

**THE INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY ON COMPETITIVE
ADVANTAGE OF FOOD AND BEVERAGE MANUFACTURING FIRMS IN KENYA**

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UNIVERSITY**

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DECLARATION

I declare that this work has not been previously submitted and approved for the award of a degree by this or any other University. To the best of my knowledge and belief, this thesis contains no material previously published or written by another person except where due reference is made in the thesis itself.

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ABBREVIATIONS AND ACRONYMS

AFA	Agriculture and Food Authority
ANOVA	Analysis of Variance
CAK	Competition Authority of Kenya
CSR	Corporate Social Responsibility
F&B	Food and Beverage
HACCP	Hazard Analysis and Critical Control Points
ISO	International Organization for Standardization
KAM	Kenya Association of Manufacturers
KDB	Kenya Dairy Board
KEBS	Kenya Bureau of Standards
KEPHIS	Kenya Plant Health Inspectorate Service
NACOSTI	National Commission for Science, Technology and Innovation
RBV	Resource-Based View
VIF	Variance Inflation Factors
VRIN	Valuable, Rare, Inimitable, and Non-substitutable

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ABSTRACT

Corporate social responsibility has increasingly been recognized as a strategic mechanism through which firms can enhance their competitive positioning; however, in the food and beverage manufacturing sector in Kenya, there remains limited clarity on how specific dimensions of CSR translate into measurable competitive advantage. While firms are under growing pressure to comply with regulatory standards, meet stakeholder expectations, and engage in social initiatives, the extent to which these efforts contribute to improved product quality, brand image, customer loyalty, and market share remains insufficiently understood. This study therefore examined the effect of corporate social responsibility on competitive advantage among food and beverage manufacturing firms in Kenya, focusing on four dimensions: economic, legal, ethical, and discretionary responsibilities. Competitive advantage was operationalized using non-financial indicators, namely product quality, brand image, customer loyalty, and market share. Guided by Carroll's CSR Pyramid Model, which underpins the multidimensional nature of CSR, and the Resource-Based View theory, which explains how CSR can be transformed into strategic capabilities, the study adopted a positivist research philosophy and a descriptive cross-sectional survey design. The target population comprised all 217 food and beverage manufacturing firms registered with the Kenya Association of Manufacturers. The unit of analysis was the firm, while the unit of observation consisted of three respondents per firm drawn purposively from senior management, marketing or corporate affairs, and quality assurance or compliance functions, yielding a total sample size of 651 respondents. Data was collected using a structured questionnaire measured on a five-point Likert scale and analyzed using descriptive and inferential statistics. Out of the 651 questionnaires distributed, 422 were returned, representing a response rate of 64.8 percent. The regression results indicated that the CSR dimensions jointly explained a substantial proportion of the variation in competitive advantage ($R^2 = 0.776$), and the model was statistically significant ($F = 361.764$, $p < 0.001$). All CSR dimensions were found to have positive and significant effects on competitive advantage, with legal responsibility emerging as the strongest predictor, followed by economic, ethical, and discretionary responsibilities. The study concludes that CSR contributes significantly to competitive advantage, particularly through regulatory compliance, operational efficiency, and ethical business practices. Based on these findings, the study recommends that firms prioritize compliance and efficiency-oriented CSR practices while strengthening ethical and discretionary initiatives to enhance customer trust and long-term competitiveness, and that policymakers reinforce enforcement of industry standards to support fair competition. The study further suggests that future research should adopt longitudinal designs to capture dynamic effects of CSR over time and incorporate financial performance indicators to complement non-financial measures of competitive advantage.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Around the world, corporate social responsibility (CSR) has shifted from peripheral philanthropy to a strategic lever that shapes differentiation, reputation, innovation, and stakeholder trust, key routes to competitive advantage in dynamic markets, including food and beverage (F&B) value chains that face intense scrutiny over health, safety, and environmental footprints (Li, 2025). Recent meta-analyses and multi-country studies generally document a positive association between CSR and firm outcomes, with mechanisms running through reputation, risk management, innovation capability, and customer loyalty, channels that translate into sustained or transient competitive advantages in consumer-facing sectors such as F&B (Liu & Lu, 2021). In parallel, industry-focused reviews in the food sector show rising CSR intensity and growing investor and regulatory expectations that make CSR decisions strategically consequential for market position and brand equity (Peretz, 2024).

Corporate Social Responsibility (CSR) has increasingly been placed as a strategic tool for firms seeking to remain competitive in vibrant and sustainability-driven markets. In the manufacturing sector, where environmental and social impacts are particularly visible, firms are under growing pressure from regulators, consumers, and other stakeholders to adopt responsible business practices. While CSR is often presented as a pathway to improved firm performance and enhanced competitive advantage, this belief remains highly questioned in contemporary literature (Kharabsheh et al., 2023).

The manufacturing sector more complicates this correlation due to its unique operational characteristics. On one hand, CSR initiatives such as environmental sustainability methods and ethical sourcing can increase efficiency, reduce waste, and enhance firm reputation (Owusu et al., 2024). On the other hand, these initiatives often require significant capital investment and technological upgrades, which may not yield immediate returns. Padilla-Lozano and Collazzo (2021) note that while CSR can enhance competitiveness through green innovation and improved supply chain relationships, such benefits are highly contingent on the firm's capacity to integrate

CSR into its core strategy rather than treating it as an auxiliary function. This suggests that the efficiency of CSR is not essential but depends on strategic alignment and implementation.

In developing markets, the relationship between CSR and competitive advantage is even more ambiguous. Ullah and Sun (2021) provide evidence that CSR does not significantly influence innovation in some developing country contexts, largely due to limited organizational capabilities and weak institutional frameworks. These findings oppose the generalizability of CSR theories developed in complex economies and highlight the need for context-specific analysis, particularly for manufacturing firms operating in resource-constrained environments.

Across Africa, the evidence base is expanding but remains heterogeneous by country, industry, and CSR dimension. Studies on Johannesburg Stock Exchange (JSE) firms show that stronger CSR/ESG performance correlates with better financial outcomes, consistent with a business-case pathway to competitive advantage (Sosola, 2024). Nigerian firm-level analyses similarly link CSR initiatives with profitability and reputational gains that can underpin competitive positioning, although effects vary by alignment and execution quality (Inyang et al., 2025). A continent-wide review of sustainability reporting finds low and uneven disclosure depth, signaling substantive and communication gaps that can blunt strategic benefits and comparability—an issue salient for manufacturers operating across regional markets (Shidpour & Shidpour, 2025). Emerging North-African evidence also indicates CSR's contribution to value creation, but highlights context-specific constraints (regulatory clarity, data quality) that complicate cross-country generalization of advantage pathways (Stachowicz-Stanusch et al., 2024).

In Kenya, competitive and regulatory pressures on the F&B sector are intensifying, with proposed front-of-pack warning labels likely to reprice the value of health-oriented CSR, product reformulation, and responsible marketing in shaping market advantage (Jaroudi & Muller, 2025). At the same time, manufacturers face escalating sustainability expectations around energy, water, waste, and inclusive supply chains, priorities reflected in the Kenya Association of Manufacturers (KAM) 2024 Policy & Sustainability Report and related industry programs (KAM, 2024/2025). Kenyan firm-level studies report positive links between sustainability/CSR practices and performance, including listed-company evidence on sustainability reporting and financial outcomes, implying potential competitive benefits when CSR is embedded in strategy (Mwangi &

Ouma, 2025). Although service-sector studies also show CSR–competitive advantage associations, sectoral dynamics in F&B, nutrition, safety, packaging, and resource intensity, warrant a focused investigation of how specific CSR dimensions translate into advantage in this industry (Chaudhary, 2024).

Despite growing Kenyan and African evidence, there is limited, sector-specific analysis of how the four CSR dimensions: economic, legal, ethical, and discretionary jointly and differentially shape competitive advantage among F&B manufacturers operating under evolving health-labeling and sustainability expectations; this study addresses that gap in the Kenyan context.

Given these inconsistencies, contradictions, and contextual limitations, it is evident that the relationship between CSR and competitive advantage in manufacturing firms is neither direct nor universally applicable. While CSR has the potential to generate strategic advantages, its effectiveness may depend on a range of factors, including firm capabilities, industry characteristics, and institutional environments. Therefore, there is a need for beyond critical and context-sensitive research that goes beyond descriptive accounts to analyze how, why, and under what conditions CSR contributes to competitive advantage.

1.1.1 Corporate Social Responsibility

Corporate social responsibility has become a prominent concept in modern business practice, representing a firm’s commitment to ethical behavior, sustainable operations, and positive contributions to society beyond the pursuit of profit. According to Carroll (1991), CSR encompasses four interrelated dimensions—economic, legal, ethical, and discretionary responsibilities that together define a company’s obligations to its stakeholders. The World Business Council for Sustainable Development (2022) defines CSR as the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce, their families, and the wider community. Similarly, Aguinis and Glavas (2019) describe CSR as organizational actions and policies that take into account stakeholders’ expectations and the triple bottom line of economic, social, and environmental performance. For the purpose of this study, CSR is defined as the deliberate integration of economic, legal, ethical, and discretionary practices into a firm’s core operations to enhance

stakeholder value and secure long-term competitive advantage in the food and beverage manufacturing sector in Kenya.

Although CSR is frequently associated with enhanced reputation, stakeholder trust, and enhanced firm value, this perspective often examines the complexity of translating these intangible conclusions into tangible competitive advantages. For instance, while Tamang and Uprety (2025) argue that CSR enhances competitive advantage through stakeholder engagement and innovation, this assumes that organizations possess the necessary capabilities to effectively integrate CSR into their strategic operations. Exclusive of such alignment, CSR initiatives may remain secondary activities with limited impact on core competitiveness. This raises critical questions about how CSR influences the competitive advantage and whether such contributions are sustainable over time.

Furthermore, emerging evidence indicates that the relationship between CSR and competitive advantage is highly uncertain. Hakimi et al. (2025) demonstrate that CSR yields positive execution outcomes only when firms surpass certain financial and operational levels. This suggests that firms with limited resources—such as many manufacturing firms in developing economies—may face challenges in realizing the expected advantages of CSR. In such contexts, CSR may impose additional costs related to environmental compliance, technological upgrades, and stakeholder engagement, potentially weakening short-term competitiveness rather than increasing it.

Moreover, the developing-country context establishes further doubts into the CSR–competitive advantage relationship. Institutional weaknesses, regulatory inconsistencies, and limited stakeholder awareness may reduce the strategic value of CSR. Ullah and Sun (2021) found that CSR does not significantly influence innovation in some developing economies, suggesting that the mechanisms linking CSR to competitive advantage may be weaker or absent in such environments. This highlights the worth of examining contextual factors rather than simplifying findings from developed economies.

Despite its recognized importance, CSR presents several research issues that warrant scholarly inquiry. One persistent debate concerns whether CSR is a strategic driver of competitive advantage or merely a reputational tool, especially in emerging markets where regulatory enforcement and stakeholder activism vary (Velte, 2022). Additionally, firms often face challenges in aligning CSR

initiatives with their business models, resulting in fragmented or symbolic actions that yield limited competitive benefits (Li & Yang, 2024). In the Kenyan food and beverage manufacturing sector, rising consumer awareness, sustainability pressures, and regulatory proposals such as front-of-pack nutritional labeling have elevated expectations for CSR integration. Yet, there is limited empirical evidence on how the different CSR dimensions—economic, legal, ethical, and discretionary—individually and collectively contribute to competitive advantage (Li, 2025). These gaps highlight the need for sector-specific studies that can clarify the strategic role of CSR in enhancing firm competitiveness under evolving market and regulatory conditions.

CSR has been operationalized in diverse ways by prior researchers. Carroll's (1991) framework has been widely adopted, with studies measuring CSR through indicators aligned to its four dimensions: economic responsibility (profitability, productivity, innovation), legal responsibility (compliance with laws, product safety standards), ethical responsibility (fairness, transparency, responsible marketing), and discretionary responsibility (philanthropy, community development) (Sosola, 2024). Others have employed CSR disclosure indices based on sustainability or ESG reporting frameworks such as the Global Reporting Initiative (GRI) or SASB standards (Ouma et al., 2025). In this study, CSR was operationalized using Carroll's four-dimensional model, with each dimension measured through a set of Likert-scale items tailored to the Kenyan food and beverage manufacturing context. This approach was justified as it provided a comprehensive, multidimensional assessment of CSR, enabling the analysis of its specific components and their collective influence on competitive advantage.

1.1.2 Competitive Advantage

Competitive advantage refers to the unique position a firm attains that allows it to outperform its rivals by delivering greater value to customers or operating more efficiently. Porter (1985) defines competitive advantage as the ability of a firm to implement a strategy that creates value not simultaneously being implemented by any current or potential competitors. Barney (1991), in the resource-based view (RBV), describes it as a situation where a firm possesses resources and capabilities that are valuable, rare, inimitable, and non-substitutable, enabling superior performance. Similarly, Jaroudi and Muller (2025) define competitive advantage as the conditions that allow a company to produce goods or services better or more cheaply than its competitors,

translating into higher margins or increased market share. In this study, competitive advantage is defined as the sustained ability of a food and beverage manufacturing firm in Kenya to differentiate itself and achieve superior market performance through unique resources, capabilities, and strategic positioning driven by corporate social responsibility initiatives.

Competitive advantage in this study is operationalized using non-financial indicators. These indicators are selected to reflect the growing recognition that competitive advantage increases beyond short-term financial effects to include long-term strategic capabilities and intangible assets (Kharabsheh et al., 2023). Innovation is included as a key indicator because CSR is increasingly associated with the development of new products, processes, and technologies, particularly in environmentally sensitive industries such as manufacturing. Empirical evidence shows that CSR can stimulate innovation by encouraging firms to adopt sustainable practices and improve resource efficiency (Mendes et al., 2023). In the Kenyan context, where manufacturing firms face pressure to modernize and improve productivity, innovation is a critical driver of competitiveness.

Operational efficiency is also adopted as a variable, given its direct significance to manufacturing performance. CSR initiatives such as waste reduction, energy efficiency, and process optimization can lower production costs and enhance productivity, thereby increasing competitive positioning (Owusu et al., 2024). This variable is particularly important in the Kenyan manufacturing sector, where firms operate under cost constraints and must balance sustainability investments with efficiency gains.

Firm reputation is included due to its importance as an intangible asset that influences stakeholder perceptions, consumer loyalty, and market positioning. CSR activities are often connected with improved brand image and trust, which can enhance a firm's ability to differentiate itself in competitive markets. However, as noted in recent studies, these reputational benefits are not guaranteed and may depend on the legitimacy and visibility of CSR practices (Zervoudi et al., 2025).

Despite its significance in strategic management literature, competitive advantage faces several research-related issues that justify further study. One concern is its dynamic nature—sources of advantage can erode quickly due to technological change, shifting consumer preferences,

regulatory interventions, or competitor imitation (Eichholz et al., 2024). In the Kenyan food and beverage manufacturing sector, competitive advantage is increasingly influenced by non-traditional factors such as sustainability practices, brand trust, and regulatory compliance, yet many firms still focus narrowly on price competition (Mogaka, 2024). Furthermore, while global evidence suggests that CSR can contribute to competitive advantage, there is limited empirical research examining this link in the Kenyan manufacturing context, particularly using multidimensional CSR frameworks. This lack of sector-specific evidence limits managerial and policy-level decision-making on leveraging CSR strategically for competitiveness (Mwangi & Ouma, 2025).

Researchers have operationalized competitive advantage in various ways depending on the industry and study objectives. Common measures include financial indicators such as profitability, return on assets, and market share (Barney, 1991), as well as non-financial indicators such as brand loyalty, customer satisfaction, innovation rate, and product quality (Eichholz et al., 2024). Some studies in emerging markets have adopted composite indices that blend both objective performance metrics and subjective managerial assessments of competitive position relative to rivals (Li, 2025).

