The results of testing H5 point to the need for both embedding interactive communication culture at organizational level and committing resources to it, because if emphasis is put on individual behaviour change towards interactive focus without allocating resources to it, it would mean having good plans that remain in shelves or files only (Lilyquist, 2019). The regression model 2 in *Table 4.7* depicts that for every unit change in competitive environment, Market performance significantly increased by 0.683 units compared to 0.270 units predicted by Interactive Marketing Practices alone. This means that whereas, Interactive Marketing Practices can positively change market performance, SDMEs should prioritize and focus on constantly improving their product quality features such that substitutes cease to constitute a threat, comprehend the supplier needs and address them sufficiently and most importantly, improve individualized service delivery processes if they are to gain a favourable competitive position over their rivals. This finding offers credence to observation of Day and Wensley, (1988), who postulate that the ability of a firm to attain its objectives largely depends on competitive environment especially the number and power of competitors. Moreover, Hambrick, (1993) attests that organizational success depends on or is contingent on the dynamics of the market. The management action to pursuit investment in markets low in competitive rivalry, low buyer power, low supplier power, low substitutes, low number of entrants is reiterated on by Morgan, (2012); Meuss and Oerlemans, (2000) and Damanpour,(1996), on the basis of positive benefits that accrue to such a firm.

These views are supported by the five forces model (Porter, 1979a), which assumes that in market situations where these forces are low, performance is high. However, he warns that negative impact may beset a firm that adopts a communication approach that ignores the buyer's information needs (Lafley and Martin, 2014). Also, it might induce negative effects if buyers are able to demand low prices or high-quality products, which reduces the revenue streams of producers in the industry

and bring about reduced sales effects (Mugo, 2020; Zhao, 2019). Relatedly, high supplier bargaining power has also been portrayed to highly associate with negative effects since suppliers are not only able to sell at higher prices but also sale low quality raw materials to their buyers which directly reduce the buying firms' profits as they pay more to acquire raw materials moreover of low quality which affect their pricing and market position negatively (Cho et al., 2018). Further still, existence of substitutes has been reported to constitute a threat especially when it's easy for buyers to switch to alternative ways of satisfying their needs with other products which are relatively attractive in terms of quality or price (Bhatt and Saiyed, 2017). Other scholars like Raza et al., (2011), evidence how too much rivalry in the industry characterized by many competitors of equal size, high exit barriers, slow or negative industrial growth, undifferentiated and easy to substitute products and low customer loyalty result in low sales (Ariffin and Sahid, 2019), since they have to aggressively compete for market share.

Furthermore, a close examination of the hierarchical regression path coefficients *(Table 4.7)* revealed a partial moderation, simply because the main effect of competitive environment (B=1.814, p<.01*)* remained significant even after fitting the interaction term in model 3 (Jose, 2013). This means that Interactive Marketing Practices still play a vital role in influencing market performance despite moderation by competitive environment. The multiplicative effect of the interaction term means that Interactive Marketing Practices together with competitive environment lead to positive influence on market performance. Moreover, Koch and Windsperger, (2017), have tended to argue that competitive environment might exert positive effects if companies ably adopt an interactive communication culture that can take advantage of environmental changes. This pushes the researcher to believe that researchers are wrong or in error any time they attempt to explain market performance via Interactive Marketing Practices or competitive environment independently. Findings of the present study show beyond doubt that the two must exist in a multiplicative style if market performance is to improve.

5.8 Chapter Summary

In this study the researcher established that budget allocation to interactive communication channels among SDMEs in Kigali City is still low. These enterprises were found to still be allocating a big advertisement budget to traditional communication channels. This partly explains the poor market performance that descriptive results revealed in *Table 4.4.*

The study established positive and significant relationships between Interactive Marketing Practices, competitive advantage, competitive environment and market performance among SDMEs. Practically, competitive environment was found to be more critical as it accounted for more variation in market performance than interactive marketing practices. In addition, some elements of Interactive Marketing Practices, i.e search engine marketing was found to be the most critical interactive marketing practice as it exhibited the highest contribution to the predictive power *(Appendix 7 Table A1).* Social media marketing was found to be significant and was the second contributor in influencing the market performance of SDMEs whereas content marketing did not pass the CFA criteria and was found to be irrelevant in the Kigali City context. Relatedly, supplier bargaining power emerged as the main driving element among all other competitive environment elements, as was found to have contributed most to the influence of competitive environment on market performance *(Appendix 7 Table A3).* Also, customer intimacy had the highest contribution to variations in market performance compared to other competitive advantage elements. Apparently results for all competitive advantage dimensions were significant *(Appendix 7 Table A2).*

It was established in this study that competitive advantage partially mediates Interactive Marketing Practices and market performance. 41.9% of the influence of Interactive Marketing Practices on market performance was explained through competitive advantage, and a significant 58.1% was a direct effect.

Last but not least, the study established existence of a significant interaction effect of Interactive Marketing Practices and competitive environment on market performance. This finding confirmed the existence of a moderated relationship between Interactive Marketing Practices and market performance among SDMEs in Kigali City. The conceptual implication is that interactive marketing practices and competitive environment are complementary in influencing market performance. A positive effect of the interaction term on market performance portray that competitive environment (moderating variable) enhances the effect of Interactive Marketing Practices, implying that with full adoption of an interactive communication culture, a lower level of competitive environment can negatively affect market performance. It again shows that, high levels of competitive environment can positively influence market performance even when the firm still uses traditional communication channels.

CHAPTER SIX
CONCLUSIONS, IMPLICATIONS, RECOMMENDATIONS, LIMITATIONS, AND AREAS FOR FURTHER RESEARCH

6.0 Introduction

This chapter covers conclusions derived from the study findings, study implications, and recommendations. It also summarizes limitations and areas for future research.

6.1. Conclusions

In line with set objectives, formulated hypotheses and study findings, the following conclusions emerge;

Consequent to deep scrutiny on market performance and Interactive Marketing Practices relationship among SDMEs, the study established that the two variables are positively and significantly associated. Despite the fact that content marketing activities did not pass the set CFA criteria, social media marketing practices and search engine marketing practices were significantly and positively associated with the market performance of SDMEs.

The researcher extracts from the findings that Interactive Marketing Practices are multidimensional constituting the human to content, human to human and human to computer interactions that have the potential to improve the performance of organizations. The study confirms that in spite of varying levels of effect that each interactive market practice has on overall firm value creation processes, search engine marketing practices were more influential in explaining the variability in market performance of SDMEs in Kigali City *(Appendix 7 Table A1).* The study observed a relatively smaller effect of Interactive Marketing Practices on market performance (r=.270) *(Table 4.5)*. It is perhaps the explanation to the poor market performance that is below average among SDMEs, as revealed in chapter four: their big advertisement expenditure still goes for traditional communication channels (65.2%) which negatively affected their ability to fully influence preferences and purchase decisions of their customers.

The study further examined the association between Interactive Marketing Practices and competitive advantage. A confirmation was made that Interactive Marketing Practices moderately and positively influenced competitive advantage in SDMEs *(Table 4.5)*. This finding pointed to the significance that use of interactive communication technologies to disseminate marketing information has for firms. As extracted from various interactive communication

literature, such a firm is significantly able to maintain continuous interaction (firm-customer and customer-customer(s)), create immediate impact on buyer attitudes (thoughts, feelings, knowledge); to well uncover and meet customers' needs; all this enable it create memorable experience with their customers, hence increasing awareness; loyalty; customer retention; new sales leads and profitability. All these outcomes impact differently on the competitive position of a firm.

It can also be concluded from the study findings that competitive advantage in terms of operational excellence, product leadership and customer intimacy is an essential factor in influencing the operational results of the firm *(Table 4.5)*. It is visible that if managers can maintain quality products on their shelves, improve customer relations and efficient operations; it has many benefits in terms of selling at competitive prices thus guaranteeing high sales. It can thus be deduced that firms which do not fully attend to their operational processes in terms of controlling operational costs, fail to match their product features with their clients' needs, possibilities are high that their performance will negatively be affected.

Furthermore, the study attempted to examine the mediating effects of competitive advantage in the relationship between Interactive Marketing Practices and Market Performance. The study confirms that competitive advantage mediates the relationship between Interactive Marketing Practices and Market Performance (*Table 4.6* and *Figure 4.1*). It was apparently indicated that the presence of competitive advantage in the model weakens the strength of the direct relationship between Interactive Marketing Practices and Market Performance by 41.9%. It indicated a partial type of mediation which portrays that the presence of competitive advantage does not nullify the direct effect of Interactive Marketing Practices on Market Performance since 58.1% were direct.

Last but not least, the study confirmed that the Interactive Marketing Practices–market performance relationship is dependent on the level of competitive environment. The study tested for the moderation effect which revealed that competitive environment is a true moderator of the relationship between Interactive Marketing Practices and market performance *(Table 4.7* and *Figure 4.2)*. The observed interaction effect happened to enhance the influence of Interactive Marketing Practices on market performance an indication that even when a firm embeds an interactive communication orientation by increasing its advertisement budget on interactive communication channels, failure to act or work on key forces in the operating environment could

reverse the positive influence of Interactive Marketing Practices on market performance. Relatedly, with moderate budget allocations to interactive communication channels, strong attention to key industry forces can positively influence market performance. The study, therefore, concluded that Interactive Marketing Practices interacts with competitive environment to affect the market performance of SDMEs in Kigali City.