In this study, competitive advantage was operationalized using non-financial indicators adopted and adapted from prior strategic management and marketing studies. Product quality was adopted from the operationalization by Michael Porter (1985), who identified quality differentiation as a key source of competitive positioning. Brand image and customer loyalty were informed by the resource-based and brand equity perspectives advanced by Jay Barney (1991) and further operationalized in recent CSR–competitive advantage studies by Eichholz et al. (2024) and Wamuyu and Kariuki (2023). Market share was adopted as an indicator of relative market positioning from Kim et al. (2023) and Mogaka (2024), who used it to assess firms’ competitive standing within manufacturing industries. These indicators were selected because they collectively capture both tangible and intangible dimensions of competitive advantage that are particularly relevant in the food and beverage manufacturing sector, where product quality, brand reputation, customer retention, and market positioning are critical determinants of sustained competitiveness.

1.1.3 Food and Beverage Manufacturing Firms in Kenya

The food and beverage (F&B) manufacturing sector characterizes one of the most significant subsectors within the Kenyan manufacturing industry, aiding substantially to employment, industrial output, and economic growth. However, this sector is also considered by high resource consumption, environmental impact, and increasing regulatory scrutiny, making it particularly pertinent for inspecting the role of Corporate Social Responsibility (CSR) in shaping competitive conclusions. Within this context, the relationship between CSR and competitive advantage is not merely theoretical but deeply embedded in the operational realisms of firms.

In the Kenyan F&B sector, firms are increasingly required to adopt CSR practices in reaction to regulatory frameworks related to food safety, environmental sustainability, and waste management. These include fulfillment with environmental regulations, adoption of sustainable packaging, and adherence to quality and safety standards. While such practices are often associated with improved operational efficiency and enhanced brand reputation, they also impose additional costs, creating a tension between compliance and cost competitiveness. This raises critical questions about whether CSR enhances or constrains competitive advantage in practice, particularly in a price-sensitive market environment.

Empirical studies suggest that CSR can enhance competitiveness in manufacturing firms by driving innovation, improving operational efficiency, and strengthening stakeholder relationships (Mendes et al., 2023; Owusu et al., 2024). In the F&B sector, CSR initiatives such as waste reduction, energy efficiency, and sustainable sourcing can lead to cost savings and process improvements, thereby contributing to operational efficiency. At the same time, socially responsible practices, including employee welfare and community engagement, can enhance organizational reputation and stakeholder trust, which are key components of competitive advantage. However, these benefits are not automatic and depend on the firm's ability to integrate CSR into its core strategic operations.

The food and beverage (F&B) manufacturing sector in Kenya is one of the largest and most diverse segments of the manufacturing industry, encompassing sub-sectors such as grain milling, edible oils and fats, sugar and confectionery, dairy processing, meat and fish processing, fruit and vegetable canning, soft drinks and bottled water, alcoholic beverages, and other processed foods

(Mogaka, 2024). The sector is regulated through a multi-agency framework. The Kenya Bureau of Standards (KEBS) develops and enforces standards for food safety, labeling, and quality. The Kenya Dairy Board (KDB) regulates milk production and processing, while the Agriculture and Food Authority (AFA) oversees value chains such as sugar, coffee, tea, and horticulture. The Kenya Plant Health Inspectorate Service (KEPHIS) is responsible for plant health, seed quality, and certification of agricultural produce (Kenya Association of Manufacturers, 2024). In addition, the Competition Authority of Kenya (CAK) monitors market conduct and fair competition, while county governments enforce public health regulations for food premises. According to industry statistics, there are 217 registered food and beverage manufacturing companies in Kenya, ranging from large multinational corporations to medium and small enterprises. These firms are often categorized based on product lines, scale of production, and market reach, with significant clustering in urban and industrial hubs such as Nairobi, Thika, Mombasa, Nakuru, and Eldoret (Ministry of Investment, Trade and Industry 2023).

This study focused on all 217 food and beverage manufacturing companies as the target population, adopting a census approach to ensure comprehensive coverage. The inclusion criteria required that firms are formally registered, licensed by relevant regulatory bodies, and actively engaged in the processing and packaging of food and beverage products for the Kenyan market. The sector includes well-established players such as East African Breweries PLC, Coca-Cola Beverages Africa (Kenya), Brookside Dairy, New Kenya Cooperative Creameries, Bidco Africa, Unga Group, and Del Monte Kenya, alongside numerous medium-sized processors serving regional and niche markets (Mogaka, 2024). By targeting the entire population rather than a sample, the study captured the diversity of CSR practices and competitive dynamics across different sub-sectors, ownership structures, and geographic markets within the Kenyan F&B industry.

Within this context, the state of the study variables reveals notable trends and challenges. Corporate Social Responsibility (CSR) initiatives in the Kenyan F&B sector are increasingly driven by regulatory requirements, consumer awareness, and market competition (Velte, 2022). Firms are expected to comply with evolving food labeling regulations, product safety standards, and environmental sustainability policies. However, CSR adoption varies widely—while some firms integrate CSR into their strategic planning, others limit their efforts to philanthropy or

compliance-driven actions. Competitive advantage in the sector is progressively shifting from cost-based competition to differentiation through product quality, brand trust, innovation, and sustainability (Chepkirui & Mwanzia, 2025). Companies that invest in ethical sourcing, transparent labeling, responsible marketing, and community engagement often enjoy stronger customer loyalty and market positioning (Thiga, 2024). Despite these developments, there was limited empirical research assessing how the four CSR dimensions: economic, legal, ethical, and discretionary specifically influence competitive advantage among Kenyan F&B manufacturers, creating a clear need for this study.

1.2 Statement of the Problem

Corporate social responsibility is increasingly recognized as a strategic tool for achieving sustainable competitive advantage, especially in sectors where consumer trust, brand reputation, and regulatory compliance are critical (Kim, Kim & Qian, 2023). In the food and beverage manufacturing industry, firms are under growing pressure to comply with food safety regulations, adopt sustainable production practices, respond to consumer health concerns, and strengthen stakeholder trust. In Kenya, these pressures have intensified due to increasing consumer awareness of product quality and ethical sourcing, stricter regulatory requirements by agencies such as KEBS and KDB, and proposed front-of-pack nutritional labeling regulations (Ouma et al., 2025). Despite these expectations, many food and beverage firms continue to face challenges related to declining customer trust, reputational risks arising from product safety concerns, stiff market competition, and difficulties in sustaining customer loyalty in a highly competitive environment (Mogaka, 2024). Some firms engage in CSR activities mainly as compliance or publicity mechanisms without clear strategic integration into their operations, raising concerns about whether these initiatives genuinely translate into competitive advantage. This practical challenge creates uncertainty among managers and policymakers regarding which CSR dimensions are most effective in enhancing product quality, brand image, customer loyalty, and market share within the Kenyan food and beverage manufacturing sector.

Empirical evidence indicates that the relationship between CSR and firm performance is complex and may vary dependent on the metrics used. For instance, Huang et al. (2025) find that while CSR is positively associated with future financial performance, the strength of this relationship differs

across performance indicators and has weakened over time. This suggests that reliance on a single category of measures—whether financial or non-financial—may construct partial or biased assumptions. The exclusion of financial metrics in the present study therefore raises concerns about whether the observed effects of CSR on competitive advantage can be general or compared with existing findings.

The choice to focus on non-financial indicators may also introduce measurement bias, particularly in the perspective of manufacturing firms in Kenya. In resource-constrained environments, financial performance remains a critical indicator of firm competitiveness, as firms must balance sustainability investments with profitability and cost efficiency. Overlooking financial outcomes may therefore obscure important trade-offs between CSR implementation and short-term financial performance, especially where CSR initiatives involve significant costs (Hakimi et al., 2025). This limitation is particularly relevant in the Kenyan manufacturing sector, where firms operate under tight margins and cost pressures.

Despite the growing emphasis on Corporate Social Responsibility (CSR) as a strategic tool for enhancing firm competitiveness, there remains limited clarity regarding how CSR translates into competitive advantage, particularly within manufacturing firms in Kenya. While existing literature generally supports a positive association between CSR and firm performance, these findings are often derived from developed economies and may not adequately reflect the institutional, economic, and operational realities of developing-country contexts (Kharabsheh et al., 2023). Consequently, the applicability of such conclusions to Kenyan manufacturing firms remains uncertain and underexplored.

Additionally, the efficiency of CSR is further complicated by institutional and implementation disputes. Regulatory frameworks in developing economies are often characterized by inconsistencies and limited implementation capacity, which can result in uneven adoption of CSR practices across firms. In such an environment, firms that invest heavily in CSR may not necessarily gain a competitive advantage if competitors are able to avoid similar investments without facing significant penalties. This establishes a condition where CSR may function more as a compliance burden than a strategic differentiator, particularly in perspectives with weak institutional support (Ullah & Sun, 2021).

From a conceptual standpoint, several gaps emerge. First, some studies have found a positive relationship between CSR and competitive advantage, showing that CSR dimensions such as ethical and legal responsibilities directly improve brand loyalty and market share (Eichholz et al., 2024). In contrast, other research reports no significant or inconsistent effects, suggesting that CSR's impact may depend on factors such as firm size, market maturity, or consumer awareness (Islam et al., 2023). This inconsistency creates a gap in understanding the specific conditions under which CSR drives competitive advantage. Second, much of the existing research focuses on CSR as a single construct, overlooking its multidimensional nature—economic, legal, ethical, and discretionary responsibilities as postulated by Archie Carroll (1991). This limits insights into which dimensions are most influential in achieving competitive advantage (Chaudhary, 2024). Third, while international literature on CSR and competitive advantage is extensive, African studies on the relationship remain relatively limited and fragmented, with many focusing broadly on sustainability reporting or financial performance rather than sector-specific competitive outcomes (Nyuur et al., 2021; Peretz, 2024). Fourth, there is a lack of empirical evidence on how CSR influences non-financial indicators of competitive advantage, such as product quality, brand image, and customer loyalty, which are critical in consumer-oriented industries (Sosola, 2024). This study addresses these gaps by examining the multidimensional CSR–competitive advantage relationship within Kenya's food and beverage manufacturing sector.

Conceptually, prior studies tend to treat CSR as a homogeneous construct, assuming a direct and uniform influence on competitive advantage. However, CSR contains multiple dimensions—including conservational sustainability, social responsibility, and governance practices—each of which may influence competitiveness differently. Empirical evidence suggests that the impact of CSR is mediated by factors such as innovation, organizational capabilities, and stakeholder engagement (Mendes et al., 2023; Owusu et al., 2024). The failure to disaggregate CSR into its constituent components limits a deeper understanding of how and through which mechanisms CSR contributes to competitive advantage. This creates a conceptual gap, particularly in manufacturing settings where environmental and operational factors are highly significant.

A contextual gap also exists in the Kenyan food and beverage manufacturing industry. While previous studies in Kenya have examined CSR in relation to corporate reputation, financial performance, or sustainability reporting, none have specifically investigated how CSR's four

dimensions influence competitive advantage in this sector (Wamuyu & Kariuki, 2023). The Kenyan food and beverage industry operates in a unique environment characterized by stringent food safety standards, proposed front-of-pack nutritional labeling, increasing consumer demand for healthier products, and rising sustainability expectations (Ouma et al., 2025). These contextual factors may alter the way CSR initiatives translate into competitive positioning compared to other sectors, making a sector-specific analysis both timely and necessary.

Contextually, the Kenyan manufacturing sector also presents unique questions that may influence the effectiveness of CSR initiatives. These include regulatory contradictions, resource limitations, infrastructural constraints, and unpredictable levels of stakeholder understanding regarding sustainability issues. In such an environment, CSR may function differently compared to established economies, where institutional structures are more robust. Empirical evidence from developing countries indicates that CSR does not consistently translate into improved innovation or firm performance, especially where firms lack the capacity to integrate CSR into core strategic processes (Ullah & Sun, 2021). This suggests that the relationship between CSR and competitive advantage is highly dependent upon contextual factors that have not been sufficiently examined in Kenyan studies.

Given these conceptual, methodological, and contextual limitations, it is evident that the relationship between CSR and competitive advantage in Kenyan manufacturing firms is not sufficiently understood. Existing studies provide generalized conclusions that fail to capture the complexity, conditionality, and context-specific dynamics of this relationship. Therefore, there is a need for a more nuanced and contextually grounded investigation that examines not only whether CSR influences competitive advantage, but also how, why, and under what conditions this influence occurs within the Kenyan manufacturing sector.

The absence of moderating variables further restricts the explanatory power of the study. Factors such as firm size, resource availability, industry characteristics, and institutional context have been shown to significantly condition the effectiveness of CSR initiatives. For example, evidence suggests that CSR yields stronger competitive outcomes in firms with higher levels of dynamic capabilities and financial ability, while its impact may be limited or even negative in resource-constrained environments (Hakimi et al., 2025). In the Kenyan manufacturing sector, where firms

operate under varying levels of financial and industrial capacity, the omission of such moderating factors limits the study's ability to account for heterogeneity in outcomes and decreases its contextual relevance.

This study seeks to address these gaps by critically analysing the influence of CSR on the competitive advantage of manufacturing firms in Kenya, with particular attention to the underlying mechanisms, contextual factors, and strategic conditions that shape this relationship.

1.3 Study Objectives

1.3.1 General Objective

To determine the effect of corporate social responsibility on competitive advantage of food and beverage manufacturing firms in Kenya.

1.3.2 Specific Objectives

- i. To determine the influence of economic responsibility on the competitive advantage of food and beverage manufacturing firms in Kenya.
- ii. To establish the influence of legal responsibility on the competitive advantage of food and beverage manufacturing firms in Kenya.
- iii. To determine the influence of ethical responsibility on the competitive advantage of food and beverage manufacturing firms in Kenya.
- iv. To establish the influence of discretionary responsibility on the competitive advantage of food and beverage manufacturing firms in Kenya.

1.4 Research Questions

- i. What is the influence of economic responsibility on competitive advantage among food and beverage manufacturing firms in Kenya?
- ii. What is the influence of legal responsibility on competitive advantage among food and beverage manufacturing firms in Kenya?
- iii. What is the influence of ethical responsibility on competitive advantage among food and beverage manufacturing firms in Kenya?

- iv. What is the influence of discretionary responsibility on competitive advantage among food and beverage manufacturing firms in Kenya?

1.5 Scope of the Study

The study focused on the concept of corporate social responsibility operationalized through Carroll's four dimensions of economic, legal, ethical, and discretionary responsibilities and its effect on competitive advantage, measured using non-financial indicators such as product quality, brand image, customer loyalty, and market share. Contextually, the study was conducted among all 217 registered food and beverage manufacturing firms in Kenya, which operate under a multi-agency regulatory framework and represent diverse sub-sectors including dairy, beverages, grain milling, edible oils, confectionery, and processed foods. Methodologically, the research adopted a descriptive research design and employed a census approach, collecting primary data using structured questionnaires administered to senior managers in these firms. The time scope covered the period between October 2025 and January 2026, during which data collection, analysis, and reporting was undertaken.

1.6 Significance of the Study

The findings of this study are expected to contribute to policy development and regulatory practice within Kenya's food and beverage manufacturing sector. Government agencies and regulatory bodies such as the Kenya Bureau of Standards, Kenya Dairy Board, and Agriculture and Food Authority may use the findings to better understand how corporate social responsibility practices influence competitive advantage among firms. The study may inform the formulation and enforcement of industry-specific standards, sustainability policies, and responsible business guidelines aimed at enhancing consumer protection, fair competition, product quality, and environmental sustainability within the food and beverage manufacturing industry.

The study is also expected to contribute to managerial and industry practice by providing food and beverage manufacturing firms with evidence-based insights on how different dimensions of corporate social responsibility influence competitive advantage. The findings may help managers and practitioners integrate economic, legal, ethical, and discretionary responsibilities into their strategic and operational activities in ways that strengthen product quality, enhance brand image, improve customer loyalty, and expand market share. In a highly competitive and increasingly

consumer-conscious environment, the study may further guide firms in identifying the CSR practices that generate the greatest strategic and reputational benefits.

From a theoretical and academic perspective, the study is expected to contribute to the existing body of knowledge on the relationship between corporate social responsibility and competitive advantage by applying Archie Carroll's four-dimensional CSR model alongside the Resource-Based View theory within the context of Kenya's food and beverage manufacturing sector. The study also contributes empirically by addressing conceptual, contextual, and methodological gaps identified in previous literature, particularly the limited African and sector-specific evidence on CSR and competitive advantage. In addition, the study may serve as a reference point for future researchers interested in examining CSR-related issues in other industries or regions and demonstrate the value of using a census approach and multidimensional CSR operationalization in organizational research.

1.7 Chapter Summary

This chapter introduced the study by presenting the background to the research, outlining the conceptual foundations of corporate social responsibility and competitive advantage, and situating them within the Kenyan food and beverage manufacturing context. It highlighted the existing problem, identified conceptual, contextual, and methodological gaps, and justified the need for the study. The chapter further stated the general and specific research objectives, research questions, and the scope of the study, covering conceptual, contextual, methodological, and time dimensions. It also discussed the significance of the research to theory, policy, practice, and future scholarship.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter presents a review of literature relevant to the study on the effect of corporate social responsibility on competitive advantage among food and beverage manufacturing firms in Kenya. It is organized into three main sections: the theoretical review, which outlines and discusses the key theories underpinning the study; the empirical review, which examines previous research related to each study objective; and the critique and research gaps, which highlight areas where prior studies fall short and how this study seeks to address them. The review draws from both global and local perspectives to provide a comprehensive understanding of the study variables and their interrelationships.

2.2 Theoretical Framework

The theoretical review presents the foundational perspectives that guide the conceptualization and interpretation of this study. The selection of theories is based on their relevance to the study variables and their ability to explain the underlying relationships. The study was anchored on Carroll's CSR Pyramid Model to explain the independent variable, corporate social responsibility and the Resource-Based View (RBV) to explain the dependent variable, competitive advantage. These theories provided the conceptual lens for understanding how CSR dimensions can be strategically leveraged to create and sustain superior market positioning.

2.2.1 Carroll's CSR Pyramid Model

Carroll's CSR Pyramid Model was introduced by Carroll (1991), outlining four layers of corporate responsibility: economic, legal, ethical, and discretionary (philanthropic) responsibilities. The model proposes that businesses have an obligation to be profitable (economic), comply with laws and regulations (legal), act in ways that are fair and just beyond legal requirements (ethical), and voluntarily contribute to community welfare (discretionary) (Carroll, 1991). The pyramid structure suggests a hierarchy, with economic responsibility forming the base as the foundation for all other responsibilities, but all four being essential for comprehensive CSR. This framework emphasizes that effective CSR is multidimensional and integrated into the firm's strategic objectives (Sosola, 2024).

Critics have argued that the hierarchical nature of Carroll's model may not accurately reflect the equal importance of the four dimensions in all contexts. Visser (2006) notes that in developing countries, legal and ethical responsibilities may be less emphasized due to weaker enforcement, while philanthropic activities receive greater attention. Additionally, some scholars contend that the model is static and does not adequately account for evolving stakeholder expectations or dynamic environmental challenges (Saini, 2025). These criticisms suggest that while the model is a valuable tool for structuring CSR, it should be adapted to the socio-economic and regulatory context of the study (Echezona, 2024).

Carroll's CSR model hypothesizes CSR across four dimensions—economic, legal, ethical, and discretionary—offering a broad structure for analyzing corporate responsibility. Nevertheless, current scholarship has questioned the universality and hierarchical assumptions of this model, arguing that the relative importance of these dimensions contrasts significantly across contexts, especially in developing economies (Kharabsheh et al., 2023). In the Kenyan manufacturing sector, firms often prioritize economic and regulatory compliance due to cost pressures and institutional constraints, which may diminish the practical relevance of discretionary CSR activities. Despite recognizing such critiques, the study does not explicitly adjust its conceptual framework or variable weighting to reflect these contextual dynamics. As a result, the application of Carroll's model risks remaining descriptive rather than analytically explanatory.

Carroll's CSR Pyramid was directly applicable to this study as it provided a structured approach to evaluating CSR practices in Kenya's food and beverage manufacturing sector. By disaggregating CSR into its economic, legal, ethical, and discretionary dimensions, the model enables a detailed analysis of how each responsibility contributes to competitive advantage. In an environment characterized by regulatory changes, consumer awareness, and sustainability demands, this framework supports the identification of which CSR elements are most strategically impactful.

2.2.2 Resource-Based View Theory

The Resource-Based View (RBV) was popularized by Barney (1991), proposing that a firm's sustainable competitive advantage arises from resources and capabilities that are valuable, rare,

inimitable, and non-substitutable (VRIN). These resources can be tangible, such as technology and capital, or intangible, such as brand reputation and organizational culture. The RBV emphasizes internal firm attributes as the primary drivers of competitive advantage, suggesting that external market conditions alone cannot ensure sustained superior performance without unique internal strengths (Chaudhary, 2024).

The RBV has been critiqued for its limited guidance on how firms can develop or acquire VRIN resources. Priem and Butler (2001) argue that the theory is tautological, as it defines valuable resources in terms of their ability to create competitive advantage, thus making it difficult to test empirically. Furthermore, it is criticized for underestimating the role of dynamic market conditions and competitive actions, which can erode resource-based advantages over time (Eichholz et al., 2024). These critiques indicate that RBV should be complemented with perspectives that recognize the influence of external stakeholder and industry forces.

The Resource-Based View (RBV) is engaged to explain how CSR can generate competitive advantage through elusive resources such as reputation, innovation capability, and stakeholder trust. While RBV offers valuable insights, it has been critiqued for underemphasizing external environmental factors and institutional limits that influence firm performance (Mendes et al., 2023). In contexts such as Kenya, where firms face infrastructural limitations, regulatory inconsistencies, and resource constraints, the ability to leverage CSR as a strategic asset is unevenly distributed. However, the study does not incorporate these contextual moderators into its empirical model, thereby implicitly if all firms can equally convert CSR initiatives into competitive advantage.

In the Kenyan food and beverage manufacturing sector, competitive advantage increasingly depends on intangible resources such as brand image, customer loyalty, and reputation, many of which can be strengthened through effective CSR practices (Chepkirui & Mwanzia, 2025). The RBV was therefore relevant for explaining how CSR initiatives, when strategically integrated into operations, can become valuable and inimitable capabilities that differentiate firms in a competitive marketplace. By linking CSR activities to resource development, the RBV provides the theoretical basis for understanding how these initiatives translate into sustained competitive positioning.

2.3 Empirical Review

This section reviews previous empirical studies related to the study variables, focusing on the relationship between corporate social responsibility, disaggregated into its economic, legal, ethical, and discretionary dimensions and competitive advantage. The review draws on global, regional, and local evidence to highlight consistencies, contradictions, and gaps in existing research. Each objective is addressed separately, enabling a detailed examination of how different CSR dimensions have been measured, their reported effects on competitive advantage, and the methodological approaches used in prior studies.

2.3.1 Economic Responsibility

Economic responsibility, within the context of Corporate Social Responsibility (CSR), refers to a firm's compulsion to function profitably while ensuring efficient use of resources, sustainable cost management, and long-term value creation for stakeholders. It denotes the foundational dimension of CSR, emphasizing that firms must persist economically viable in order to sustain other social and environmental responsibilities (Kharabsheh et al., 2023). In this study, economic responsibility is conceptualized not merely as profit generation, but as the ability of manufacturing firms to balance financial operation with responsible business practices that support competitiveness.

Recent literature underlines that economic responsibility extends beyond short-term profitability to include cost efficiency, productivity improvement, and strategic asset in sustainable practices. For manufacturing firms, this involves optimizing production processes, reducing waste, and enhancing resource utilization in ways that lower operational costs and improve efficiency (Owusu et al., 2024). These practices are particularly relevant in the Kenyan manufacturing sector, where firms operate under tight cost constraints and must continuously improve efficiency to remain competitive.

From a CSR perspective, economic responsibility also entails aligning financial objectives with broader stakeholder prospects. Firms are presumed to generate returns for shareholders while simultaneously meeting the needs of employees, customers, and the wider community. This dual focus creates a strategic tension, as investments in CSR—such as environmentally friendly technologies or fair labor practices—may increase short-term costs while potentially generating

long-term economic benefits (Hakimi et al., 2025). Thus, economic responsibility involves making deliberate decisions that balance prompt financial performance with sustainable competitiveness.

In relation to competitive advantage, economic responsibility plays a critical role by enabling firms to uphold cost leadership, operational stability, and market resilience. Efficient resource management and cost control can directly enhance a firm's competitive positioning, particularly in price-sensitive markets such as Kenya's food and beverage manufacturing sector. However, evidence suggests that the benefits of economic responsibility are dependent upon a firm's capabilities and context, as not all firms are able to convert cost competences into sustained competitive advantage (Mendes et al., 2023).

Furthermore, in the Kenyan context, economic responsibility is shaped by structural challenges such as high production costs, fluctuating input prices, and infrastructural constraints. These factors intensify the need for firms to adopt economically responsible practices that enhance efficiency without compromising sustainability. At the same time, the emphasis on affordability in the Kenyan market means that firms must carefully achieve the trade-off between sustaining low prices and investing in CSR initiatives, thereby highlighting the multifaceted relationship between economic responsibility and competitive advantage.

Therefore, in this study, economic responsibility is treated as a critical dimension of CSR that influences competitive advantage through its influence on cost efficiency, resource utilization, and financial sustainability. Its inclusion as a study variable is justified by its central role in shaping how manufacturing firms in Kenya balance profitability with responsible business practices in a competitive and resource-constrained environment.

2.3.2 Economic Responsibility and Competitive Advantage

Internationally, several recent studies strongly support the view that economic responsibility—the obligation of firms to be profitable, efficient, and financially sustainable—forms the foundation of competitive advantage. Carroll (1991) positions economic responsibility at the base of his CSR pyramid, arguing that profitability sustains other CSR activities. Empirical evidence confirms that firms maintaining operational efficiency, cost leadership, and innovation capacity often achieve superior market positioning. For example, Velte (2022) found that European manufacturing firms that integrated cost-efficient production with CSR strategies recorded higher market share growth

and stronger brand loyalty. Similarly, Kim et al. (2023) established that financial resilience through prudent resource utilization and investment in innovative processes enhanced competitive advantage in the global food and beverage sector. These studies suggest that profitability-driven initiatives, such as lean production and energy efficiency, can generate cost savings that are reinvested into brand-building and product differentiation, thereby creating sustainable competitive positioning.

However, other international studies present contradictory or nuanced findings, questioning whether economic responsibility alone guarantees competitive advantage. Li (2025) reported that in Asian manufacturing contexts, cost-cutting measures sometimes compromised product quality and eroded consumer trust, neutralizing competitive gains. Likewise, Peretz (2024) found that while profitability improved short-term performance, its long-term effect on competitive advantage diminished when not complemented by ethical and environmental initiatives. Islam et al. (2023) further observed that firms overly focused on profit maximization risked alienating socially conscious consumers, especially in industries such as food and beverages where health and sustainability concerns are rising. These findings highlight the need to view economic responsibility as part of a balanced CSR strategy rather than as a stand-alone driver of competitiveness.

Regionally, studies in Sub-Saharan Africa provide substantial evidence in favor of the positive role of economic responsibility. Sosola (2024) found that South African agro-processing firms that optimized production efficiency and reduced waste outperformed competitors in terms of product consistency and distribution reach. Similarly, Agyapong (2024) showed that Ghanaian beverage manufacturers with strong financial management systems and cost-control measures experienced improved customer loyalty and brand reputation. Munyurwa (2015) reported that East African manufacturing firms leveraging economic responsibility through local sourcing and supply-chain integration achieved greater operational reliability, which translated into competitive advantage. These findings suggest that in resource-constrained markets, financial discipline and operational efficiency can significantly differentiate firms from their peers.

Nevertheless, regional evidence also reflects opposing perspectives. Demeke and Ravi (2024) found that in Ethiopian food manufacturing firms, economic responsibility initiatives were often

undermined by macroeconomic challenges such as inflation and currency depreciation, limiting their ability to sustain competitive gains. Legese and Jerene (2022) noted that while cost leadership strategies initially improved profitability, the absence of parallel investments in ethical practices and product innovation eroded customer loyalty over time. These findings imply that in volatile African markets, economic responsibility must be complemented by other CSR dimensions to yield enduring competitive benefits.

In Kenya, local evidence underscores both the opportunities and limitations of economic responsibility as a source of competitive advantage. Wamuyu and Kariuki (2023) observed that Kenyan beverage companies implementing process innovations, energy savings, and effective cost management reported enhanced brand equity and customer retention. Ouma et al., (2025) similarly found that dairy processors with robust financial management systems were better positioned to expand market share through consistent product quality and competitive pricing. On the other hand, Mogaka (2024) cautioned that the intense price competition in Kenya's F&B sector means that cost efficiency alone may not secure a sustainable competitive edge unless paired with ethical sourcing, product safety, and brand differentiation initiatives. This study addresses the gap by focusing specifically on the multidimensional CSR framework, isolating the economic responsibility component, and empirically testing its influence on non-financial competitive advantage indicators—product quality, brand image, customer loyalty, and market share—among all 217 registered food and beverage manufacturing firms in Kenya.

The reviewed literature demonstrates that economic responsibility plays an important role in enhancing competitive advantage through operational efficiency, cost management, innovation, and resource optimization. Most international, regional, and local studies support the argument that firms practicing strong economic responsibility achieve improved brand reputation, customer loyalty, and market positioning. However, contradictions exist, as some studies indicate that excessive focus on cost reduction and profitability may compromise product quality and weaken long-term customer trust. Conceptually, many previous studies examined CSR either as a single construct or focused mainly on financial performance outcomes, thereby limiting understanding of how economic responsibility independently influences non-financial indicators of competitive advantage. Contextually, limited studies have focused specifically on Kenya's food and beverage manufacturing sector despite its unique regulatory and competitive environment.

Methodologically, many prior studies relied on case studies, purposive sampling, or narrow sectoral coverage, limiting generalizability. This study addresses these gaps by examining economic responsibility as an independent CSR dimension and assessing its influence on non-financial competitive advantage indicators using a census of all registered food and beverage manufacturing firms in Kenya.

2.3.2 Legal Responsibility and Competitive Advantage

International studies widely agree that legal responsibility—compliance with laws, regulations, and industry standards—is a critical pillar of competitive advantage, particularly in highly regulated sectors such as food and beverages. Carroll (1991) includes legal responsibility as the second layer of his CSR pyramid, emphasizing that adherence to statutory requirements is essential for legitimacy and stakeholder trust. Velte (2022) found that European food manufacturers with strong compliance records not only avoided costly litigation but also built reputations that enhanced customer loyalty and retail partnerships. Similarly, Kim et al. (2023) demonstrated that firms in the global beverage industry that consistently met safety, labeling, and environmental regulations gained preferential treatment from distributors and secured greater market share. These findings suggest that regulatory compliance can serve as a market differentiator, signaling quality and reliability to both consumers and trade partners.

However, other international evidence points to limitations in the compliance–advantage link. Peretz (2024) found that legal compliance alone did not necessarily result in competitive advantage if all industry players met the same standards, reducing its potential as a differentiator. Islam et al. (2023) observed that over-investment in compliance without parallel efforts in innovation or customer engagement sometimes reduced profitability and brand vibrancy. Li (2025) also cautioned that in certain Asian markets, rigid adherence to legal requirements could limit operational flexibility, slowing product innovation and responsiveness to market changes. These perspectives highlight that while legal responsibility is necessary for survival, it may not be sufficient to secure long-term competitive advantage unless coupled with proactive strategic initiatives.

Regionally, proponents of the compliance–advantage relationship emphasize its strategic value in markets with evolving regulatory frameworks. Sosola (2024) reported that South African agro processors who consistently complied with food safety and labor regulations were more successful

in entering premium export markets. Agyapong (2024) found that Ghanaian beverage manufacturers with strong compliance systems attracted foreign partnerships, enhancing their competitive positioning. Munyurwa (2015) observed that in East African manufacturing, firms that met regulatory and certification requirements enjoyed improved brand credibility and market access, particularly in formal retail chains where compliance audits are rigorous. These studies show that legal responsibility can be leveraged as a strategic asset, especially where regulatory standards are linked to market entry barriers.