6.2 Study Implications

6.2.1 Theoretical Implications

Previous interactive marketing practices-market performance studies apparently investigated specific interactive marketing practices, using specific methodologies and yielded conflicting results. Also, individual theories were single-handedly used to investigate direct effect relationships ignoring mechanisms through variables are related. This study finding exhibits tendencies of approval or confirmation on whether the theoretical underpinnings presented in extant literature are empirically supported as regards SDMEs in Kigali City-Rwanda. Consequently, the study has contributed to the marketing interactivity research in the field of strategic business communication and market performance.

The researcher was able to observe that market performance of SDMEs in Kigali City could be explained by interactive marketing practices through competitive advantage. This theoretically imply that integrating constructs from social exchange theory, dynamic capability theory, network theory and five forces model, market performance concept can be better explained.

Despite the disagreement existing in literature on exact measures of interactive marketing practices, this study from the social exchange theory perspective confirms the view that interactive marketing practices are multidimensional in nature constituted by social media marketing and search engine marketing. It was apparent in this study that; search engine marketing exerts considerable influence on market performance compared to other constructs. Also results for social media marketing were significant, yet content marketing did not pass the CFA criteria. Such results tend to explain the human-to-computer interactions taking precedence in the context of SDMEs in Kigali City, which adds the human-to-computer interactions component to the social exchange theory, earlier alone presented as a limitation. The new explanation is the ability of the social exchange theory to explain the role of non-human interactions in explaining buyer-seller relations. Perhaps the variations in buyer preferences are justified by individual firm differences in adoption and use of

a communication philosophy that promote such non-human interactions. This finding is supported by Verhoef and Bijmolt, (2019) and Haeckel, (1998) who observe that the person-to-technology exchanges impact tremendously the knowledge or behaviour of customers. According to them, the impact of interactivity is a function of frequency of exchange, degree of sensory involvement, degree of cognitive involvement, degree of synchronicity and type of media involved. They present the view that the 1970s emergence of computer and 1990's emergence of internet especially the World Wide Web as a commercial wing opened a new era in marketing communication between firms and their clients. From the findings, it is clear that the study has unearthed the significance of search engine marketing as a composite of interactive marketing practices among SDMEs in Kigali City, which was one of the overriding causes for this study.

In view of dynamic capability theory, this study validated the conceptual framework earlier developed, and revealed that interactive marketing practices and competitive advantage are positively and significantly associated. Firm information resources take precedence in the overall value creation activities as firms keep interactively in close proximity with clients. The study established that managers in these SDMEs interpret strategic situations on the basis of their personal experiences and take decisions aimed at improving their market position. Though a big majority was found allocating a big advertisement budget to traditional communication channels, others allocated their budgets to interactive communication channels. Such managerial decisions show a departure into the out-word market space beyond what dynamic capability theory was able to explain. Consequently, the short falls of dynamic capability theory have been addressed in the present study.

Relatedly, the study established a moderate positive and significant relationship between competitive advantage and market performance. This finding generated as a result of the data collected from the experiences of managers from selected soft drink manufacturing enterprises in Kigali City Rwanda is a reflection of the operating environment of these firms and a support for the underlying assumption upon which network theory was built: that, success on the market in this digital era where the whole market ecosystem is constituted by an array of actors lies in exploiting network information benefits (suppliers, customers, etc). In essence, competitive advantage would mean crafting and implementing decisions on operational excellence, product leadership and customer intimacy. To this end, the practices of SDMEs to base on market

information to improve their operational processes, put attention on producing products whose features match with customers' expectations and individualized customer service delivery can be said to be within the assumptions of network theory. It is hoped consequently that a firm that fully exploit its information resources, fully overcomes the limitations of high-level volatility that has tended to characterise digital environment today which restricts the level of firm's innovation in their competitive actions. This stresses the study's ability to address the network theory shortfalls.

With respect to the finding which showed that competitive advantage partially mediates the relationship between interactive marketing practices and market performance among SDMEs in Kigali City, the implication is for management not to focus too much attention and resource on implementing interactive marketing communication programs only but focus on other areas which have significant effect on their performance. Though not strongly supported by literature, this study established a significant influence of competitive advantage on market performance even in the presence of interactive marketing practices; reminding managers that they should prioritise operational excellence, product leadership and customer intimacy in their top strategic choices, besides having to earmark sufficient resources for running communication programs that allow for continued interaction with their clients since a significant relationship was found to exist between interactive marketing practices, competitive advantage and market performance. Theoretically, these connections have been confirmed, thus contributing to existing body of knowledge that recognize competitive advantage as a mediator between interactive marketing practices and market performance. The in-word looking nature of the dynamic capability theory was equally complimented by network theory in explaining the strategic imperative of using information resource to take advantage of network benefits in the digital network constituted by many players whose interests are contradictory.

The social exchange theory and five forces model were together embraced by the researcher to anchor interaction effects of interactive marketing practices as an independent variable and competitive environment as a moderator on market performance as a dependent variable. The relevance of social exchange theory to the study was based on the fact that, organisational performance in this context is influenced by the nature of the extent to which it manages its relationship with clients and also how it acts on key forces affecting its operations in the operating

environment. The results of analyses carried out for this study support the fact that organisational performance of SDMEs cannot be separated from the extent to which interactive marketing practices (i.e social media marketing and search engine marketing) are enacted by firms. Equally the extent of the attention to quality product features, supplier needs and factors that cause switching behaviour among consumers to substitutes cannot be divorced from the prevailing soft drink market environment. The prevailing soft drink manufacturing industry environment which can either be characterised by varying intensity of bargaining power of buyers, bargaining power of suppliers, power of existing competitors, threat of new entrants and the threat of substitute products, need a strategic approach to managing them. By testing the moderating effect, the present study established that interactive marketing practices interact or fuse with competitive environment to positively influence market performance of SDMEs in Kigali City. It was revealed that competitive environment is a strong predictor of market performance where it has the potential to enhance the effect of interactive marketing practices on market performance. The study happens to address mixed findings in the literature on the contribution of interactive marketing practices and competitive environment on market performance and confirms the five forces model, which advocates for careful attention to bargaining power of suppliers, rivalry and substitutes as critical components of competitive environment among SDMEs in Kigali City.

Additionally, the study is based on multi-theoretical review; which is expected to contribute to theory development in the field of market performance. The study alerts firms with high rate of product failures, or declining customer numbers and sales to increase their budget spending on the two-way digital communication technologies that have the potential to increase their digital presence and increased awareness, which altogether impact on their overall performance.

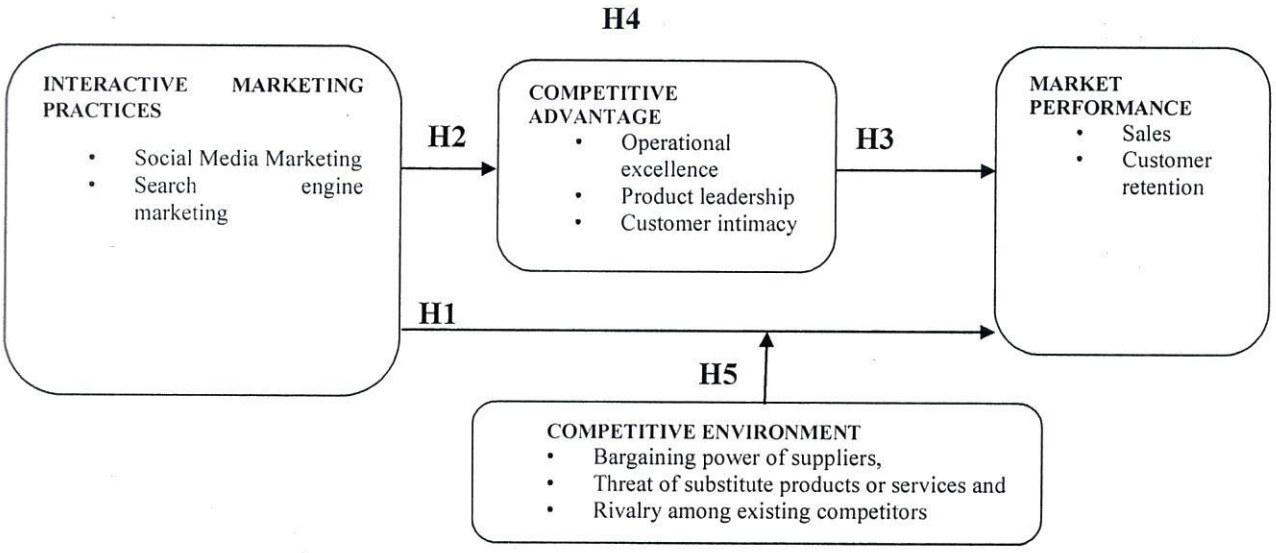
The foregoing discussion on findings prompts the researcher to deduce that the market performance of SDMEs is a complex phenomenon that cannot be explained wholly by a single theory. As earlier portrayed in chapter two, there is apparently no one theory that render sufficient explanation to market performance concept. This is what drove the present study to: i) take a multi-theoretical direction that borrows synergy from social exchange theory, dynamic capability theory, network theory and five forces model; ii) argue that interactive marketing practices are not sufficient in explaining market performance. The researcher is finally pushed to conclude that the

relationship between interactive marketing practices and market performance is mediated by competitive advantage but this all depends on the level of competitive environment in terms of key forces if they are well addressed. In view of the findings to this study and the implications as presented above, it becomes clearer that any attempt to estimating a model without putting into consideration the mediation and interaction of variables does not give accurate explanation of the relationship between the independent and dependent variables.