On the contrary, some regional studies argue that the competitive advantage derived from compliance is often moderated by structural and institutional challenges. Demeke and Ravi (2024) found that in Ethiopian food manufacturing, frequent regulatory changes increased compliance costs without corresponding market benefits. Legese and Jerene (2022) highlighted that in environments with weak enforcement, compliance did not significantly differentiate firms from non-compliant competitors, undermining its strategic value. These findings indicate that in certain African contexts, compliance is more about risk avoidance than a direct driver of market leadership, unless enforcement is strict and consumer awareness is high.

In Kenya, evidence shows that legal responsibility plays a growing role in shaping competitive advantage in the food and beverage manufacturing sector. Wamuyu and Kariuki (2024) found that Kenyan beverage firms adhering to Kenya Bureau of Standards (KEBS) food safety and labeling regulations enjoyed stronger consumer trust and better market access, particularly in formal retail chains. Ouma et al. (2025) reported that dairy processors with compliance certifications such as Hazard Analysis and Critical Control Points (HACCP) and ISO 22000 were able to charge premium prices and expand into regional markets. However, Shidpour and Shidpour (2025) cautioned that in segments where compliance is industry-wide, legal responsibility offers limited differentiation unless supported by ethical, environmental, or product quality enhancements. This study sought to fill the gap by assessing how legal responsibility, as a distinct CSR dimension, influences non-financial competitive advantage indicators—product quality, brand image, customer loyalty, and market share—among Kenya’s 217 food and beverage manufacturing firms.

The reviewed literature indicates that legal responsibility is widely regarded as a critical determinant of competitive advantage, particularly in highly regulated industries such as food and beverage manufacturing. Most international, regional, and local studies agree that compliance with

laws, safety standards, certification requirements, and regulatory frameworks enhances customer trust, market access, operational credibility, and brand reputation. However, contradictory findings also emerge, with some studies arguing that legal compliance alone may not generate sustainable competitive advantage where compliance is mandatory across all firms or where enforcement mechanisms are weak. Conceptually, many studies have treated legal responsibility as part of a broader CSR construct without isolating its independent influence on competitive advantage. Contextually, there remains limited empirical evidence focusing specifically on Kenya's food and beverage manufacturing sector, despite the sector operating under strict food safety and regulatory requirements. Methodologically, several previous studies relied on descriptive surveys, case studies, or small samples that limit generalizability of findings. This study bridges these gaps by examining legal responsibility as a distinct CSR dimension and assessing its influence on non-financial competitive advantage indicators using a census of all registered food and beverage manufacturing firms in Kenya.

2.3.3 Ethical Responsibility and Competitive Advantage

Internationally, numerous studies affirm that ethical responsibility—going beyond legal compliance to act in ways that are fair, just, and morally sound—can significantly enhance competitive advantage. Carroll (1991) identifies ethical responsibility as the third tier of his CSR pyramid, emphasizing its role in shaping stakeholder trust and long-term brand equity. Velte (2022) found that global food manufacturers prioritizing transparency, fair labor practices, and honest marketing achieved greater customer loyalty and stronger brand differentiation. Similarly, Kim et al. (2023) reported that ethical sourcing and environmental stewardship in the beverage industry boosted consumer willingness to pay a premium, especially in markets with high sustainability awareness. These studies collectively suggest that ethical responsibility can serve as a unique value proposition, particularly in industries where credibility and trust are central to purchase decisions.

Despite this positive narrative, some international research presents more cautious or critical views. Li (2025) found that while ethical initiatives such as responsible marketing campaigns improved brand perceptions, they did not always translate into measurable market share gains, especially in highly price-sensitive consumer segments. Peretz (2024) argued that ethical commitments could increase operational costs, potentially reducing short-term profitability if not

balanced with efficiency strategies. Islam et al. (2023) further noted that some firms risk “ethics washing,” where ethical claims are made for image purposes but lack substantive backing, leading to reputational damage when discrepancies are exposed. These findings highlight that ethical responsibility alone is insufficient unless it is credible, well-integrated into strategy, and aligned with consumer priorities.

At the regional level, evidence increasingly supports the competitive benefits of ethical responsibility in Sub-Saharan Africa. Sosola (2024) found that South African agro-processing firms that adopted transparent supply-chain practices and equitable labor policies gained preferential contracts with multinational retailers. Agyapong (2024) reported that Ghanaian beverage manufacturers embracing ethical marketing and community welfare initiatives enjoyed stronger consumer trust and repeat purchase rates. Munyurwa (2015) also observed that East African manufacturers engaging in environmentally responsible operations enhanced their brand image and market standing. These studies suggest that in competitive regional markets, ethical responsibility can distinguish firms through reputational capital and customer loyalty.

Conversely, some regional studies caution against overestimating the direct link between ethical practices and competitive advantage. Demeke and Ravi (2024) found that Ethiopian food manufacturers adopting high ethical standards sometimes faced higher operational costs without commensurate market rewards, especially in low-income consumer segments. Legese and Jerene (2022) argued that in markets with limited consumer awareness of ethical issues, such practices may not significantly influence purchase decisions unless coupled with visible product quality improvements or competitive pricing. These findings imply that the effectiveness of ethical responsibility as a competitive lever depends on market maturity, consumer awareness, and complementary strategic initiatives.

In Kenya, recent evidence points to the growing importance of ethical responsibility in the food and beverage manufacturing sector. Wamuyu and Kariuki (2023) found that Kenyan beverage companies practicing fair sourcing, honest labeling, and responsible marketing experienced higher brand credibility and customer retention. Ouma et al. (2025) reported that dairy processors adopting humane animal welfare practices and transparent supply-chain reporting strengthened customer loyalty and differentiated themselves from competitors. However, Shidpour and Shidpour (2025) noted that in markets where ethical claims are not independently verified,

consumer skepticism can reduce their competitive impact. This study addressed the gap by empirically testing the relationship between ethical responsibility measured through indicators such as fairness, transparency, and responsible marketing and non-financial competitive advantage in all 217 registered food and beverage manufacturing firms in Kenya.

The literature reviewed suggests that ethical responsibility contributes significantly to competitive advantage through enhanced stakeholder trust, customer loyalty, brand credibility, and reputational strength. Most international and regional studies support the argument that firms practicing fairness, transparency, responsible marketing, and environmentally conscious operations are better positioned to achieve long-term customer retention and market differentiation. Nevertheless, some studies report inconsistent findings, indicating that ethical practices may increase operational costs or fail to influence consumer behavior in highly price-sensitive markets. Conceptually, many existing studies focus broadly on CSR without adequately isolating ethical responsibility as an independent construct, thereby limiting understanding of its unique contribution to competitive advantage. Contextually, there is limited evidence within the Kenyan food and beverage manufacturing sector despite growing consumer concerns regarding ethical sourcing, product transparency, and responsible marketing practices. Methodologically, previous studies often relied on cross-sectional designs with limited sector-specific focus and narrow sampling approaches. This study addresses these conceptual, contextual, and methodological gaps by specifically examining ethical responsibility and its influence on non-financial competitive advantage indicators among all registered food and beverage manufacturing firms in Kenya.

2.3.4 Discretionary Responsibility and Competitive Advantage

Internationally, discretionary responsibility also referred to as philanthropic or voluntary responsibility encompasses corporate activities that go beyond economic, legal, and ethical obligations to contribute positively to community welfare. Carroll (1991) identifies this as the top tier of the CSR pyramid, suggesting that while discretionary initiatives are voluntary, they can yield strategic benefits by fostering goodwill and enhancing corporate reputation. Velte (2022) found that global food manufacturers engaging in community development, educational sponsorships, and environmental conservation programs built stronger emotional connections with consumers, leading to brand preference. Similarly, Kim et al. (2023) reported that philanthropic

activities such as disaster relief support and community infrastructure investment improved customer perceptions and provided firms with positive media exposure, which translated into competitive advantage in saturated markets. These studies indicate that voluntary social investments can function as a differentiator, particularly where consumers value socially engaged brands.

However, other international findings challenge the assumption that discretionary responsibility directly leads to competitive advantage. Li (2025) observed that in some multinational food companies, philanthropic initiatives had little effect on customer purchase decisions when consumers perceived them as unrelated to core business operations. Peretz (2024) argued that voluntary CSR activities sometimes divert resources from profit-generating investments, creating opportunity costs without delivering measurable returns. Islam et al. (2023) further highlighted cases of “philanthropy for publicity,” where poorly executed charitable initiatives generated skepticism and even backlash. These critiques suggest that for discretionary responsibility to yield competitive advantage, it must be authentic, strategically aligned, and communicated effectively to stakeholders.

At the regional level, proponents emphasize that discretionary responsibility can enhance brand visibility and stakeholder goodwill in African markets. Sosola (2024) found that South African agro-processors investing in community health and education programs enjoyed increased consumer loyalty and better stakeholder relations. Agyapong (2024) reported that Ghanaian beverage firms that funded local sports and cultural events strengthened community support, which translated into increased market access and consumer preference. Munyurwa (2015) also documented that East African manufacturers that participated in environmental restoration projects gained recognition from both regulators and consumers, improving their competitive positioning. These findings suggest that in markets where communities play a central role in shaping brand reputation, philanthropic activities can be a valuable strategic tool.

On the other hand, some regional evidence indicates that the competitive benefits of discretionary responsibility may be limited or context-dependent. Demeke and Ravi (2024) noted that Ethiopian food manufacturers engaging in charitable donations saw minimal impact on sales performance

when such initiatives were poorly aligned with consumer priorities or lacked visibility. Legese and Jerene (2022) found that in low-income markets, discretionary CSR efforts were often overshadowed by price and product availability considerations, reducing their influence on competitive positioning. These studies suggest that while philanthropy can generate goodwill, its effect on competitive advantage depends on its integration with broader business and CSR strategies.

In the Kenyan manufacturing context, this intervening relationship is particularly important. Firms often operate under substantial cost pressures and resource constraints, which may limit their commitment or ability to engage in discretionary CSR. However, when ethical considerations are rooted in corporate governance and organizational culture, firms may be more inclined to allocate resources toward voluntary CSR initiatives despite these constraints. This connects with evidence that ethical leadership and governance structures enhance the integration of CSR into strategic decision-making processes (Owusu et al., 2024).

In Kenya, discretionary responsibility is gaining prominence in the food and beverage manufacturing sector as firms seek to enhance community engagement and brand reputation. Wamuyu and Kariuki (2023) found that beverage companies supporting local education programs, clean water projects, and health campaigns enjoyed enhanced brand image and stronger community loyalty. Ouma et al. (2025) reported that dairy processors involved in local capacity-building initiatives for farmers strengthened supply-chain relationships and improved product sourcing quality, indirectly boosting competitive advantage. However, Shidpour and Shidpour (2025) cautioned that philanthropic activities without strategic alignment to business objectives risk being perceived as token gestures, limiting their impact on market performance. This study filled the gap by examining how discretionary responsibility—measured through community engagement, charitable contributions, and voluntary social programs—affects non-financial competitive advantage indicators in all 217 registered food and beverage manufacturing firms in Kenya.

The reviewed studies demonstrate that discretionary responsibility, particularly through community engagement, charitable activities, and environmental conservation programs, can strengthen competitive advantage by improving corporate image, stakeholder goodwill, and

customer loyalty. Many international, regional, and local studies support the view that voluntary social initiatives positively influence brand perception and market positioning. However, opposing findings indicate that discretionary responsibility may yield limited competitive benefits where philanthropic initiatives are poorly aligned with business strategy or where consumers prioritize price and product quality over social contributions. Conceptually, previous studies have frequently examined discretionary responsibility within aggregated CSR frameworks, making it difficult to determine its independent effect on competitive advantage. Contextually, there is limited sector-specific evidence on how discretionary responsibility influences competitive advantage in Kenya's food and beverage manufacturing industry, despite increasing stakeholder expectations for community involvement and sustainability initiatives. Methodologically, several earlier studies relied on case studies, purposive sampling, or small populations, thereby limiting the generalizability of findings. This study bridges these gaps by examining discretionary responsibility independently and evaluating its influence on non-financial competitive advantage indicators using a census of all registered food and beverage manufacturing firms in Kenya.

2.4 Research Gaps

The empirical review revealed a conceptual gap in understanding the distinct effects of each CSR dimension: economic, legal, ethical, and discretionary on competitive advantage, particularly in the food and beverage manufacturing sector. Much of the existing literature, both internationally and locally, treats CSR as a composite construct without disaggregating it into its specific responsibilities (Velte, 2022). While some studies show a positive link between CSR and competitive advantage, others report mixed or insignificant effects, with variations attributed to context, industry dynamics, and consumer expectations (Islam et al., 2023). This inconsistency underscores the need for studies that isolate each CSR dimension to determine its independent influence on non-financial competitive advantage indicators such as product quality, brand image, customer loyalty, and market share (Peretz, 2024).

A second conceptual gap concerns the dominance of financial performance metrics in previous research, with limited attention given to non-financial measures of competitive advantage. Studies in Kenya and the wider African region often assess the impact of CSR using profitability, return on assets, or sales growth (Ouma et al., 2025). While these indicators are important, they do not

fully capture intangible elements such as brand equity, market positioning, and customer loyalty, which are especially critical in consumer-driven sectors like food and beverages (Mogaka, 2024). This study responds by employing non-financial indicators, aligning with the growing recognition that competitive advantage in such industries often stems from reputation, trust, and perceived value rather than purely from cost or revenue figures.

The review also identifies a contextual gap relating to the Kenyan food and beverage manufacturing sector. Local studies have explored CSR in relation to sustainability reporting, corporate reputation, and financial performance, but few have examined its link to competitive advantage in this specific industry (Thiga, 2024). The sector operates in a unique regulatory and market environment, with emerging policies such as front-of-pack nutritional labeling, heightened consumer health awareness, and stricter food safety standards. These conditions may alter how CSR activities are perceived by consumers and stakeholders, thereby influencing their effect on competitive positioning (Mogaka, 2024). By focusing on all 217 registered food and beverage manufacturing firms, this study offers a comprehensive, sector-specific analysis that fills this contextual gap.

Another gap arises from the imbalance between global and African evidence. While international literature provides numerous case studies on CSR and competitive advantage, research from Sub-Saharan Africa remains comparatively sparse and often limited in scope (Agyapong, 2024). Where African studies exist, they tend to aggregate data across multiple industries, making it difficult to identify sector-specific drivers of competitive advantage. Moreover, regional studies often overlook the moderating influence of local institutional environments, consumer awareness, and regulatory enforcement (Demeke & Ravi, 2024). This study addresses this gap by focusing exclusively on the Kenyan F&B industry, taking into account its specific regulatory framework, market structure, and stakeholder dynamics.

In the current study, the theoretical, methodological, and contextual gaps are presented in seclusion, which limits their descriptive value. For example, while prior discussion notes inconsistencies in the CSR–competitive advantage relationship, it does not sufficiently connect these inconsistencies to underlying issues such as measurement limitations, contextual inconsistency, or the absence of mediating and moderating mechanisms. Yet, contemporary

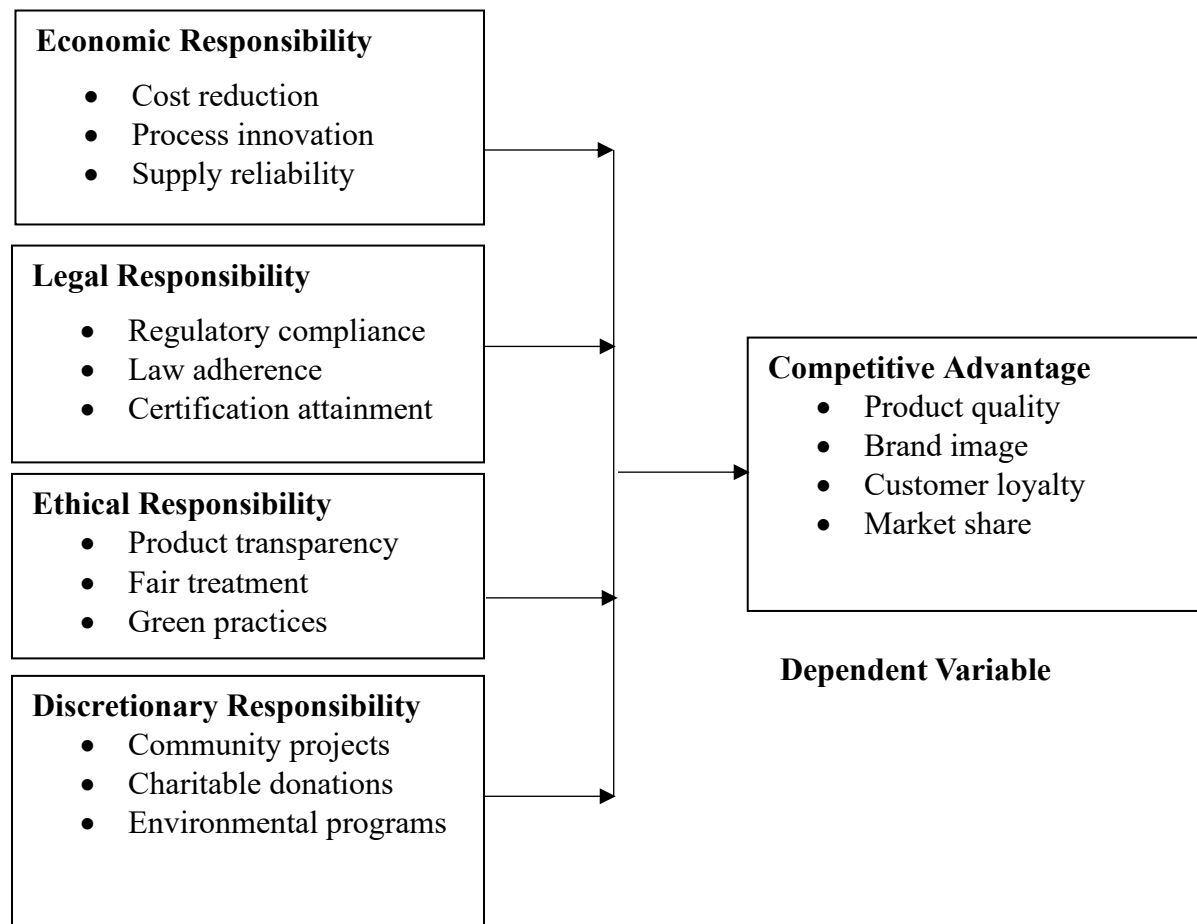
research indicates that the impact of CSR on competitive advantage is highly dependent, shaped by firm capabilities, resource availability, and external institutional conditions (Hakimi et al., 2025; Mendes et al., 2023). Without incorporating these insights, the gap statement risks appearing fragmented adequately than problem-driven.

Finally, the empirical review highlights a methodological gap in prior studies. Many have employed descriptive survey designs with purposive or convenience sampling which limits generalizability (Legese & Jerene, 2022). Furthermore, some studies have relied on self-reported CSR engagement without triangulating with documented policies or industry certification records, raising validity concerns (Munyurwa, 2015). This study overcomes these limitations by adopting a census approach covering all registered firms in the sector, using structured questionnaires targeted at senior managers, and operationalizing CSR through Carroll's four-dimensional model alongside validated non-financial measures of competitive advantage. This methodological approach ensures a comprehensive and reliable analysis, enhancing the robustness of the findings.

2.5 Conceptual Framework

The conceptual framework illustrates the hypothesized relationship between corporate social responsibility measured through its four dimensions of economic, legal, ethical, and discretionary responsibilities—and competitive advantage, assessed using non-financial indicators such as product quality, brand image, customer loyalty, and market share. It provides a visual and explanatory representation of how the independent variable (CSR) is expected to influence the dependent variable (competitive advantage) within the context of Kenya's food and beverage manufacturing sector. This framework was grounded in Carroll's CSR Pyramid Model and the Resource-Based View (RBV) theory, which together explain how socially responsible practices can be transformed into unique resources and capabilities that sustain superior market performance.

Figure 2.1: Conceptual Framework



Independent Variables

Dependent Variable

Source: Author (2026)

Table 2.1: Operationalization of Variables

Variable Type	Variable	Indicators	Measurement	Sources
Independent Variable	Economic Responsibility	• Cost reduction • Process innovation • Supply reliability	Likert scale	Carroll (1991); Velte (2022); Kim, Kim & Qian (2023)
Independent Variable	Legal Responsibility	• Regulatory compliance • Law adherence • Certification attainment	Likert scale	Carroll (1991); Lemana & Meyer (2025); Ouma (2025)
Independent Variable	Ethical Responsibility	• Product transparency • Fair treatment • Green practices	Likert scale	Carroll (1991); Velte (2022); Masila (2024)
Independent Variable	Discretionary Responsibility	• Community projects • Charitable donations • Environmental programs	Likert scale	Carroll (1991); Amankwah & Frimpong (2023); Ouma (2025)
Dependent Variable	Competitive Advantage	• Product quality • Brand image • Customer loyalty • Market share	Likert scale	Porter (1985); Barney (1991); Makori & Juma (2025)

Source: Author (2026)

2.6 Chapter Summary

This chapter reviewed relevant theories, empirical studies, and research gaps on the relationship between corporate social responsibility, captured through its economic, legal, ethical, and discretionary dimensions and competitive advantage in the Kenyan food and beverage manufacturing sector. It highlighted supporting and opposing evidence from international, regional, and local contexts, identified conceptual, contextual, and methodological gaps, and presented the conceptual framework guiding the study. The review establishes a clear foundation for the methodology outlined in the next chapter.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the methodological approach that was used to carry out this study. It outlined research design, target population, sampling methods, data collection procedures, and data analysis techniques to ensure the reliability and validity of the findings.

3.2 Research Philosophy

This study was guided by the positivist research philosophy, which is grounded in the belief that reality is objective, measurable, and independent of the researcher (Saunders et al., 2019). Positivism assumes that social phenomena can be studied in the same systematic and scientific manner as natural sciences, relying on observable and quantifiable data to test hypotheses and explain relationships between variables (Creswell & Creswell, 2018). In line with this philosophy, the current study sought to examine the effect of corporate social responsibility, operationalized into economic, legal, ethical, and discretionary dimensions on competitive advantage using structured, numerical data collected from all registered food and beverage manufacturing firms in Kenya. The emphasis is on identifying patterns, testing relationships, and drawing conclusions that can be generalized to the entire population, which aligns with the core tenets of positivism.

The adoption of positivism was further justified by the study's use of a deductive research approach, where the conceptual framework and hypotheses are developed from existing theories—namely Carroll's CSR Pyramid Model and the Resource-Based View and tested empirically using statistical techniques (Bryman, 2016; Saunders et al., 2019). This approach minimizes researcher bias and enhances the objectivity and reliability of findings, as data was collected using structured questionnaires and analyzed quantitatively through descriptive and inferential statistics. By focusing on measurable indicators such as product quality, brand image, customer loyalty, and market share, the study's methodology aligns with positivist principles, enabling evidence-based conclusions that can inform theory, policy, and managerial practice in the Kenyan food and beverage manufacturing sector.

The adoption of a positivist, cross-sectional research design is justified, given its suitability for quantifying relationships between variables and enabling statistical analysis. Positivism emphasizes objectivity and considerable reality, which may limit the exploration of contextual and subjective dimensions of CSR practices. In addition, the cross-sectional design, which captures data at a single point in time, restricts the ability to establish causality due to temporal ambiguity and the potential for reverse causation between variables (Savitz & Wellenius, 2023). Additionally, such a design does not account for changes in CSR practices or competitive advantage over time, thereby limiting insights into long-term strategic effects and dynamic organizational processes (Baumeister et al., 2025). Consequently, the findings should be interpreted with caution, and it is important for the study to explicitly acknowledge these limitations.

3.3 Research Design

This study adopted a descriptive cross-sectional survey design, which is appropriate for obtaining an understanding of phenomena at a single point in time (Saunders et al., 2019). A descriptive design enables the systematic collection of quantitative data to describe characteristics of variables, measure the prevalence of specific practices, and establish relationships among them without manipulating the study environment (Creswell & Creswell, 2018). In this context, the design allowed the researcher to capture current corporate social responsibility practices, economic, legal, ethical, and discretionary and assess their influence on competitive advantage across all registered food and beverage manufacturing firms in Kenya. Given that CSR practices and competitive outcomes were influenced by prevailing market and regulatory conditions, a cross-sectional approach was ideal for documenting these dynamics as they exist during the study period.

The choice of a cross-sectional survey was further justified by its suitability for collecting data from a large population within a limited time frame and at reasonable cost (Bryman, 2016; Saunders et al., 2019). This design enabled the use of structured questionnaires to gather standardized information from respondents, enhancing comparability and enabling statistical analysis to test hypotheses derived from Carroll's CSR Pyramid Model and the Resource-Based View theory. By employing this design, the study identified patterns, correlations, and differences in CSR practices and their impact on competitive advantage without requiring longitudinal tracking, thus ensuring timely and policy-relevant insights for industry stakeholders.

The cross-sectional research design employed in this study may not establish causality, as it involves the simultaneous measurement of corporate social responsibility practices and competitive advantage, thereby creating temporal ambiguity and limiting the ability to determine the direction of influence between variables (Savitz & Wellenius, 2023; Baumeister et al., 2025). Nevertheless, several strategies are adopted to mitigate this limitation. First, the study is supported in established theoretical frameworks, such as stakeholder theory and resource-based view theory, which provide a logical basis for hypothesizing causal relationships between CSR and competitive advantage. Second, the use of inferential statistical techniques, including multiple regression analysis, enables the examination of the strength and direction of relationships among variables, thereby enhancing the Intensity of the findings. Third, the study incorporates control variables, such as firm size and market characteristics, to reduce the risk of spurious relationships. Despite these measures, the findings are interpreted with caution, recognizing that the results indicate associations rather than definitive causal linkages. Future research is therefore recommended to employ longitudinal or experimental designs to better establish causal relationships and capture dynamic changes over time.

Endogeneity arises when explanatory variables are correlated with the error term, often due to omitted variables, measurement error, or simultaneous causality, thereby biasing regression estimates. In this context, while the study assumes that CSR enhances competitive advantage, it is probable that firms with greater competitive positions have greater resources and incentives to engage in CSR activities, resulting in reverse causality. This concern is particularly significant in cross-sectional designs, where variables are measured at a single point in time, limiting the ability to establish temporal precedence and causal direction (Savitz & Wellenius, 2023). Although the study partially mitigates this limitation through theoretical grounding and the inclusion of control variables in regression analysis, such methods cannot fully resolve endogeneity. Consequently, the findings should be interpreted as evidence of association rather than causation. Future research is therefore encouraged to employ more robust analytical approaches, such as longitudinal data, instrumental variable techniques, or structural equation modeling, to better account for reverse causality and unobserved heterogeneity.

3.4 Target Population

The target population of this study comprised all 217 food and beverage manufacturing firms registered with the Kenya Association of Manufacturers (KAM, 2025). Since the population was finite, accessible, and manageable, the study adopted a census approach at the firm level to ensure comprehensive sectoral coverage and minimize sampling error, thereby enhancing the external validity and generalizability of the findings (Saunders et al., 2019; Cooper & Schindler, 2014).

Although membership in KAM is voluntary, the association provides one of the most organized, accessible, and industry-recognized databases of formal manufacturing firms in Kenya. Firms registered with KAM are typically formally established manufacturers operating within the regulatory and competitive framework of the Kenyan manufacturing sector and are therefore more likely to have structured corporate social responsibility policies and competitive strategies relevant to this study. The use of KAM-registered firms was further justified because the association categorizes firms according to manufacturing sub-sectors, thereby enabling clear identification of food and beverage manufacturers and enhancing the reliability and accessibility of the sampling frame. Consequently, the study focused on formally registered and organized firms within the sector, excluding informal and semi-formal enterprises that may not have established CSR structures or documented competitive strategies relevant to the objectives of the study.

3.5 Sample Size and Sampling Design

These respondents were selected purposively from functional areas considered most knowledgeable about CSR practices and competitive positioning within the organization. Specifically, respondents were drawn from senior management (Chief Executive Officer or Managing Director), marketing or corporate affairs (Head of Marketing or Head of Corporate Affairs/CSR), and quality assurance or compliance functions (Quality Assurance or Compliance Manager). The use of multiple respondents was justified because CSR activities cut across strategic, operational, compliance, and stakeholder engagement functions within organizations. Engaging respondents from different departments therefore enabled the study to capture diverse organizational perspectives while reducing reliance on a single informant, thereby enhancing the validity and reliability of the data collected (Saunders et al., 2019; Creswell & Creswell, 2018).

In addition to the census approach, the study employed purposive sampling to select respondents within each firm. Purposive sampling was considered appropriate because the study sought information from respondents who possessed specialized knowledge and direct involvement in corporate social responsibility activities and competitive strategy within their organizations. Accordingly, three respondents were selected from each firm: senior management (Chief Executive Officer or Managing Director), marketing or corporate affairs/CSR (Head of Marketing or Head of Corporate Affairs/CSR), and quality assurance or compliance functions (Quality Assurance or Compliance Manager). These positions were deliberately selected because they are directly involved in strategic decision-making, stakeholder engagement, regulatory compliance, quality management, and CSR implementation within the organization.

The use of a census approach continues to be justified as it sought to include all food and beverage manufacturing firms in Kenya, thereby minimizing sampling error and enhancing potential generalizability. However, nonresponse bias remains a prospective limitation, as differences between respondents and nonrespondents may affect the representativeness of the findings (Felderer, 2024). Notably, lower response rates increase the risk of participation bias, particularly when respondents systematically differ from nonrespondents (Elston, 2021). To mitigate this risk, the study may employ strategies such as follow-up reminders, comparison of early and late respondents, and statistical alterations to assess and minimize nonresponse bias. Consequently, despite the less than complete response rate, the census approach still provides sufficiently robust data for examining the relationship between corporate social responsibility and competitive advantage, provided that the limitations are explicitly recognized.

This approach ensured that the information gathered reflected not only strategic management perspectives but also operational and compliance-related insights, providing a more holistic representation of CSR engagement and its relationship with competitive advantage. By triangulating responses within organizations, the study minimized common method bias, improved construct validity, and strengthened the robustness of findings across the food and beverage manufacturing sector in Kenya.

The use of three respondents per firm was justified by the multidimensional nature of corporate social responsibility, which cuts across strategic, operational, compliance, and stakeholder management functions. Relying on a single respondent could have introduced key informant bias

and limited the depth and reliability of the information collected. By obtaining data from multiple functional areas within each firm, the study enhanced construct validity, reduced common method bias, and ensured a more comprehensive assessment of CSR practices and competitive advantage. Based on this approach, the total sample size for the study was 651 respondents, derived from three respondents across each of the 217 firms.

3.6 Data Collection Methods

The study relied on primary data, which was collected using a structured questionnaire. A structured questionnaire is appropriate for collecting standardized and quantifiable data from a large population, particularly where the objective is to test relationships among variables using statistical techniques (Saunders et al., 2019; Creswell & Creswell, 2018). The instrument was designed to capture data on the four dimensions of corporate social responsibility, namely economic, legal, ethical, and discretionary responsibilities, as well as the dependent variable, competitive advantage. Each construct was operationalized using multiple items measured on a five-point Likert scale ranging from 1 = strongly disagree to 5 = strongly agree. Specifically, each of the five study variables was measured using eight statements, allowing for a comprehensive assessment of each construct and enhancing measurement reliability. The use of Likert-scale items enabled the quantification of respondents' perceptions, thereby facilitating subsequent statistical analysis using descriptive and inferential techniques (Bryman, 2016; Kothari, 2004).

The use of a structured questionnaire was further justified by the need to ensure uniformity and consistency in data collection across all firms included in the study. By presenting identical questions in a fixed sequence, the instrument minimized variations that could arise from differences in administration, thereby enhancing the reliability and comparability of responses. In addition, structured questionnaires are effective in studies involving clearly defined variables and hypotheses, as they allow for efficient coding, analysis, and interpretation of data (Saunders et al., 2019).

To ensure data quality, the questionnaire was administered directly to the targeted respondents through controlled distribution channels, accompanied by clear and comprehensive instructions to guide completion. This approach minimized the risk of response bias and enhanced the reliability

of responses, thereby ensuring that the data collected accurately reflected the perspectives of the intended respondents.