6.2.1 (a): Modified model suiting normal operations of SDMEs.

On the basis of the theoretical implications presented here, the model that generally suits or represents normal operations of SDMEs is given in the Figure 6.1. What is apparent is that content marketing element for interactive marketing practices and entry of new competitors and buyer bargaining power as elements for competitive environment did not pass the CFA criteria, and therefore not reflected in the modified model that generally fits the normal operations of SDMEs in Kigali City.

Figure 6.1: Modified model for market performance of SDMEs in Kigali City



It can be seen in Figure 6.1 that human-to-content interactions does not influence market performance just like human-to-human and human-to-computer interactions do in the Kigali City context. This finding is supported by Kim et al. (2012), who observe that purchase intention, may not be universally affected by all the three types of interactivity as earlier conceptualised. Equally

it is evident that entry of new competitors and buyer bargaining power does not explain market performance of soft drink manufacturing enterprises in Kigali city. In this case the bargaining power of suppliers, threat of substitute products or services and Rivalry among existing competitors has more predictive power as earlier explained by Mugo, (2020) who link failure to manage these forces to a a fall in sales revenue stream for individual firms.

6.2.2 Managerial and Policy implications

The present study results suggest a number of issues that need to be considered seriously by managers and researchers.

Firstly, the study advances a new insight related to the extent to which interactive marketing practices influence market performance of SDMEs. From here managers can put more attention to promotion of an interactive communication culture which improves their performance. This becomes practically possible as they increase their advertisement budget spending on usage of interactive communication channels. Thus, as can be seen from the on-going discussion, this study finding is a call to intensification of initiatives to encourage greater understanding and acceptance of interactive marketing practices that can boost market performance in Kigali City soft drink manufacturing industry.

Secondly, the study has brought to the fore the indispensable role competitive advantage plays in influencing the interactive marketing practices-market performance relationship among SDMEs. The broader implication this finding has is that, besides the imperative of investing in digital communication infrastructure, SDMEs should invest in operational process efficiency and innovative product design. They should vie for improvement in process efficiency aimed at reducing cost per unit in order to have competitive prices that increase not only customer patronage but also increased levels of sales. These altogether are hoped to drastically change the image quality of these firms and competitive position compared to their rivals.

Last but not least, the established moderating effect of competitive environment in this study reminds the management of SDMEs to make careful attention on bargaining power of suppliers, rivalry and substitutes since full comprehension and action on these forces improve a firm's bottom line in terms of positive customer impression and new sales leads. This point to the urgency of

understanding and acting on key industry forces if they are to survive the stiff competition in the market.

6.2.3 Recommendations

From the point of view of the study empirical findings and reviewed literature, the researcher recommends the following if SDMEs are to succeed;

In consideration of market performance failures that have unceasingly affected soft drink manufacturing enterprises globally, regionally, and locally in Rwanda, the digital market space characteristics emphatically signals on soft drink manufacturing enterprises to recognize the need for full adoption of interactive communication culture aimed at enlarging their digital presence and increased awareness for competitiveness. These firms are invited to embrace social interaction stance that allows for continued exchange with their publics.

The study results tend to suggest that managers of SDMEs invest more resources on internal process improvements that lead to per unit cost reduction. They should pay more attention to improving their product features that match their client needs and also having to seriously monitor trends in their customer sentiments for purposes of intimate relations with them. All this is hoped to enhance positive public image which breeds new sales leads that eventually alter the whole firm's operational outcomes positively.

Last but not least, from the five forces framework perspective, given the moderating role of competitive environment that have been confirmed in this study, SDMEs in Kigali City should constantly attend to key industry forces with a view of minimizing the threats that they cause. Timely identification of such forces and their levels of intensity enable managers to turn them into opportunities. Study finding unveils that market performance levels are partially predicted by competitive environment.

6.2.4 Limitations of the study

In spite of the contribution of this study to the knowledge in the area of strategic marketing communication and market performance, the study findings are subject to a set of limitations that provide grounds for further research.

The researcher observes that the study design was cross-sectional which suggest that the study was unable to examine trends in the market performance of SDMEs. Yet it is possible that the effects of interactive marketing practices, competitive advantage and competitive environment on market performance could vary over time.

Another possible limitation is that the study considered specific soft drink clusters and excluded others. Perhaps if we included all soft drinks the results could have been different.

The study also apparently looked at only one 'P' i.e promotion and ignored other marketing mix components which are also important in overall value creation processes. The study only used promotion perspective in explaining variations in market performance. Inclusion of other marketing mixes 'Ps' could have perhaps changed the direction of results.

There are various definitions that literature tends to present on interactive marketing practices, competitive advantage, competitive environment and market performance that were studied. The researcher observes that though variables were operationalized according to specific scholarly sources, other scholars present different measurement approaches. This could have affected also the results.

6.2.5 Areas for further research

The present study took cross-sectional design and investigated interactive marketing practices, competitive advantage and competitive environment on market performance. Future studies can investigate same relationships across time by adopting a longitudinal design to see trends in the market performance.

Having considered specific soft drink clusters and excluded others, future researchers can expand on the list of soft drink categories to observe differences in results.

The present study only used one 'P' i.e promotion in explaining market performance. Future researchers could venture into the effects of other 'Ps' on market performance.

Further still this study chose specific measures from literature regardless of existence of other definitions. Future researchers could measure studied variables differently to observe the differences in results.

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PUBLICATIONS AND LINKS

Nimusima, P., Kamukama, N., Kalibwani, R. & Rwakihembo, J. (2022). Relevance of interactive marketing practices for enhancing market performance: The case of soft drink manufacturing enterprises in Kigali city. *American Journal of Communication,* Vol. 5, Issue 1, pp 21- 45

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Nimusima, P., Kamukama, N., Kalibwani, R. & Rwakihembo, J. (2022). Market performance of soft drinks enterprises in Kigali city, Rwanda: Empirical study of interactive marketing practices. *International Journal of Marketing strategies,* Vol.5, Issue 1, pp 1 – 23

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Appendices

Appendix 1: Research Questionnaire

Dear Participant:

I am a PhD student at Mbarara University of Science and Technology pursuing a study on Interactive Marketing Practices and Market Performance of Soft Drink Manufacturing Enterprises in Kigali City-Rwanda.

Consequent to observation and realization of market performance challenges by Soft Drink Manufacturing Enterprises world over generally and Rwanda in particular, researchers and practitioners have grown interest into such market phenomena and are trying to design appropriate interventions to overcome the same problem if these companies are to attain their market objectives related to customer retention, sales etc. This study aims at investigating the same reality using interactive marketing perspective in view of coming up with a managerial intervention model that can help them improve or overcome such challenges. Interactive Marketing Practices in this study refers to "a set of institutional communication activities of promoting brands, products and services using digital communication media". On the other hand, market performance refers to "the extent to which a firm achieve its market performance objectives with greater efficiency and effectiveness than competitors".

In trying to fulfil this study objective, I request for your support to answer this questionnaire and also return it to me. I appreciate your willingness to complete this questionnaire since it's important to my study overall design and I promise that it will take you not more than 15 minutes.

Dear participant, since my study focus is on the firm level analysis, I shall use your responses as a firm's representative to stand in for the firm's overall market performance status. I promise confidentiality of the data that you will give and request that you be open and honest in your responses. It is my pleasure to share the study results with you if you wish to follow on this research. In case of any inquiry issue, contact me directly on +256773717818.

Yours Sincerely,

Nimusima Pereez
2017/PHD/017/PS

Instructions: Answer the below questions in the spaces provided.

SECTION A: RESPONDENT PROFILE

A. Gender: Male □ Female □

B. Age: 18–30 □ 31–45 □ 46–65 □ 66 and above □

C. Education: Certificate □Diploma □Degree □ Post Graduate or above □ others specify.....

D. Years of Service: Less 1 year □ 1-3 years □ 4-7 years □ 7 years and above □

E. Position held: Marketing manager □ communication /public relations manager □ accountant □ Finance manager □ sales manager □

SECTION B: ENTERPRISE PROFILE

F. Number of employees in the firm: 2-20□ 21-50 □ 51-100 □ 101-250□ 251 or more□

G. Location of the firm: Gasabo □ Gicukiro □ Nyarugenge □

H. Number of years of operation: Less than 2 years □ 3-5 years □ 6-10 years □ 11-14 years □ More than 15 years □

I. Product (s) produced: Carbonated □ Water □ Milk □ Coffee and Tea □ Umusururu 'Bushera'□

J. Market (s) served: Rwanda□ East Africa □ Africa □ International □

K. Communication channels that take a big advertisement budget: Traditional communication channels (Radio, newspapers and other print media) □ digital communication channels (e.g social media, search engines) □

SECTION C: INTERACTIVE MARKETING PRACTICES

Interactive Marketing practices are understood in this study as set organisational activities of promoting brands, products and services using digital media. Interactive marketing practices referred to here are content marketing practices, social media marketing practices and search engine marketing practices.