Social desirability bias is a recognized challenge in survey-based research, as respondents may keep answers that align with socially acceptable norms rather than actual practices (Weerasinghe et al., 2025). However, the use of structured questionnaires is justified because they simplify standardized data collection, ensuring consistency, comparability, and reliability across respondents while enabling efficient analysis of large samples (Koo & Yang, 2025; Sharma & Ruikar, 2025). In addition, Likert scales are widely known as valid and reliable instruments for measuring attitudes, perceptions, and opinions, allowing researchers to transform subjective constructs into quantifiable data suitable for statistical analysis (Kusmaryono et al., 2022; Koo & Yang, 2025). Furthermore, Likert-scale instruments have demonstrated strong reliability when appropriate psychometric techniques are applied, including the use of ordinal reliability coefficients to improve measurement accuracy (Park, 2024). To mitigate the risk of social desirability bias, the study safeguards respondent anonymity, uses neutral and non-leading questions, and applies validated scales, which have been shown to reduce biased responses and enhance data quality. Consequently, despite the inherent limitations of self-reported data, structured questionnaires and Likert scales continue to be appropriate and robust tools for examining the influence of corporate social responsibility on competitive advantage.

3.7 Research Quality

Ensuring data quality is fundamental to the credibility of research findings, as it directly effects both validity and reliability. High-quality data are characterized by accuracy, consistency, and completeness, which enable meaningful analysis and trustworthy conclusions (Ehrlinger & Wöß, 2022). In survey-based research, data quality is enhanced through standardized data collection procedures, the use of reliable measurement instruments, and systematic quality checks to reduce bias and error (Bernardi et al., 2023). Moreover, reliability ensures consistency in measurement, while validity ensures that the research instruments accurately capture the intended constructs, both of which are indispensable for producing credible and generalizable results (Ahmed & Ishtiaq, 2021). Consequently, rigorous attention to data quality strengthens the overall integrity and scientific rigor of the study.

3.7.1 Reliability

Reliability was assessed using Cronbach's alpha coefficient, which measures the internal consistency of questionnaire items and the extent to which they collectively capture the same underlying construct (Tavakol & Dennick, 2011). A Cronbach's alpha value of 0.7 or higher was considered acceptable, indicating that the items used to measure each dimension of corporate social responsibility and competitive advantage were sufficiently reliable (Saunders et al., 2019). This threshold is widely adopted in social science research as a benchmark for establishing the consistency of measurement scales.

The reliability test was conducted using pilot data, and the results are presented in Table 3.1. Items that significantly lowered the Cronbach's alpha coefficient were reviewed and either revised or removed to improve the internal consistency of the instrument. This process ensured that the final questionnaire items used in the main study were reliable and capable of producing consistent results.

Table 3.1: Cronbach Results

Variables	Items	Cronbach Alpha	Remark
Economic responsibility	8	.824	Reliable
Legal responsibility	8	.881	Reliable
Ethical responsibility	8	.798	Reliable
Discretionary responsibility	8	.916	Reliable
Competitive advantage	8	.962	Reliable

3.7.2 Validity

Three types of validity were assessed to ensure the accuracy and appropriateness of the data collection instrument. Content validity was established through expert review, where the questionnaire was evaluated by a panel of five experts comprising three academic researchers in the field of finance and strategic management and two industry practitioners drawn from the food and beverage manufacturing sector. The academic experts were identified based on their publication record and teaching experience in corporate social responsibility and performance-related studies, while the practitioners were selected based on their managerial roles in CSR or compliance functions within their organizations. The experts assessed the questionnaire for clarity,

relevance, and adequacy of coverage of all study variables, and their feedback was used to refine and improve the instrument (Creswell & Creswell, 2018).

Construct validity was ensured by grounding the development of the questionnaire items in established theoretical frameworks, namely Carroll's CSR Pyramid Model and the Resource-Based View theory. Specifically, each dimension of CSR (economic, legal, ethical, and discretionary responsibilities) was operationalized using indicators derived from Carroll's model, while competitive advantage was measured using indicators aligned with the Resource-Based View, such as product quality, brand strength, customer loyalty, and market positioning. This alignment ensured that the questionnaire items accurately reflected the theoretical constructs being measured and enhanced the instrument's conceptual soundness (Bryman, 2016).

Face validity was assessed during the pilot study, where respondents were requested to evaluate whether the questionnaire items were clear, understandable, and relevant to the study objectives. Feedback obtained from the pilot respondents led to minor adjustments in wording and structure to improve clarity and ease of interpretation. These combined procedures ensured that the instrument was both theoretically grounded and practically applicable for data collection (Saunders et al., 2019).

To ensure the quality of data collected, a pilot study was conducted before the main survey. The pilot involved approximately 10% of the target firms, selected to represent different sub-sectors of the food and beverage manufacturing industry in Kenya. According to Saunders et al. (2019), pilot is essential for identifying ambiguities, testing question flow, and evaluating the time required for completion. Feedback from the pilot was used to refine question wording, adjust the sequence of items, and improve layout to enhance respondent comprehension. Conducting a pilot also allowed for preliminary assessment of the instrument's reliability and validity, ensuring that it accurately measured the intended constructs (Creswell & Creswell, 2018; Bryman, 2016).

3.8 Data Analysis Methods

Data analysis in this study followed a systematic process involving data preparation, descriptive analysis, and inferential statistical testing. Initially, the collected data were cleaned, coded, and organized to safeguard accuracy and readiness for analysis, as data preparation is essential for improving reliability and minimizing errors (Sharifnia et al., 2025). Descriptive statistics,

including frequencies, means, and standard deviations, were used to summarize the key characteristics of the data. Subsequently, inferential statistical techniques, such as regression analysis and hypothesis testing, were applied to examine relationships between variables and test the study hypotheses (Rajić, 2026; Zlokovich et al., 2023). These analytical methods enabled the study to draw significant conclusions and establish statistically significant associations between corporate social responsibility and competitive advantage

Data analysis involved both descriptive and inferential statistical techniques to address the research objectives. Descriptive statistics including means, standard deviations, frequencies, and percentages will be used to summarize the characteristics of the respondents and to present patterns of responses for each variable (Saunders et al., 2019; Creswell & Creswell, 2018). This provided an overview of the extent to which economic, legal, ethical, and discretionary responsibilities are practiced across the sampled food and beverage manufacturing firms. Tables and charts were employed to enhance clarity and facilitate interpretation of the results.

Inferential statistics were used to test the study research questions and determine the nature and strength of relationships between the independent and dependent variables. Pearson's correlation analysis was conducted to assess the degree of association between CSR dimensions and competitive advantage (Field, 2024). Multiple linear regression analysis was then used to determine the predictive power of each CSR dimension on competitive advantage while controlling for the influence of the other dimensions. This method was suitable because it quantified the individual and collective effects of the independent variables on the dependent variable, aligning with the study's positivist and explanatory approach (Bryman, 2016; Kothari, 2004).

The general regression model for the study was specified as:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon \dots \dots \dots \text{Equation 1}$$

Y =Competitive advantage

B₀ = Constant

β₁, β₂, β₃, β₄ = regression coefficients

X_1 –Economic CSR

X_2 -Legal CSR

X_3 -Ethical CSR

X_4 - Discretionary CSR

ε –Error Term

This model enabled the study to determine the relative contribution of each CSR dimension to competitive advantage among food and beverage manufacturing firms in Kenya.

3.9 Diagnostic Tests

Throughout the data analysis process, five diagnostic tests were conducted to ensure that the assumptions of regression modeling were satisfied and to validate the reliability of the results. Where violations were detected, corrective measures such as variable transformation or the use of robust estimation techniques were applied (Field, 2018; Gujarati & Porter, 2020). The five diagnostic tests are:

3.9.1 Normality

Normality assumption was assessed to determine whether the residuals from the regression model are normally distributed, as required for valid inference in parametric statistical tests (Field, 2018). This was evaluated statistical tests such as the Shapiro–Wilk test. If residuals deviated significantly from normality, data transformation techniques or bootstrapping methods were applied to address the violation (Gujarati & Porter, 2020).

3.9.2 Multicollinearity

Multicollinearity was tested to ensure that the independent variables were not highly correlated, as this can inflate standard errors and distort coefficient estimates (Sarstedt et al., 2019). The Variance Inflation Factor (VIF) and tolerance values were computed, with VIF values above 10 and tolerance values below 0.1 indicating problematic multicollinearity. In such cases, remedial

measures such as removing redundant variables or combining correlated indicators was considered (Gujarati & Porter, 2020).

3.9.3 Heteroskedasticity

The assumption of homoscedasticity, constant variance of residuals was examined using statistical tests such as the Breusch–Pagan test (Field, 2018). If heteroskedasticity was detected, corrective measures such as applying robust standard errors or transforming the dependent variable was implemented to ensure unbiased and efficient parameter estimates (Wooldridge, 2020).

3.9.4 Linearity

Linearity was examined to confirm that the relationship between the independent variables and the dependent variable was linear, as assumed in regression analysis (Field, 2018). Scatterplots of observed versus predicted values and the Ramsey RESET test were used to assess this assumption. Where non-linearity was detected, appropriate variable transformation or polynomial regression techniques was applied.

3.10 Ethical Considerations

The study adhered to the highest ethical standards to ensure integrity, credibility, and the protection of participants throughout the research process. Formal ethical clearance was sought from the Strathmore University Ethics Review Board, and permission to collect data was obtained from the National Commission for Science, Technology and Innovation (NACOSTI) prior to the commencement of fieldwork. Informed consent was obtained from all respondents after explaining the study's objectives, procedures, potential risks, and their right to withdraw at any stage without consequences (Saunders et al., 2019). Participation was entirely voluntary, and no form of coercion or undue influence was applied.

The study ensured confidentiality and anonymity by avoiding the inclusion of any personally identifiable information in the reporting of results. Responses were aggregated, and all collected data was securely stored in password-protected files, accessible only to the researcher. The information gathered was used solely for academic purposes. The research also maintained honesty and transparency in data collection, analysis, and reporting, avoiding any form of fabrication,

falsification, or misrepresentation (Creswell & Creswell, 2018; Bryman, 2016). By adhering to these ethical principles and complying with applicable legal and professional guidelines in Kenya, the study upheld both academic rigor and respect for participants' rights and welfare.

3.11 Chapter Summary

This chapter has outlined the methodology employed in examining the effect of corporate social responsibility on competitive advantage among food and beverage manufacturing firms in Kenya. It described the study's positivist research philosophy, descriptive cross-sectional survey design, and census approach targeting all 217 registered firms. The chapter detailed the data collection method using a structured questionnaire, the procedures for ensuring research quality through piloting, and the assessment of reliability and validity. It also presented analytical techniques, including descriptive statistics, correlation analysis, and multiple regression, alongside diagnostic tests for normality, multicollinearity, and heteroskedasticity. Ethical considerations were addressed, with commitment to the highest ethical standards, formal clearance from the Strathmore University Ethics Review Board, and research authorization from NACOSTI. The next chapter presents the results and analysis based on the methods described herein.

CHAPTER FOUR: DATA ANALYSIS AND FINDINGS

4.1 Introduction

This chapter presents the analysis and interpretation of data collected to examine the influence of corporate social responsibility on competitive advantage among food and beverage manufacturing firms in Kenya. Specifically, it covers descriptive statistics, diagnostic test results, correlation analysis, and multiple regression analysis in line with the study objectives.

4.2 Response Rate

A response rate refers to the proportion of questionnaires that are completed and returned for analysis out of the total number distributed. It is an important consideration in survey-based research because it provides an indication of the adequacy of the data collected and the extent to which the sample represents the target population (Saunders et al., 2019). In addition, response rates are often used to assess the potential for non-response bias, where low participation may affect the reliability of study findings (Creswell & Creswell, 2018).

In this study, a total of 651 questionnaires were distributed to respondents drawn from food and beverage manufacturing firms in Kenya, out of which 422 were successfully completed and returned, representing a response rate of 64.8 percent. The remaining 229 questionnaires, equivalent to 35.2 percent, were not returned. According to Saunders et al. (2019) and Creswell and Creswell (2018), response rates above 50 percent are generally considered acceptable for quantitative analysis, particularly in studies involving organizational respondents. Similarly, Kothari (2004) notes that a response rate exceeding 60 percent is adequate for drawing meaningful statistical inferences in survey research.

The achieved response rate of 64.8 percent was therefore considered sufficient to support subsequent descriptive and inferential statistical analysis. While non-response cannot be entirely ruled out, the number of usable responses obtained provided an adequate basis for examining the relationships among the study variables. Consequently, the dataset was deemed appropriate for addressing the study objectives and testing the hypothesized relationships between corporate social responsibility dimensions and competitive advantage among food and beverage manufacturing firms in Kenya.

4.3 Firm Profile

This section presents the characteristics of the firms involved in the study to provide contextual information for interpreting the findings. Consistent with the unit of analysis, which was the firm, the section focuses on firm-level attributes. Specifically, the section presents the distribution of firms based on their years of operation within the food and beverage manufacturing sector in Kenya.

4.3.1 Firm's Years of Operation

The distribution of firms based on their years of operation showed that half of the firms (50 percent) had been in operation for more than 20 years. This was followed by firms that had operated for 11–20 years (26 percent) and those that had been in existence for 5–10 years (16 percent), while only 8 percent of the firms had been in operation for less than 5 years.

These findings indicate that the majority of the sampled firms were well-established organizations with relatively long operational histories. This suggests that the responses obtained in the study were largely drawn from firms with substantial experience in the food and beverage manufacturing sector in Kenya.

In addition, years of operation—or firm age—introduce another important dimension of heterogeneity. More established firms are likely to have institutionalized CSR practices, accumulated reputational capital, and stronger stakeholder relationships, enabling them to leverage CSR more effectively as a strategic resource. In contrast, younger firms may still be developing their CSR capabilities and may adopt CSR primarily as a signalling mechanism to build legitimacy rather than as a fully integrated strategic function. The influence of CSR on competitive advantage may therefore vary across different stages of firm life cycles, with mature firms potentially deriving greater and more stable benefits.

4.3.2 Firm's Sub-Sector

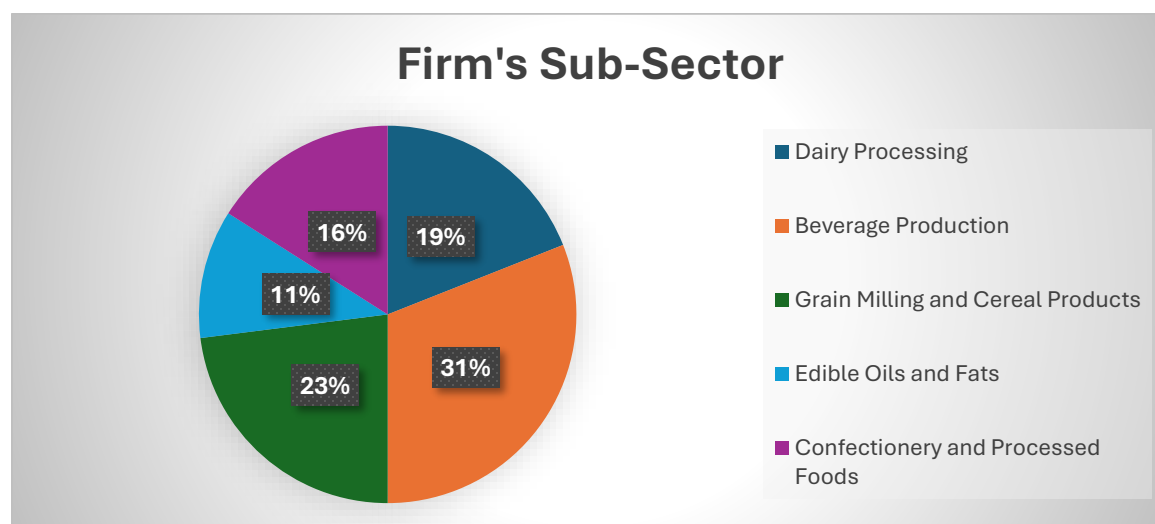
The distribution of firms across different sub-sectors within the food and beverage manufacturing industry showed that beverage production constituted the largest proportion of the sampled firms at 31 percent. This was followed by grain milling and cereal products at 23 percent and dairy

processing at 19 percent. Confectionery and processed foods accounted for 16 percent of the firms, while edible oils and fats represented the smallest share at 11 percent.

These findings indicate that the sampled firms were drawn from multiple sub-sectors within the food and beverage manufacturing industry in Kenya, with varying levels of representation across categories.

Heterogeneity across sub-sectors within the food and beverage manufacturing industry plays a critical role in shaping CSR effectiveness. Different sub-sectors face varying levels of regulatory pressure, stakeholder expectations, and market dynamics, all of which influence how CSR practices are implemented and perceived. For example, firms operating in consumer-facing segments, such as food and beverage production, may experience stronger positive effects from CSR due to heightened consumer awareness of ethical, environmental, and health-related issues. Conversely, firms in less visible industrial segments may receive fewer stakeholder rewards for CSR engagement, reducing its impact on competitive advantage. The aggregation of all sub-sectors into a single analytical framework may therefore mask important differences in how CSR contributes to firm performance.

Figure 4.1: Firm's Sub-Sector



Source: Author (2026)

4.4 Descriptive Analysis of Study Variables

This section presents the descriptive analysis of the study variables to provide an overview of the patterns, central tendencies, and variability of responses on corporate social responsibility dimensions and competitive advantage. Specifically, it summarizes the mean scores and standard deviations for economic, legal, ethical, and discretionary responsibilities as well as competitive advantage indicators, thereby offering a foundational understanding of the extent to which these practices are adopted among food and beverage manufacturing firms in Kenya. The data was obtained from Likert Scale questionnaire given to respondents.

4.4.1 Economic Responsibility

Table 4.1 presents the descriptive statistics for economic responsibility, which captures the extent to which food and beverage manufacturing firms in Kenya emphasize cost efficiency, operational effectiveness, innovation, and supply chain management as part of their corporate social responsibility practices.

Table 4.1: Descriptive Statistics for Economic Responsibility

Statements	N	Mean	Std. Dev
Operational efficiency is a key priority in our production processes.	422	3.74	0.59
The firm achieves cost leadership in its product category.	422	3.68	0.69
Our firm actively implements strategies to reduce production costs without compromising quality.	422	3.64	0.76
We continuously evaluate suppliers for cost and quality effectiveness.	422	3.36	0.96
The company invests in modern technology to enhance production efficiency.	422	3.28	0.93
Our supply chain is managed to ensure timely delivery of inputs.	422	3.12	0.96
Cost savings are reinvested to improve customer value.	422	2.98	0.95
We allocate resources regularly to product and process innovation.	422	2.82	0.70
Overall	422	3.33	0.57

Source: Author (2026)

The table reports the mean scores and standard deviations for eight statements measured on a five-point Likert scale, based on responses from 422 participants. The overall mean score for economic responsibility was 3.33 with a standard deviation of 0.57, indicating a moderate to relatively high

level of adoption of economically responsible practices across the sampled firms. This suggests that, on average, firms in the sector recognize the importance of economic responsibility as a foundational component of sustainable business operations.

The results, arranged from the highest to the lowest mean score, show that operational efficiency is the most emphasized aspect of economic responsibility among the firms. Specifically, the statement that operational efficiency is a key priority in production processes recorded the highest mean score of 3.74 with a standard deviation of 0.59, indicating strong agreement and consistency across respondents. Similarly, firms reported achieving cost leadership in their product category (mean = 3.68, standard deviation = 0.69) and actively implementing strategies to reduce production costs without compromising quality (mean = 3.64, standard deviation = 0.76). These findings suggest that firms place significant emphasis on efficiency-driven strategies aimed at enhancing competitiveness and maintaining product standards.

Further, continuous evaluation of suppliers for cost and quality effectiveness recorded a mean score of 3.36 with a standard deviation of 0.96, while investment in modern technology to enhance production efficiency had a mean of 3.28 and a standard deviation of 0.93. These results indicate moderate adoption of supplier management and technological advancement practices, although with some variability across firms.

Lower emphasis was observed in supply chain management and strategic reinvestment practices. Managing supply chains to ensure timely delivery of inputs recorded a mean score of 3.12 with a standard deviation of 0.96, while reinvesting cost savings to improve customer value had a mean of 2.98 and a relatively high standard deviation of 0.95, indicating notable variation in implementation.

The least emphasized aspect of economic responsibility was the allocation of resources to product and process innovation, which recorded the lowest mean score of 2.82 with a standard deviation of 0.70. This suggests that investment in innovation remains relatively underdeveloped compared to other economic responsibility practices.

Overall, the findings indicate that economic responsibility among food and beverage manufacturing firms in Kenya is moderately institutionalized, with a stronger focus on operational

efficiency and cost leadership, and comparatively weaker emphasis on innovation and strategic reinvestment. This pattern highlights the need for firms to balance efficiency-oriented practices with long-term value creation strategies to enhance sustainable competitive advantage.

4.4.2 Legal Responsibility

Table 4.2 presents the descriptive statistics for legal responsibility, which assesses the extent to which food and beverage manufacturing firms in Kenya comply with statutory requirements, regulatory standards, and industry certifications. The results are based on responses from 422 participants and are reported using mean scores and standard deviations for eight key indicators of legal responsibility. The overall mean score of 4.12 with a standard deviation of 0.49 indicates a high level of adherence to legal and regulatory obligations across the sector. This suggests that legal compliance is a strongly institutionalized practice among the sampled firms, reflecting the highly regulated nature of the food and beverage manufacturing industry.

Table 4.2: Descriptive Statistics for Legal Responsibility

Statements	N	Mean	Std. Dev
Regulatory compliance is monitored regularly by a dedicated team.	422	4.58	0.65
The firm has no recent record of regulatory violations.	422	4.53	0.50
We maintain valid industry certifications such as HACCP or ISO 22000.	422	4.41	0.71
Environmental regulations are followed without exception.	422	4.36	0.84
New legal requirements are integrated into operations promptly.	422	4.02	0.84
We adhere strictly to KEBS labeling requirements.	422	3.85	1.12
Labor laws are fully implemented in our organization.	422	3.81	0.78
Our firm complies fully with all applicable food safety regulations.	422	3.42	0.75
Overall Mean Score	422	4.12	0.49

Source: Author (2026)

Arranged from the highest to the lowest mean score, the findings indicate that regulatory compliance is most strongly embedded in formal monitoring systems. Specifically, the statement that regulatory compliance is monitored regularly by a dedicated team recorded the highest mean score of 4.58 with a standard deviation of 0.65, suggesting that most firms have structured

mechanisms in place to oversee compliance activities. Similarly, the absence of recent regulatory violations recorded a high mean score of 4.53 with a standard deviation of 0.50, indicating that firms largely operate within established legal frameworks and experience minimal compliance-related infractions.

Maintaining valid industry certifications such as HACCP or ISO 22000 also recorded a high mean score of 4.41 with a standard deviation of 0.71, while adherence to environmental regulations followed closely with a mean of 4.36 and a standard deviation of 0.84. These findings demonstrate that firms place significant emphasis on quality assurance, environmental compliance, and adherence to internationally recognized standards, which are critical requirements in the food and beverage manufacturing sector.

Moderately high scores were observed in the integration of new legal requirements and adherence to labeling and labor regulations. The prompt integration of new legal requirements into operations recorded a mean score of 4.02 with a standard deviation of 0.84, indicating that firms are generally responsive to regulatory changes. Adherence to KEBS labeling requirements and compliance with labor laws recorded mean scores of 3.85 and 3.81 respectively. However, the relatively higher standard deviation for labeling requirements (1.12) suggests some variability in how firms implement these standards.

The lowest mean score was observed in full compliance with all applicable food safety regulations, which recorded a mean of 3.42 with a standard deviation of 0.75. While this still reflects moderate agreement, it indicates that some firms may face challenges in consistently meeting all food safety standards.

Overall, the results suggest that legal responsibility is a well-established practice among food and beverage manufacturing firms in Kenya, supported by structured compliance systems, certification frameworks, and monitoring mechanisms. The implication is that regulatory adherence provides a stable operational foundation, enhances firm legitimacy, and strengthens stakeholder trust, thereby contributing positively to competitive positioning in the sector.

4.4.3 Ethical Responsibility

Table 4.3 presents the descriptive statistics for ethical responsibility, which measures the extent to which food and beverage manufacturing firms in Kenya uphold fairness, transparency, integrity, and moral standards in their business operations. The results are based on responses from 422 participants and are summarized using mean scores and standard deviations across eight ethical practice indicators. The overall mean score of 3.16 with a standard deviation of 0.54 indicates a moderate level of ethical responsibility adoption within the sector. This suggests that while ethical considerations are present in firm operations, they are not as strongly institutionalized as legal compliance practices.

Table 4.3: Descriptive Statistics for Ethical Responsibility

Statements	N	Mean	Std. Dev
Stakeholder engagement is conducted with integrity and openness.	422	3.95	0.93
Employees are treated fairly and with respect.	422	3.81	1.03
The company prioritizes consumer safety beyond legal requirements.	422	3.30	0.97
Ethical practices are embedded in decision-making processes.	422	3.21	0.85
Our operations incorporate environmentally friendly production methods.	422	3.16	0.91
Product information provided to customers is accurate and transparent.	422	2.88	0.86
Marketing practices are honest and not misleading.	422	2.60	0.92
The firm upholds fair payment practices for suppliers.	422	2.40	0.93
Overall	422	3.16	0.54

Source: Author (2026)

The findings show that stakeholder engagement conducted with integrity and openness returned the highest mean score of 3.95 with a standard deviation of 0.93, indicating that firms place significant emphasis on maintaining transparent and trust-based relationships with external stakeholders. Similarly, treating employees fairly and with respect recorded a high mean score of 3.81 with a standard deviation of 1.03, suggesting that internal ethical conduct related to workforce management is well emphasized among most firms.

Moderately high scores were also observed in consumer protection and ethical decision-making practices. Prioritizing consumer safety beyond legal requirements recorded a mean score of 3.30

with a standard deviation of 0.97, while embedding ethical practices into decision-making processes recorded a mean of 3.21 with a standard deviation of 0.85. Additionally, the incorporation of environmentally friendly production methods recorded a mean score of 3.16 with a standard deviation of 0.91. These results suggest that firms demonstrate a moderate commitment to ethical practices related to sustainability, governance, and consumer welfare.

Lower mean scores were observed in areas related to transparency in product information and marketing practices. Product information transparency recorded a mean score of 2.88 with a standard deviation of 0.86, while honest and non-misleading marketing practices recorded a mean of 2.60 with a standard deviation of 0.92. These findings indicate that ethical challenges persist in market-facing communication practices, with notable variability across firms.

The lowest mean score was observed in fair payment practices for suppliers, which recorded a mean of 2.40 with a standard deviation of 0.93. This suggests that ethical concerns are most pronounced in supplier relationships, highlighting potential inconsistencies in value chain fairness.

Overall, the findings indicate that ethical responsibility among food and beverage manufacturing firms in Kenya is unevenly implemented, with stronger emphasis on internal stakeholder relations and relational ethics, and comparatively weaker performance in external ethical commitments such as supplier relations and marketing transparency. This pattern underscores the need for firms to strengthen ethical governance frameworks and ensure consistency in ethical standards across all operational and market-facing activities to enhance stakeholder trust and long-term competitive advantage.

4.4.4 Discretionary Responsibility

Table 4.4 presents the descriptive statistics for discretionary responsibility, which captures the extent to which food and beverage manufacturing firms in Kenya engage in voluntary social and philanthropic activities beyond their economic, legal, and ethical obligations. The results are based on responses from 422 participants and are summarized using mean scores and standard deviations across eight indicators of discretionary responsibility. The overall mean score of 3.83 with a standard deviation of 0.53 indicates a relatively high level of engagement in discretionary CSR activities within the sector. This suggests that many firms actively invest in community-oriented initiatives as part of their broader corporate social responsibility strategies.

Table 4.4: Descriptive Statistics for Discretionary Responsibility

Statements	N	Mean	Std. Dev
Charitable donations form part of our annual budget.	422	4.58	0.49
Community engagement initiatives are sustained over time.	422	4.58	0.49
We regularly support health-related initiatives in our communities.	422	4.24	0.89
Voluntary environmental conservation programs are undertaken by the firm.	422	4.15	0.66
Our philanthropic activities address community needs.	422	3.94	0.77
The company supports local cultural and sporting events.	422	3.37	0.84
Educational programs receive active sponsorship from the company.	422	2.91	1.06
The firm invests in community development projects.	422	2.85	1.04
Overall	422	3.83	0.53

Source: Author (2026)

Arranged from the highest to the lowest mean score, the findings show that charitable donations forming part of the annual budget and sustained community engagement initiatives recorded the highest mean scores of 4.58, each with a standard deviation of 0.49. This indicates strong consensus among respondents that firms have institutionalized philanthropic giving and adopt long-term approaches to community engagement rather than one-off interventions. Similarly, strong performance was observed in support for health-related initiatives, which recorded a mean score of 4.24 with a standard deviation of 0.89, and participation in voluntary environmental conservation programs, which recorded a mean of 4.15 with a standard deviation of 0.66. These findings highlight that firms prioritize health and environmental initiatives as key components of their discretionary responsibility, reflecting responsiveness to societal and sustainability concerns.

Moderately high scores were also observed in the alignment of philanthropic activities with community needs, which recorded a mean score of 3.94 with a standard deviation of 0.77. Support for local cultural and sporting events recorded a mean score of 3.37 with a standard deviation of 0.84, indicating that while such initiatives are present, their emphasis varies across firms.

The lowest mean scores were recorded in more resource-intensive and long-term development-oriented initiatives. Active sponsorship of educational programs recorded a mean score of 2.91 with a standard deviation of 1.06, while investment in community development projects recorded the lowest mean score of 2.85 with a standard deviation of 1.04. These results suggest that although

firms are actively engaged in philanthropy and short-term community support, structured and long-term development initiatives receive comparatively less emphasis.

Overall, the findings indicate that discretionary responsibility is a prominent component of corporate social responsibility among food and beverage manufacturing firms in Kenya, with strong emphasis on charitable giving, health initiatives, and sustained community engagement. However, there is a need for firms to enhance the depth and long-term impact of their CSR efforts to strengthen sustainable social impact and competitive advantage.

Table 4.5 shows the summary results which indicate that legal responsibility recorded the highest mean score (4.12), suggesting that compliance with laws and regulatory requirements is the most strongly emphasized aspect of corporate social responsibility among food and beverage manufacturing firms in Kenya. This was followed by discretionary responsibility (mean = 3.83), indicating a relatively high level of engagement in philanthropic and community-oriented activities. In contrast, economic responsibility (mean = 3.33) and ethical responsibility (mean = 3.16) recorded moderate levels of adoption. These findings suggest that while firms prioritize regulatory compliance and community engagement, comparatively less emphasis is placed on innovation-driven economic practices and broader ethical considerations in business operations.

Table 4.5: Summary of CSR Dimensions

CSR Dimension	Mean	Std. Dev	Interpretation
Economic Responsibility	3.33	0.57	Moderate
Legal Responsibility	4.12	0.49	High
Ethical Responsibility	3.16	0.54	Moderate
Discretionary Responsibility	3.83	0.53	High

4.4.5 Competitive Advantage

Table 4.6 presents the descriptive statistics for competitive advantage, which capture the extent to which food and beverage manufacturing firms in Kenya achieve superior market positioning through product quality, brand strength, customer loyalty, and market performance. The results are based on responses from 422 participants and summarized using mean scores and standard deviations across eight competitive advantage indicators. The overall mean score of 3.89 with a standard deviation of 0.53 indicates a high level of perceived competitive advantage among the sampled firms. This suggests that most firms consider themselves to be competitively positioned within the industry, supported by strong brand presence and differentiated product offerings.