L. Indicate by a [√] the extent to which your business uses these interactive marketing practices listed in the table below on the basis of the following scale: 1 = Strongly Disagree; 2 = Disagree; 3 = Not Sure; 4 = Agree & 5 = Strong Agree.

		Extent				
	Interactive marketing practices	**1**	**2**	**3**	**4**	**5**
	Content marketing					
CM1	We create and use valuable and audience-relevant content to attract and acquire defined audience					
CM2	We distribute consistent content					
CM3	Our ad content always have a fun-like lasting impression of feeling good, laughter, excitement and nostalgia for our clients					
CM4	Our marketing communication content is always aligned to our customer's personas					
CM5	We make extra efforts in sharing our marketing content in a viral-like friendly manner on you tube					
CM6	We engage in screen-based advertising targeting digital T.V and smart phone users					
CM7	We use one-to-one direct email messaging to link with our clients					
CM8	We consult experts in our content development processes					
CM9	We use quizzes to keep engaged with our clients					
CM10	We organise competitions and games as part of our marketing campaign					
CM11	We use videos online to advertise our products					
CM12	We use mobile text messaging to link with our clients					
CM13	We inspire our customers through engaging celebrities					
CM14	We convince our customers through product features					
CM15	We convince our customers through interactive demonstrations					
	Social media marketing					
SM1	Every year we spend enormous amount of money advertising on social media platforms					

SM2	We increase our interactive teams every year					
SM3	We have inactivated many social public relations programs					
SM4	Our company capitalize on social media feedback to improve our services (direct response advertising)					
SM5	We involve our clients in real life discussions via social media with strong calls to action that makes them interactively lured to buy					
SM6	We go beyond conversation to creating intimate connections with our clients on social media platforms					
SM7	We value our customers' feedback/comments/reviews					
SM8	We engage with our customers through various social media channels					
SM9	We use both offline and online channels to communicate with our customer					
SM10	We regular carry out market surveys to know our customers better					
SM11	We take interest in following up trends in our customer's sentiments over time on social media platforms					
	Search engine marketing					
SE1	We usually pay for advertising on search engine results pages (SERP)					
SE2	We are mindful of using specific Google sensitive keywords as part of our web advertisement campaign					
SE3	We use Google platform to drive interested people to our website					
SE4	Our website is linked to other relevant websites that help send more visitors and more referral traffic					
SE5	We have a Google mail account that help us to access Google ad services					

SE6	Our advertising plan leverage Google keyword research to grow our business					
SE7	Our product naming puts into consideration common searched words on Google					
SE8	We use yahoo to advertise our products					
SE9	We have a you tube account for you tube ad purposes					
SE10	We use our you tube account to import our ads to Google					
SE11	We are able to observe and follow how our ads are performing using different search engines					

SECTION D:

ENTERPRISE COMPETITIVE ADVANTAGE

Competitive advantage is understood in this study as *"the ability of a firm to take advantage of the potential market opportunities, sooner, better and possibly at a lower unit cost than competitors"*

M. Indicate by a [√] the extent to which your business pursues these competitive priorities listed in the table below on the basis of the following scale: 1 = Strongly Disagree; 2 = Disagree; 3 = Not Sure; 4 = Agree & 5 = Strong Agree.

Competitive advantage ***Extent***

	Operational excellence	**1**	**2**	**3**	**4**	**5**
OE1	We continuously improve our internal processes					
OE2	We have flexible organisational culture					
OE3	Our team understand our cause for excellence in every process and committed to it					
OE4	We listen and respond well to both internal and external customers					
OE5	We aim at minimising variations in our processes and try to standardise them					
OE6	Our team has required knowledge and skills to execute our operations well					
OE7	We encourage and reward excellent performance					

OE8	We constantly empower our staff by giving them necessary trainings to deliver					
OE9	We encourage centralised process management					
OE10	Our process improvement endeavours are communicated to everyone in time					
OE11	We encourage a culture of continuous communication and feedback on our process improvements					
OE12	We are never satisfied with the status quo					
OE13	Our strategies constantly change to match new customer needs					
OE14	Our performance management system is always result-oriented					
	Product leadership					
PL1	Our product development process is less costly than that of most companies in our line of business					
PL2	When it comes to the development and introduction of products, we are quicker than most companies in our line of business					
PL3	Over the last three years, we have frequently reacted to competitors' innovations by quickly changing our product portfolio					
PL4	In the last 3 years per product cost has been decreasing					
PL5	Product Uniqueness drives our competition motives					
PL6	We access raw materials with ease					
PL7	Our product quality is always checked internally and externally					
PL8	We ensure consistent quality of our products					
PL9	We consult our clients before developing any new product					
PL10	We offer explanation regarding our product use to our customers					

PL11	Our company integrates the voice of the customer in our product and service design					
PL12	We continuously improve our product features to match our clients' needs					
PL13	Our product development process is guided always by our customer preferences					
PL14	We keep ourselves updated with latest customer information					
	Customer intimacy					
CI1	We offer individualized attention to our customers					
CI2	We try to maintain trust to our customers					
CI3	We pay attention to our products physical features (physical quality)					
CI4	We allocate a big budget towards creating emotional satisfaction to our customers					
CI5	We value our customers' inputs at every stage in our service provision					
CI6	We communicate with customers to ascertain their needs					
CI7	Our company adjust services to fit individual requirements of a customer					
CI8	We pay attention to our customers complaints					
CI9	We usually carry out customer perception tests					
CI10	Our product Development decisions are informed by our customer's expectations					

SECTION E: ENTERPRISE COMPETITIVE ENVIRONMENT MANAGEMENT

N. Indicate by a [√] the extent to which your business manages its competitive environment as listed in the table below on the basis of the following scale: 1 = Strongly Disagree; 2 = Disagree; 3 = Not Sure; 4 = Agree & 5 = Strong Agree.

		Extent				
	Competitive environment	**1**	**2**	**3**	**4**	**5**
	Entry of New Competitors Force					
EN1	Customers are loyal to our brand					
EN2	It is easy to start up a soft drinks business					
EN3	The assets needed to run a soft drinks business are unique					
EN4	The legal and administrative process or procedure critical to establish a soft drinks business is easy and short					
EN5	New competitors have difficulty acquiring/obtaining customers					
EN6	A license is required to open a soft drinks business					
EN7	There are challenges of accessing distribution channels by new entrants					
EN8	There are restrictive government controls and regulations for new soft drinks input importers/manufacturers					
EN9	There are rules and regulations restrictive to new entrants					
EN10	It is difficulty for the new entrant to enter the soft drinks sector in Rwanda					
EN11	In recent years, there has been new entrants in the soft drinks industry as importers or manufacturers					
	Substitutes Force					
SF1	There are alternative soft drinks on the market					
SF2	Our products are liked by clients					
SF3	Our customers have consistently bought our products					
	Buyer Bargaining Power Force					
BB1	We have enough customers such that losing one isn't critical to our success					
BB2	Customers are uninformed about our drinks and market					
BB3	Our products are differentiated (unique)					
BB4	It is difficult for customers to switch from your products to our competitors" products					

BB5	Buyers powerful to negotiate a price down words					
BB6	Buyers have power to dictate the terms of sales					
	Supplier Bargaining Power Force					
SB1	There are a large number of potential suppliers of raw materials for us					
SB2	The raw materials needed are unique					
SB3	Raw materials Purchases from suppliers represent a large portion of the business cost					
SB4	It is difficult for our suppliers to enter our business, sell directly to our customers, and become our direct competitor.					
SB5	It is easy to switch from one supplier to the other					
SB6	We are well informed about our supplier's materials and market					
SB7	There are so many suppliers of raw materials in the market					
SB8	There are few suppliers who control prices					
	Rivalry Force					
RF1	There is a small number of competitors in soft drinks industry					
RF2	There is a clear leader in our soft drinks market					
RF3	The soft drinks market is growing fast					
RF4	We store our product to sell at the best times					
RF5	Our soft drink products are unique					
RF6	The level of competition is so high					
RF7	It is easy for our competitors to abandon their product					

SECTION F: MARKET PERFORMANCE

O. Indicate by a [√] the extent to which your business stand on these performance outcomes listed in the table below on the basis of the following scale: 1 = Strongly Disagree; 2 = Disagree; 3 = Not Sure; 4 = Agree & 5 = Strong Agree.

		Extent				
	Customer Retention					
CR1	Our customers repeatedly buy our products					
CR2	Our customers feel free to tell us about our products /customers freely complain					
CR3	We put emphasis on our long-term clients					
CR4	We have data base for our product customers					
CR5	We put extra efforts to win back lost customers					
CR6	Our good communication content has enabled us enhance trust among our clients					
CR7	We very much understand the significance of both online and offline communication channels in increasing customer retention					
CR8	The online channels have helped us track changes in customer environment and being able to serve them better					
CR9	We resolve customer inquiries in a timely manner					

Indicate by a [√] the extent to which your business stand on realising these performance outcomes listed in the table below on the basis of the following scale: 1 = Strongly Disagree; 2 = Disagree; 3 = Not Sure; 4 = Agree & 5 = Strong Agree.

		Extent				
	Sales	**1**	**2**	**3**	**4**	**5**
SV1	1M-20M					
SV2	20M-50M					
SV3	50M and above					
SV4	We met our sales targets in the previous year					

Thank you for your time!

Appendix 2: Questionnaire in Kinyarwanda

Uruhushya n'amasezerano rusange

Nyamuneka wuzuze urupapuro rukurikira

Muraho nshuti,

Nd'umunyeshuri wiga Doctora muri Kaminuza ya Mbarara University of Science and Technology, nkaba nshaka gukora ubushakashatsi kuburyo inganda zikora ibinyobwa bidasindisha, zikoresha ikoranabuhanga mu kumenyekanisha ibicuruzwa byazo, nokurebera hamwe uko ibyo byazifashije mukunguka.

Bimaze kugaragara ko hari ibibazo muburyo inganda zikora ibinyebwa bidasindisha, kwisi na hano mu Rwanda (umusaruro ugenda ugabanuka). Ibi byatumye abashakashatsi bageragеza kurebera hamwe icyatuma ibyo bibazo bicyemuka. Ubushakashatsi bugamije kureba icyakorwa kugira ngo izo nganda zirusheho kugera kubyo ziyemeje kugeraho.

Turabasaba rero ko mwadufasha kuzuza iyi fishi kugirango bidufashe kugera kumyanzuro yagira akamaro izonganda. Turagusezeranya ko nta muntu tuza sangiza ibyo watubwiye. Iri rizaba iba ibanga ryacu. Biragutwara iminota itarengeje 15

Tubaye tugushimiye.

Nijye,

Nimusima Pereez
2017/PHD/017/PS
+256773717818/+250788911067

Amabwiriza yihariye: Urasabwa gusubiza ukoresheje espace wahawe.

SECTION A: IBIKWEREKEYEHO

A. Gabo: Male □ Gole □

B. Imyaka: 18–30 □ 31–45 □ 46–65 □ 66 nokuzamura □

C. Amashuri: Certificate □Diploma □Degree □ Post Graduate nibindi specify.....

D. Imyaka umaze ukora: Sindamara Umwaka □ Hagati 1-3 □ Hagati 4-7 □Imyaka7 nokwiyongerayo □

E.Ukoriki: Marketing manager □ communication manager □ accountant □ Finance manager □ sales manager □

SECTION B: IBYEREKEYE IKIGO UKORERA

F. Mufite abakozi bangahe: 2-20□ 21-50 □ 51-100 □ 101-250□ 251 nokuzamura□

G. Akarere mukoreramo: Gasabo □ Gicukiro □ Nyarugenge □

H. Igihe mumaze mukora: Imyaka 2 ntirarangira □ hagati 3-5 □Hagati 6-10 □ Hagati 11-14 □ Hejuru y'imyaka 15 □

I. Ibinyobwa mukora: Carbonated □ Water □ Milk □ Coffee and Tea □ Umusururu 'Bushera'□

J. Amasoko mucuruzamo: Rwanda□ East Africa □ Africa □ International □

K. Amafaranga menshi dukoresha mukwamamaza: Dukoresha Radio, nibinyamakuru □ Dukoresha ikoranabuhanga nka social media, search engines, nizindi nkazo □

SECTION C: IKORESHWA RY'IKORANABUHANGA (INTERACTIVE MARKETING PRACTICES)

Gukoresha ikoranabuhanga bivuze kwifashisha itumanaho rigezweho mu kumenyekanisha ibicuruzwa.

L Tubwire niba ujya wifashisha uburyo bw'ikoranabuhanga mu kwamamaza ibicuruzwa byanyu. Ubwo buryo mukoresha nubuhe?

SECTION D Mubigenza mute kugirango mugumane umwanya mwiza kwisoko? Tubwire ingamba mwifashisha kugirango ibicuruzwa byanyu bikomeze kubona baguzi, muzuruze mwunguke.

SECTION E: Uburyo mukoresha muguhangana nabandi bakora nkibyo mukora. Ese ko tubona hari izindi nganda nyinshi zihari zikora bimwe nkibyo mukora, mukorana mute? Kugirango abaguzi bakomeze kubagirira ikizere mubigenza mute?

SECTION F: Muhagaze Mute. Ese mufite abaguzi benshi bagura ibicuruzwa byanyu? Mubigenza mute kugira ngo mutabatakaza? Cyangwa batagenda kugura ibicuruzwa by'abandi mucuruzanya?

Ese kumwaka mubona amafaranga angahe? Ese mugurisha uko mubyifuza? Mwunguka angahe? Ese ayo mwunguka kumwaka, ariyongera uko imyaka igenda ihinduka? Uyu mwaka hiyongeyeho angahe ugereranyije numwaka ushize ubijanishije?

Murakoze!

Appendix 3: Key informant interview guide

INTERACTIVE MARKETING PRACTICES		
	General Questions	**Probes**
1	What are your comments on adoption of interactive marketing practices in your firm?	• Do you use Email or Digital displays, Short message texts, Youtube, Short video display, Social media (e.g. LinkedIn, Facebook, twitter), Online advertising, Mobile applications, Corporate Website (s), to promote your products and services? *Is it possible to tell me their ranking in terms of importance or use in your firm? i.e which ones do you use most*? • Which search engine do you work with most in promoting your products? • Do you use experts in designing

		advertisement messages? • How would you rate your firm's use of social media in promoting your products? • Explain whether you have a written technology-based marketing communication plan? (a plan on how you will use digital and mobile channels to acquire and retain customers) • Which proportion of your budget in terms of percentage do you allocate to online channels of communication to help in build trust among your clients • Explain whether you use communication experts in designing your advertising messages

		• Comment on whether your company engage in any online sentiment monitoring activity? Using machine learning techniques to collect electronic word of mouth (e-WOM)! • Do your customers influence the choice of a communication strategy you use
2	Is there any system in place that enables you to monitor your clients' perceptions?	• Explain whether you make follow up on your client's feedback. • Do you have corporate twitter accounts? Who monitors them? Who deals with comments that come from them? Do you work on them as a team or by individual departments? • Have you been able to carry out

		nationwide blind taste tests?
3	How would you describe your use of traditional communication approaches?	• Comment on whether you still use: • Live events/ demonstrations, to advertise • Print ads (e.g newspapers etc), • Customer Loyalty rewards programs • Games sponsorships • *Others (describe)*
MARKET PERFORMANCE		
	General Questions	**Probes**
1	Which description do you have for your firm market performance in the last 5 years?	Share your comment on: • sales • Whether you were able to retain your customers in the previous three years
2	In your view what do you think are the key drivers of sales and profitability in your firm in the last 3 years?	• Explain how use of digital communication could have affected your market performance

		• Do you believe relationships with customers have affected firm performance? • On a scale of 1-10, tell how your initiated communication media has influenced growth in your customer numbers in the last three years • Comment on your value proposition or strategic alternatives pursued • Tell me how you have been able to manage competition in your industry
COMPETITIVE ADVANTAGE		
	General Questions	**Probes**
1	How would describe your firm's adopted competitive strategies?	Comment on your: • Cost management strategies • Quality of your products compared to competitors

		• Customer Relationship management strategies • Which strategies generally do you use to maintain your market position?

COMPETITIVE ENVIRONMENT		
	General Questions	**Probes**
1	How would you describe how your firm manages competition in the industry?	Comment on your: • Firm relationship with competitors • Approach to managing changes in customer environment • Manage supplier relations • Whether substitute products exist • Whether new firm entering the industry constitute a problem to you

Appendix 4 (Table I-4): Convergent validity test results on confirmed items

Table i: Correlations between interactive marketing practices confirmed Items

Correlation among social media marketing items

	1	2	3	4	5	6	7	8	9
SM2_mean-1	1								
SM3_mean-2	.646**	1							
SM4_mean-3	.515**	.517**	1						
SM5_mean-4	.639**	.537**	.546**	1					
SM6_mean-5	.613**	.503**	.528**	.564**	1				
SM7_mean-6	.543*	.508**	.545**	.597**	.519**	1			
SM9_mean-7	.518	.632	.502	.527	.526	.566	1		
SM10_mean-8	.511	.506	.602	.648	.623	.516	.588**	1	
SM11_mean-9	.508	.540**	.510	.641	.510	.518	.539**	.574**	1
Social media marketing-10	.675**	.817**	.763**	.683**	.751**	.670**	.608	.610	.541*

**. Correlation is significant at the 0.01 level (1-tailed), N=253

*. Correlation is significant at the 0.05 level (1-tailed), N=253

Correlation among search engine marketing items

	1	2	3	4	5	6
SE2_mean-1	1					
SE3_mean-2	.571**	1				
SE4_mean-3	.509**	.528**	1			
SE5_mean-4	.517**	.510**	.554**	1		
SE6_mean-5	.682**	.6613**	.654**	.624**	1	
SE7_mean-6	.564**	.680**	.600**	.587**	.635**	1

**. Correlation is significant at the 0.01 level (1-tailed), N=253

*. Correlation is significant at the 0.05 level (1-tailed), N=253

Table ii: Correlations between Competitive Advantage Confirmed Items

Correlation among product leadership items

	1	2	3	4	5	6
PL1_mean-1	1					
PL8_mean-2	.563**	1				
PL9_mean-3	.652	.604**	1			
PL10_mean-4	.632**	.625**	.706**	1		
PL11_mean-5	.526**	.531**	.668**	.758**	1	
Product leadership-6	.500**	.590**	.740**	.916**	.842**	1

**. Correlation is significant at the 0.01 level (1-tailed), N=253

*. Correlation is significant at the 0.05 level (1-tailed), N=253

Correlation among operational excellence items

	1	2	3	4
OE1_mean-1	1			
OE8_mean-2	.534**	1		
OE9_mean-3	.548*	.600**	1	
Operational excellence-4	.662**	.759**	.794**	1

**. Correlation is significant at the 0.01 level (1-tailed), N=253

*. Correlation is significant at the 0.05 level (1-tailed), N=253

Correlation among customer intimacy items

	1	2	3	4	5
CI2_mean-1	1				
CI4_mean-2	.546	1			
CI5_mean-3	.642	.754**	1		
CI6_mean-4	.689	.647**	.714**	1	
Customer intimacy-5	.597**	.804**	.762**	.615**	1

**. Correlation is significant at the 0.01 level (1-tailed), N=253

*. Correlation is significant at the 0.05 level (1-tailed), N=253

Table iii: Correlations between competitive environment confirmed Items

Correlation among substitute force items

	1	2	3	4
SF1_mean-1	1			
SF2_mean-2	.561**	1		
SF3_1mean-3	.649**	.539**	1	
Substitutes Force-4	.729**	.680**	.756**	1

**. Correlation is significant at the 0.01 level (1-tailed), N=253

*. Correlation is significant at the 0.05 level (1-tailed), N=253

Correlation among bargaining power force items

	1	2	3	4	5	6	7	8
SB1_mean-1	1							
SB2_mean-2	.597**	1						
SB3_mean-3	.511**	.669**	1					
SB5_mean-4	.562**	.528**	.696**	.661**	1			
SB6_mean-5	.657**	.724**	.590**	.602**	.592**	1		
SB8_mean-6	.549**	.629**	.552**	.591**	.598**	.559**	1	

Supplier Bargaining Power Force-7	.773**	.739**	.722**	.787**	.802**	.711**	.856**	1

**. Correlation is significant at the 0.01 level (1-tailed), N=253
*. Correlation is significant at the 0.05 level (1-tailed), N=253

Correlation among rivalry force

	1	2	3	4	5
RF2_mean-1	1				
RF3_mean-2	.853**	1			
RF4_mean-3	.694**	.768**	1		
RF5_mean-4	.668**	.704**	.705**	1	
Rivalry Force-5	.894**	.927**	.889**	.866**	1

**. Correlation is significant at the 0.01 level (1-tailed), N=253
*. Correlation is significant at the 0.05 level (1-tailed), N=253

Table iv: Correlations between market performance confirmed Items

Correlation among customer retention items

	1	2	3	4	5	6	7	8
CR2_mean-1	1							
CR3_mean-2	.567**	1						
CR4_mean-3	.696**	.661**	1					
CR5_mean-4	.590**	.562**	.592**	1				
CR6_mean-5	.576**	.535*	.608**	.535**	1			
CR7_mean-6	.552**	.591**	.598**	.559**	.473**	1		
CR8_mean-7	.601	.704**	.502**	.542*	.507	.507	1	
Customer Retention-8	.719**	.723**	.795**	.749**	.634**	.835**	.676**	1

**. Correlation is significant at the 0.01 level (1-tailed), N=253
*. Correlation is significant at the 0.05 level (1-tailed), N=253

Correlation among sales items

	1	2	3	4
SV2_mean-1	1			
SV3_mean-2	.566**	1		
SV4_mean-3	.514**	.515**	1	
Sales-4	.842**	.659**	.836**	1

**. Correlation is significant at the 0.01 level (1-tailed), N=253

Appendix 5 *(Table I-4)*: Factor analysis results

Table i: Factor Results: **Interactive marketing practices**

Items	*Content marketing*	*Social media marketing*	*Search engine marketing*
We engage in screen-based advertising targeting digital T.V and smart phone users	0.739		
Our marketing communication content is always aligned to our customer's personas	0.693		
We distribute consistent content	0.685		
Our ad content always has a fun-like lasting impression of feeling good, laughter, excitement and nostalgia for our clients	0.682		
We make extra efforts in sharing our marketing content in a viral-like friendly manner on you tube	0.675		
We increase our interactive teams every year		0.853	
We have inactivated many social public relations programs		0.844	
Our company capitalize on social media feedback to improve our services (direct response advertising)		0.843	
We involve our clients in real life discussions via social media with strong calls to action that makes them interactively lured to buy		0.832	
We go beyond conversation to creating intimate connections with our clients on social media platforms		0.804	
We value our customers' feedback/comments/reviews		0.753	
We engage with our customers through various social media channels		0.744	
Every year we spend enormous amount of money advertising on social media platforms		0.743	
Our advertising plan leverage Google keyword research to grow our business			0.758
We usually pay for advertising on search engine results pages (SERP)			0.723
We are mindful of using specific Google sensitive keywords as part of our web advertisement campaign			0.705
We use Google platform to drive interested people to our website			0.701
Our website is linked to other relevant websites that help send more visitors and more referral traffic			0.700
We have a Google mail account that help us to access Google ad services			0.695
We use our you tube account to import our ads to Google			0.683

Our product naming puts into consideration common searched words on Google			0.645
We use yahoo to advertise our products			0.604
We have a you tube account for you tube ad purposes			0.602
Variance (%)		16.932	16.518	14.370
Cumulative Variance		16.932	33.450	47.820
Eigen values		4.084	2.731	1.793
Kaiser-Meyer-Olkin Measure of Sampling Adequacy=, .686, Bartlett's Test of spherity Approx.			.886
Bartlett's Test of Sphericity	Approx. Chi-Square	4437.692	
	Sig.	0.000	

Table ii: Factor Results: Competitive advantage

Items	*Operational excellence*	*Product leadership*	*Customer intimacy*
We encourage centralised process management	0.945		
We continuously improve our internal processes	0.939		
We constantly empower our staff by giving them necessary trainings to deliver	0.888		
We listen and respond well to both internal and external customers	0.885		
We have flexible organisational culture	0.882		
Our team understand our cause for excellence in every process and committed to it	0.775		
We listen and respond well to both internal and external customers	0.717		
We aim at minimising variations in our processes and try to standardise them	0.685		
Our team has required knowledge and skills to execute our operations well	0.679		
We encourage and reward excellent performance	0.666		
Our process improvement endeavours are communicated to everyone in time	0.645		
We encourage a culture of continuous communication and feedback on our process improvements	0.632		
We are never satisfied with the status quo	0.625		
Our strategies constantly change to match new customer needs	0.617		

Our performance management system is always result-oriented	0.610		
Our product development process is less costly than that of most companies in our line of business		0.905	
We ensure consistent quality of our products		0.903	
We consult our clients before developing any new product		0.901	
We offer explanation regarding our product use to our customers		0.901	
Our company integrates the voice of the customer in our product and service design		0.832	
When it comes to the development and introduction of products, we are quicker than most companies in our line of business		0.875	
Over the last three years, we have frequently reacted to competitors' innovations by quickly changing our product portfolio		0.817	
In the last 3 years per product cost has been decreasing		0.779	
Product Uniqueness drives our competition motives		0.789	
We access raw materials with ease		0.773	
Our product quality is always checked internally and externally		0.785	
We continuously improve our product features to match our clients' needs		0.682	
Our product development process is guided always by our customer preferences		0.675	
We keep ourselves updated with latest customer information		0.617	
We offer individualized attention to our customers			0.875
We allocate a big budget towards creating emotional satisfaction to our customers			0.839
We value our customers' inputs at every stage in our service provision			0.822
We communicate with customers to ascertain their needs			0.805
We try to maintain trust to our customers			0.793
We pay attention to our products' physical features (physical quality)			0.775
Our company adjust services to fit individual requirements of a customer			0.757
We pay attention to our customers complaints			0.775
We usually carry out customer perception tests			0.719
Our product Development decisions are informed by our customer's expectations			0.633
Variance (%)	4.916	3.090	2.738
Cumulative Variance	12.221	8.084	7.971
Eigen values	12.221	20.305	28.276
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.895	
Bartlett's Test of Sphericity	Approx. Chi-Square	9002.000	
	df	703	
	Sig.	0.000	

Table iii: Factor Results: Competitive environment

	Entry of New Competitors Force	Substitutes Force	*Buyer Bargaining Power Force*	*Supplier Bargaining Power Force*	*Rivalry Force*
Customers are loyal to our brand	0.915				
It is easy to start up a soft drinks business	0.902				
The assets needed to run a soft drinks business are unique	0.868				
The legal and administrative process or procedure critical to establish a soft drinks business is easy and short	0.835				
New competitors have difficulty acquiring/obtaining customers	0.832				
A license is required to open a soft drinks business	0.803				
There are challenges of accessing distribution channels by new entrants	0.787				
There are restrictive government controls and regulations for new soft drinks input importers/manufacturers	0.785				
There are rules and regulations restrictive to new entrants	0.754				
It is difficulty for the new entrant to enter the soft drinks sector in Rwanda	0.706				
In recent years, there has been new entrants in the soft drinks industry as importers or manufacturers	0.702				
Our products are liked by clients		0.875			
There are alternative soft drinks on the market		0.817			
Our customers have consistently bought our products		0.685			
It is difficult for customers to switch from your products to our competitors" products			0.845		
Customers are uninformed about our drinks and market			0.719		
Our products are differentiated (unique)			0.702		
We have enough customers such that losing one isn't critical to our success			0.695		
Buyers powerful to negotiate a price down words			0.682		
Buyers have power to dictate the terms of sales			0.675		
There are a large number of potential suppliers of raw materials for us				0.798	
The raw materials needed are unique				0.759	

Raw materials Purchases from suppliers represent a large portion of the business cost				0.748	
It is difficult for our suppliers to enter our business, sell directly to our customers, and become our direct competitor.				0.742	
It is easy to switch from one supplier to the other				0.732	
We are well informed about our supplier's materials and market				0.704	
There are few suppliers who control prices				0.702	
There are so many suppliers of raw materials in the market				0.685	
We store our product to sell at the best times					0.843
There is a clear leader in our soft drinks market					0.839
The soft drinks market is growing fast					0.828
Our soft drink products are unique					0.783
The level of competition is so high					0.782
It is easy for our competitors to abandon their product					0.775
There is a small number of competitors in soft drinks industry					0.717
Variance (%)		19.953	15.488	12.108	10.902	7.500
Cumulative Variance		19.953	35.441	47.549	58.451	65.952
Eigen values		9.732	5.218	3.737	2.415	1.981
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.			.795			
Bartlett's Test of Sphericity	Approx. Chi-Square		1291.051			
	df		802			
	Sig.		0.000			

Table iv: Factor Results: Market performance

	Customer Retention	***Sales***
Our customers feel free to tell us about our products /customers freely complain	0.885	
We put emphasis on our long-term clients	0.839	
We have data base for our product customers	0.788	
We put extra efforts to win back lost customers	0.725	

Our good communication content has enabled us enhance trust among our clients	0.722	
We very much understand the significance of both online and offline communication channels in increasing customer retention	0.705	
The online channels have helped us track changes in customer environment and being able to serve them better	0.702	
Our customers repeatedly buy our products	0.685	
20M-50M		0.902
1M-20M		0.875
50M and above		0.817
Variance (%)	4.084	2.731
Cumulative Variance	16.932	16.518
Eigen values	16.932	33.450
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.686
Bartlett's Test of Sphericity	Approx. Chi-Square	4437.692
	df	153
	Sig.	0.000

Appendix 6: Parametric tests

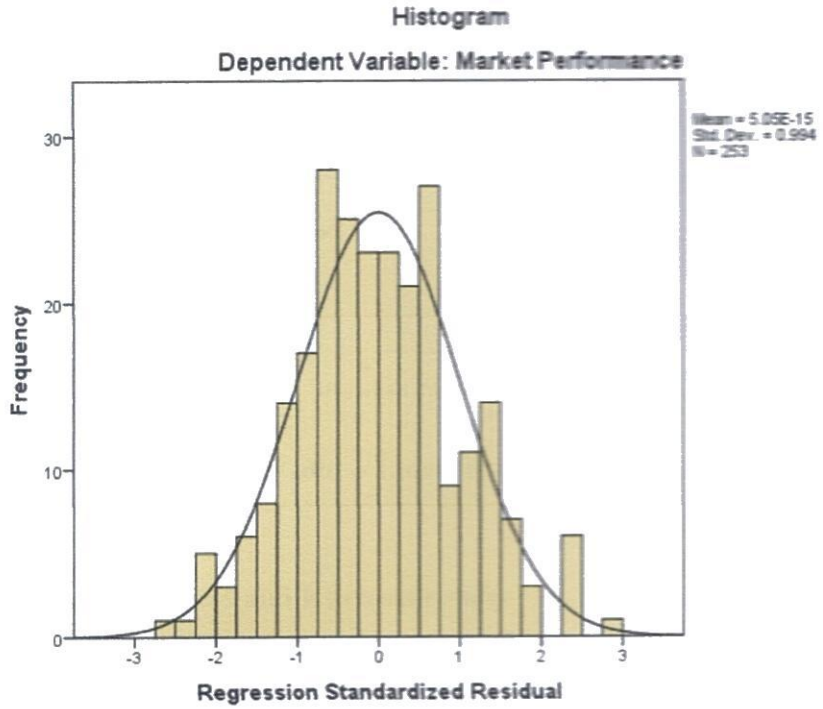


Figure A1: Histogram for Normality

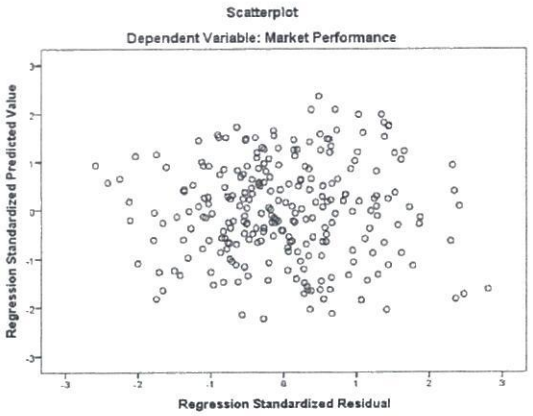


Figure A2: Scatter plot – homogeneity test

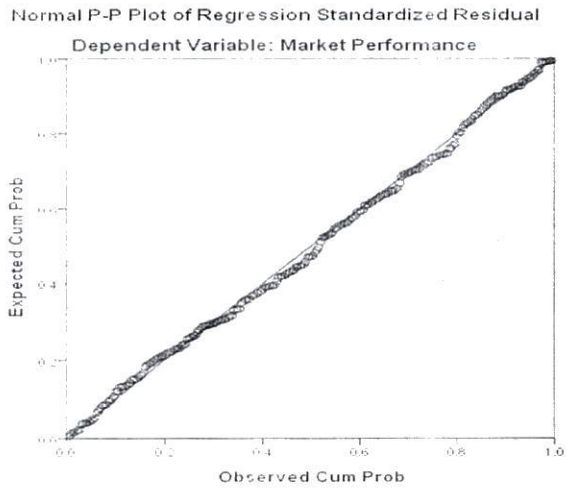


Figure A3: normal Q-Q plot – Linearity test

Table A1: Skewness and Kurtosis results

		Interactive marketing practices	Competitive advantage	Competitive environment	Market Performance
N	Valid	253	253	253	253
	Missing	0	0	0	0
Range		1.9	1.35	1.70	2.09
Minimum		2.9	2.92	2.62	2.63
Maximum		4.8	4.27	4.32	4.71
Sum		982.6	911.37	901.64	926.89
Mean		3.884	3.6022	3.5638	3.6636
Std. Error		.0246	.01868	.02373	.02444
Std. Deviation		.3908	.29709	.37747	.38873
Variance		.153	.088	.142	.151
Skewness		-.376	-.188	-.200	.165
Std. Error for Skewness		.153	.153	.153	.153
Kurtosis		-.346	-.654	-.209	.205
Std. Error for Kurtosis		.305	.305	.305	.305

Source: Primary data

ble A2 Test of Normality - Shapiro-Wilk test

	Kolmogorov-Smirnov			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Market Performance	.097	71	.097	.967	71	.059
nteractive marketing practices	.085	71	.200*	.981	71	.353
Enterprise Competitive Advantage	.081	71	.200*	.978	71	.260
Enterprise competitive environment management	.095	71	.180	.979	71	.297

ble A3 Correlations among study variables (study variables were significantly related isfying linearity assumption)

ariables	1	2	3	4	5	6	7	8	9	10	11	12	13	14
ocial media arketing ctivities-1	1													
earch engine arketing ctivities-2	-.058	1												
nteractive arketing ractices-3	.753**	.614**	1											
perational xcellence-4	.574**	.081	.508**	1										
roduct leadership-	-.154*	.227**	.028	-.113	1									
ustomer intimacy-	.026	.179**	.138*	-.014	.176**	1								
nterprise ompetitive dvantage-7	.260**	.277**	.39**	.524**	.651**	.574**	1							
ubstitutes Force-8	.038	-.019	.018	.170*	.327**	.064	.341**	1						

Supplier Bargaining Power Force-9	.055	.001	.044	.133*	-.012	.023	.083	.509**	1					
Rivalry Force-10	-.164**	.002	-.128*	-.035	.088	-.006	.032	.196**	.207**	1				
Competitive environment-11	-.025	-.007	-.025	.127*	.180**	.038	.209**	.784**	.800**	.612**	1			
Customer Retention-12	.030	.048	.056	.073	.001	.035	.073	.482**	.775**	.238**	.788**	1		
Sales -13	.194**	.302**	.353**	.615*	.025	-.060	.358**	.233**	.069	.120	.190**	.060	1	
Market Performance-14	.083	.283**	**.260****	.451*	.077	-.032	**.306****	.510**	.567**	.246**	**.609****	.572**	.762**	1

**. Correlation is significant at the 0.01 level (1-tailed).
*. Correlation is significant at the 0.05 level (1-tailed).

Table A4 Test of Homogeneity of variances

Variables	Levene Statistic	df1	df2	Sig.
Market Performance	1.068	4	193	.373
Interactive marketing practices	1.514	4	193	.200
Enterprise Competitive Advantage	1.017	4	193	.400
Enterprise competitive environment management	.423	4	193	.792

Table A5: Test of Multi – Collinearity

	Collinearity Statistics	
Independent variables	**Tolerance**	**VIF**
Interactive marketing practices	.797	1.254
Competitive advantage	.650	1.539
Competitive environment	.740	1.352

Appendix 7: Hierarchical regression on variables and their dimensions

Table A1: Hierarchical regression on the dimensions of Interactive marketing practices versus market performance

	Model 1			Model 2		
	B	*SE*	*β*	*B*	*SE*	*β*
Constant	3.182	.152		2.564	.224	
Social media marketing	.092	.037	.156	.100	.036	.169*
Search engine marketing				.160	.043	0.225**
R		.56[a]			.274[b]	
R^2		0.02 4			0.07 5	
AdjR^2		0.02 1			0.06 7	
R^2-Change		-			0.05 0	
Sig. F Change		-			0.00 0	
F-Change		6.27 7			13.6 43	

**. Correlation is significant at the .000 level (1-tailed); Correlation is significant at the .05 level (1-tailed); *

B. Unstandardized coefficient

β.Standardized coefficient

Dependent Variable: Market performance

Table A2: Hierarchical regression on the dimensions of competitive advantage versus market performance

	Model 1			Model 2			Model 3		
	B	*SE*	*β*	*B*	*SE*	*β*	*B*	*SE*	*β*
Constant	2.171	.145		1.979	.206		.629	.122	
Operational Excellence	0.343	.035	.522	0.349	.036	.530	.312	.019	.475*[a]
Product leadership				0.044	.034	.71	.035	.018	.056*
Customer intimacy							.504	.020	.724*[a]
R		.522			.526			.893	
R^2		.272			.277			.798	
AdjR^2		.269			.271			.795	
R^2-Change		-			.005			.520	

;e	-	.191	.000
nge	93.881	1.718	640.163

)rrelation is significant at the .000 level (1-tailed);
'elation is significant at the .05 level (1-tailed)
standardized coefficient
dardized coefficient
ident Variable: Market Performance

13: *Hierarchical regression on the dimensions of competitive environment versus market*
nance

	Model 1			*Model 2*			*Model 3*		
	B	***SE***	***β***	***B***	***SE***	***β***	***B***	***SE***	***β***
ant	2.319	.135		1.744	.109		1.528	.150	
tute	0.356	.038	.504	0.115	.033	.162	.107	.033	.152**
ier Bargaining Force				0.452	.032	.672	.444	.032	.660**
y Force							.066	.032	.086*
		.504			.767			.772	
		.254			.589			.596	
		.251			.586			.591	
,e		-			.335			.007	
;e		.000			.000			.039	
nge		85.664			203.499			4.308	

)rrelation is significant at the .000 level (1-tailed). Correlation is
cant at the .05 level (1-tailed); *
standardized coefficient
ıdardized coefficient
ident Variable: Market performance

14: *Hierarchical Regression Analysis*

	Unstandardized Coefficients	Standardized Coefficients	t	Sig.

		B	Std. Error	Beta		
1	(Constant)	2.634	.236		11.151	.000
	Interactive marketing practices	.265	.061	.270	4.381	.000
R	.267					
R Square	.071					
Adjusted R Square	.067					
F	19.197					
Sig.	.000[b]					

a. Dependent Variable: Market Performance

Appendix 8: Bio-data of key interviewees

Case No.	Interview's Category Dummy name	Gender	Age bracket	Academic qualification	Experience (years)
1	Abayo	Male	30-39	Bachelors	10-20
2	Mireille	Female	50+	Bachelors	10-20
3	Leandre	Male	18-29	Bachelors	10-20
4	Antoine	Male	50+	Secondary	< 30
5	Placidia	Female	30-39	Bachelors	< 10
6	Ronald	Male	18-29	Secondary	10-20
7	Janvier	Male	40-49	Masters	< 10
8	Jeanne	Female	40-49	Bachelors	< 10
9	Aphrodice	Male	30-39	Bachelors	< 10
10	Eric	Male	40-49	Bachelors	10-20
11	Fidele	Male	30-39	Bachelors	< 10
12	Diogene	Male	30-39	Secondary	< 10
13	Moise	Male	40-49	Masters	10-20

James	Male	30-39	Secondary	< 10
Jackeline	Female	30-39	Bachelors	< 10
Bosco	Male	50+	Bachelors	10-20
Ivan	Male	50+	Secondary	10-20

Appendix 9: MUST Research Ethical Clearance Letter

MBARARA UNIVERSITY OF SCIENCE AND TECHNOLOGY
RESEARCH ETHICS COMMITTEE
E-mail: sec.rec@must.ac.ug

01/10/2021

To: Nimusima Pereez

0773717818

Type: Initial Review

Mbarara University of Science & Technology
P. O. Box 1410, Mbarara
RESEARCH ETHICS COMMITTEE
01 OCT 2022
APPROVED
VALID UNTIL DATE SHOWN ABOVE

Re: MUST-2021-156: Interactive Marketing Practices and Market Performance of Soft Drink Manufacturing Enterprises in Kigali City-Rwanda, ,

I am pleased to inform you that at the **135th** convened meeting on **01/10/2021**, the MUST Research Ethics Committee, committee meeting, etc voted to approve the above referenced application.
Approval of the research is for the period of **01/10/2021** to **01/10/2022.**

As Principal Investigator of the research, you are responsible for fulfilling the following requirements of approval:

1. All co-investigators must be kept informed of the status of the research.
2. Changes, amendments, and addenda to the protocol or the consent form must be submitted to the REC for re-review and approval **prior** to the activation of the changes.
3. Reports of unanticipated problems involving risks to participants or any new information which could change the risk benefit: ratio must be submitted to the REC.
4. Only approved consent forms are to be used in the enrollment of participants. All consent forms signed by participants and/or witnesses should be retained on file. The REC may conduct audits of all study records, and consent documentation may be part of such audits.
5. Continuing review application must be submitted to the REC **eight weeks** prior to the expiration date of **01/10/2022** in order to continue the study beyond the approved period. Failure to submit a continuing review application in a timely fashion may result in suspension or termination of the study.
6. The REC application number assigned to the research should be cited in any correspondence with the REC of record.
7. You are required to register the research protocol with the Uganda National Council for Science and Technology (UNCST) for final clearance to undertake the study in Uganda.

The following is the list of all documents approved in this application by MUST Research Ethics Committee:

No.	Document Title	Language	Version Number	Version Date
1	Informed consent form CARBONATES	English	Two	2021-10-01
2	Compliance Report (NEW ONE)	English	Two	2021-10-01
3	Data Collection Tool 3	Kinyarwanda	Two	2021-10-01
4	Data Collection Tool 2	English	Two	2021-10-01
5	Data Collection Tool 1	English	Two	2021-10-01
6	Protocol 2	English	Two	2021-10-01

Yours Sincerely

Bajunirwe Francis
For: MUST Research Ethics Committee

ix 10: Administrative Letter

Republic of Rwanda
City of Kigali

Ref. n°1462/07.01.16/21

Kigali, on..... 11 NOV 2021

Mr. Pereez NIMUSIMA
Email: pereeznimusima@gmail.com

Dear Sir,

Re: Your application for authorization to conduct a study on soft drink manufacturing enterprises in Kigali City

Reference is made to your letter dated on 15th October 2021 requesting for authorization to conduct a study in Gasabo, Nyarugenge and Kicukiro District/ City of Kigali on **"Soft drink manufacturing enterprises in Kigali City";**

We would like to inform you that your request is hereby granted. However, before starting your research, you must first introduce you to the **Administration of respective Districts,** and clarifying your need.

Sincerely,

Joseph NIYONGABO
Director General of Corporate Services

Cc:
- City Manager of the City of Kigali
- District Executive Administrator (all)
KIGALI

Appendix 11: Administrative Map of Kigali City