Table 4.6: Descriptive Statistics for Competitive Advantage

Statements	N	Mean	Std. Dev
Product quality differentiates us from competitors.	422	4.29	0.61
We maintain a competitive share of our target market.	422	4.19	0.63
Our brand is recognized for reliability and trustworthiness.	422	4.04	0.78
We retain customers even when competitors lower their prices.	422	3.99	0.85
The brand enjoys a strong and positive market image.	422	3.92	0.74
Customer feedback influences continuous improvement in our products.	422	3.92	0.75
Customers show loyalty by repeatedly purchasing our products.	422	3.37	0.76
Our products meet consistently high-quality standards.	422	3.37	1.04
Overall	422	3.89	0.53

Source: Author (2026)

Arranged from the highest to the lowest mean score, the findings show that product quality differentiation is the strongest driver of competitive advantage. Specifically, the statement that product quality differentiates firms from competitors recorded the highest mean score of 4.29 with a standard deviation of 0.61, indicating strong agreement and consistency among respondents. Similarly, maintaining a competitive share of the target market recorded a high mean score of 4.19 with a standard deviation of 0.63, reflecting strong confidence in firms' market positioning.

Brand-related indicators also recorded high scores. The brand being recognized for reliability and trustworthiness recorded a mean score of 4.04 with a standard deviation of 0.78, while the ability to retain customers even when competitors lower their prices recorded a mean of 3.99 with a

standard deviation of 0.85. These findings underscore the importance of brand strength and customer retention in sustaining competitive advantage within the sector.

Moderately high scores were observed in customer engagement and brand image. Both the brand enjoying a strong and positive market image and customer feedback influencing continuous product improvement recorded mean scores of 3.92, with standard deviations of 0.74 and 0.75 respectively. These results suggest that firms actively leverage brand positioning and customer insights to enhance their competitive standing.

The lowest mean scores were observed in customer loyalty and consistency in product quality standards. Customer loyalty, measured through repeated purchases, recorded a mean score of 3.37 with a standard deviation of 0.76, while products meeting consistently high-quality standards also recorded a mean score of 3.37 with a higher standard deviation of 1.04, indicating variability across firms in maintaining uniform quality levels.

Overall, the findings indicate that competitive advantage among food and beverage manufacturing firms in Kenya is largely driven by product differentiation, market share, and brand credibility, with relatively weaker performance in sustaining consistent product quality and deep customer loyalty. This suggests that firms seeking to strengthen their competitive positioning should focus on enhancing consistency in quality delivery and fostering stronger long-term customer relationships.

4.5 Diagnostic Tests

This section presents the diagnostic tests conducted to assess whether the data met the key assumptions required for valid regression analysis. Diagnostic testing is essential in regression analysis as it ensures that the underlying assumptions are not violated, thereby enhancing the reliability and validity of the estimated results (Gujarati & Porter, 2009; Wooldridge, 2013). Specifically, the study examined normality, multicollinearity, homoscedasticity, and linearity, which are critical assumptions for obtaining unbiased, consistent, and efficient regression estimates (Field, 2018; Hair et al., 2019).

Normality was assessed to determine whether the residuals of the regression model were normally distributed, as required for valid hypothesis testing (Field, 2018). Multicollinearity was examined

to ensure that the independent variables were not highly correlated, which could distort the estimation of regression coefficients (Gujarati & Porter, 2009). Homoscedasticity was tested to confirm that the variance of the error terms remained constant across all levels of the independent variables, a condition necessary for reliable standard errors and significance tests (Wooldridge, 2013). Linearity was also assessed to verify that the relationship between the dependent and independent variables was linear, which is a fundamental requirement for the application of linear regression models (Hair et al., 2019).

By satisfying these assumptions, the study ensured that the regression results were robust and that the conclusions drawn regarding the relationship between corporate social responsibility dimensions and competitive advantage were statistically valid and reliable.

4.5.1 Normality Test

Table 4.7 presents the results of the Kolmogorov–Smirnov test used to assess the normality of the study variables, which is a key assumption for conducting parametric statistical analyses such as correlation and multiple regression. Normality implies that the data distribution of the variables approximates a normal curve, thereby enhancing the validity of statistical inferences drawn from the analysis (Field, 2024). The results indicate that economic responsibility ($p = 0.194$), legal responsibility ($p = 0.191$), ethical responsibility ($p = 0.201$), discretionary responsibility ($p = 0.220$), and competitive advantage ($p = 0.194$) all recorded significance values greater than the 0.05 threshold. This implies that the null hypothesis of normal distribution could not be rejected for any of the variables, confirming that the data were normally distributed.

The implication of these findings is that the study data met the normality assumption required for the application of parametric techniques, including Pearson correlation and multiple linear regression analysis. This enhances the reliability and robustness of the statistical results, as normally distributed data reduce the risk of biased parameter estimates and inaccurate significance testing (Gujarati & Porter, 2020). Consequently, the study was able to proceed with inferential analysis with confidence that the underlying distributional assumptions were satisfied, thereby strengthening the credibility of the conclusions drawn regarding the relationship between corporate social responsibility dimensions and competitive advantage among food and beverage manufacturing firms in Kenya.

Table 4.7: Test for Normality

Variable	Kolmogorov-Smirnov ^a		
	Statistic	Df	Sig.
Economic responsibility	0.881	422	0.194
Legal responsibility	0.874	422	0.191
Ethical responsibility	0.892	422	0.201
Discretionary responsibility	0.923	422	0.220
Competitive advantage	0.874	422	0.194

Source: Author (2026)

4.5.2 Multicollinearity Test

Table 4.8 presents the results of the multicollinearity test, which was conducted to examine the degree of correlation among the independent variables in the regression model. Multicollinearity occurs when two or more predictor variables are highly correlated, which can distort regression coefficients and reduce the reliability of statistical estimates (Gujarati & Porter, 2020). The Variance Inflation Factor (VIF) values reported for economic responsibility (1.704), legal responsibility (1.279), ethical responsibility (1.869), and discretionary responsibility (1.664) are all well below the commonly accepted threshold of 10, while the corresponding tolerance values (1/VIF) are all above 0.1. This indicates that there is no serious multicollinearity problem among the independent variables included in the model.

The implication of these results is that each corporate social responsibility dimension contributes unique explanatory power to the regression model without excessively overlapping with other predictors. This ensures that the estimated regression coefficients are stable and interpretable, allowing the study to accurately assess the individual effect of economic, legal, ethical, and discretionary responsibilities on competitive advantage (Field, 2024). Consequently, the absence of multicollinearity strengthens the validity of the regression analysis and enhances confidence in the study's conclusions regarding the independent influence of each CSR dimension on firm competitiveness.

Table 4.8: Multicollinearity

Variable	VIF	1/VIF
Economic responsibility	1.704	0.587
Legal responsibility	1.279	0.782
Ethical responsibility	1.869	0.535
Discretionary responsibility	1.664	0.601
Mean	1.629	

Source: Author (2026)

4.5.3 Heteroskedasticity Test

Table 4.9 presents the results of the heteroskedasticity test, which was conducted to examine whether the variance of the error terms in the regression model is constant across all levels of the independent variables. Homoscedasticity, or constant variance, is a key assumption of ordinary least squares regression and is necessary for obtaining unbiased and efficient parameter estimates (Gujarati & Porter, 2020). The test results show a p-value of 0.0611, which is greater than the conventional significance threshold of 0.05. This indicates that the null hypothesis of constant variance could not be rejected, implying that the residuals exhibit homoscedasticity.

The implication of these findings is that the regression model satisfies the assumption of equal variance of errors, thereby supporting the reliability of standard error estimates and hypothesis testing results. When heteroskedasticity is absent, the estimated coefficients remain efficient and the statistical inferences drawn from the model are more accurate (Field, 2024). Consequently, the study was able to proceed with regression analysis without the need for corrective measures such as robust standard errors, enhancing the robustness and credibility of the findings on the relationship between corporate social responsibility practices and competitive advantage among food and beverage manufacturing firms in Kenya.

Table 4.9: Heteroskedasticity Results

Test Statistic	P-Value
7.94	0.0611
H ₀ : Constant Variance	

Source: Author (2026)

4.5.4 Linearity Test

Table 4.10 presents the results of the linearity tests conducted to examine whether the relationships between the independent variables and the dependent variable follow a linear pattern, which is a key assumption for multiple regression analysis. Linearity implies that changes in the independent variables are associated with proportional changes in the dependent variable, allowing the use of linear regression models for accurate estimation (Field, 2024). The results show that the linearity significance values for economic responsibility, legal responsibility, ethical responsibility, and discretionary responsibility are all statistically significant at $p = 0.000$. This indicates the presence of a significant linear relationship between each corporate social responsibility dimension and competitive advantage.

At the same time, the deviation from linearity values for all variable pairs are greater than the 0.05 threshold, with values of 0.517 for economic responsibility, 0.089 for legal responsibility, 0.610 for ethical responsibility, and 0.670 for discretionary responsibility. This implies that there is no significant non-linear pattern in the relationships between the independent variables and competitive advantage. The implication of these findings is that the assumption of linearity is satisfied, confirming that multiple linear regression is an appropriate analytical technique for this study. As a result, the estimated regression coefficients can be interpreted reliably, and the study's conclusions regarding the effect of corporate social responsibility dimensions on competitive advantage among food and beverage manufacturing firms in Kenya are statistically valid and robust.

Table 4.10: Linearity Test Results

Competitive advantage			Sig.
Economic responsibility* competitive advantage	Between Groups	(Combined)	0.001
		Linearity	0.000
		Deviation from Linearity	0.517
Legal responsibility * competitive advantage	Between Groups	(Combined)	0.000
		Linearity	0.000
		Deviation from Linearity	0.089
Ethical responsibility* competitive advantage	Between Groups	(Combined)	0.000
		Linearity	0.000

Discretionary responsibility* competitive advantage	Between Groups	Deviation from Linearity	0.61
		(Combined)	0.000
		Linearity	0.000
		Deviation from Linearity	0.67

Source: Author (2026)

4.6 Correlation Analysis

Table 4.11 presents the Pearson correlation coefficients that examine the strength and direction of the relationships between corporate social responsibility dimensions and competitive advantage among food and beverage manufacturing firms in Kenya. The analysis is based on 422 observations and reports statistically significant relationships at the 0.01 significance level. Pearson correlation values range from -1 to $+1$, where positive values indicate a direct relationship and higher absolute values reflect stronger associations between variables (Field, 2024).

The relationship between economic responsibility and competitive advantage is strong and positive, with a correlation coefficient of $r = 0.828$ and a significance level of $p < 0.001$. This indicates that firms that emphasize cost efficiency, operational effectiveness, innovation, and supply chain management tend to exhibit higher levels of competitive advantage. The strength of this association suggests that economic responsibility plays a critical role in enhancing product quality, market share, brand image, and customer loyalty. This implies that economically responsible practices, such as reinvesting cost savings and achieving cost leadership, are closely linked to superior competitive positioning in the food and beverage manufacturing sector.

Table 4.11: Correlation Results

		Competitiv e advantage	Economic responsibilit y	Legal responsibilit y	Ethical responsibilit y	Discretionar y responsibilit y
Competitive advantage	Pearson Correlatio n Sig. (2- tailed)	1				
Economic responsibilit y	Pearson Correlatio n Sig. (2- tailed)	.828**	1			
Legal responsibilit y	Pearson Correlatio n Sig. (2- tailed)	.833**	.567**	1		
Ethical responsibilit y	Pearson Correlatio n Sig. (2- tailed)	.701**	.625**	.588**	1	
Discretionar y responsibilit y	Pearson Correlatio n Sig. (2- tailed)	.549**	.547**	.446**	.407**	1

** . Correlation is significant at the 0.01 level (2-tailed).

b. Listwise N=422

Source: Author (2026)

Legal responsibility also demonstrates a strong positive relationship with competitive advantage, with a correlation coefficient of $r = 0.833$ and a significance level of $p < 0.001$. This finding indicates that firms that comply with regulatory requirements, maintain industry certifications, and adhere to environmental and labor laws are more likely to achieve stronger competitive outcomes. The strong association highlights the importance of regulatory compliance in building stakeholder trust, enhancing corporate reputation, and securing market access. It further implies that legal responsibility is not merely a compliance obligation but a strategic factor that contributes significantly to firm competitiveness.

Ethical responsibility shows a positive and moderately strong relationship with competitive advantage, with a correlation coefficient of $r = 0.701$ and a significance level of $p < 0.001$. This suggests that firms that emphasize transparency, fair treatment of employees and suppliers, honest marketing, and ethical decision-making tend to enjoy improved competitive positioning. The magnitude of the relationship indicates that ethical practices contribute meaningfully to building brand trust and customer loyalty, although their impact is slightly lower compared to economic and legal responsibilities. This implies that ethical responsibility complements other CSR dimensions in strengthening firm reputation and long-term competitiveness.

Discretionary responsibility is also positively associated with competitive advantage, with a correlation coefficient of $r = 0.549$ and a significance level of $p < 0.001$. This indicates a moderate relationship between philanthropic activities, community engagement, voluntary environmental programs, and firm competitiveness. While the association is weaker compared to other CSR dimensions, it remains statistically significant, suggesting that discretionary CSR initiatives contribute to brand image enhancement and community goodwill. The implication is that voluntary social investments play a supportive role in reinforcing competitive advantage, particularly by strengthening stakeholder relationships and enhancing corporate reputation within the communities where firms operate.

4.7 Regression Analysis

This section presents the regression analysis conducted to examine the effect of corporate social responsibility on competitive advantage among food and beverage manufacturing firms in Kenya. The analysis was carried out in two stages. First, simple linear regression models were estimated for each of the study objectives to assess the individual effect of economic, legal, ethical, and discretionary responsibilities on competitive advantage. This enabled the study to determine the independent contribution of each dimension of corporate social responsibility. Second, a multiple linear regression model was estimated to examine the combined effect of all four dimensions on competitive advantage. The results are presented using model summary statistics, analysis of variance (ANOVA), and regression coefficients, which collectively provide insights into the strength, significance, and predictive power of the relationships under investigation.

4.7.1 Effect of Economic Responsibility on Competitive Advantage

The model summary results presented in Table 4.12 indicate the strength and explanatory power of the relationship between economic responsibility and competitive advantage among food and beverage manufacturing firms in Kenya. The correlation coefficient (R) of 0.828 shows a strong positive relationship between economic responsibility and competitive advantage. The R Square value of 0.685 implies that approximately 68.5 percent of the variation in competitive advantage is explained by economic responsibility alone. The adjusted R Square of 0.685 confirms the stability of the model, indicating no substantial difference after adjustment for degrees of freedom. Additionally, the standard error of the estimate (0.241) suggests a relatively low level of prediction error, indicating that the model fits the data well and provides reliable estimates.

Table 4.12: Model Summary for Economic Responsibility and Competitive Advantage

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.828 ^a	.685	.685	.241088808952330

a. Predictors: (Constant), Economic responsibility

Source: Author (2026)

The ANOVA results in Table 4.13 test the overall statistical significance of the regression model. The findings show an F-statistic of 914.443 with a significance level of $p = 0.000$, which is less than the 0.05 threshold. This indicates that the model is statistically significant and that economic responsibility has a significant effect on competitive advantage. The large regression sum of squares (53.151) relative to the residual sum of squares (24.412) further demonstrates that a substantial proportion of variation in competitive advantage is explained by economic responsibility. This confirms the suitability of the model in explaining the relationship between the two variables.

Table 4.13: ANOVA for Economic Responsibility and Competitive Advantage

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	53.151	1	53.151	914.443	.000 ^b
	Residual	24.412	420	.058		
	Total	77.563	421			

a. Dependent Variable: Competitive advantage
b. Predictors: (Constant), Economic responsibility

Source: Author (2026)

The regression coefficients presented in Table 4.14 show the magnitude and direction of the effect of economic responsibility on competitive advantage. The results indicate that economic responsibility has a positive and statistically significant effect on competitive advantage ($B = 0.593$, $\beta = 0.828$, $p = 0.000$). This implies that a unit increase in economic responsibility leads to a 0.593 increase in competitive advantage, holding other factors constant. The standardized coefficient ($\beta = 0.828$) further indicates a strong effect size, confirming that economic responsibility is a key driver of competitive advantage. The constant term ($B = 1.836$, $p = 0.000$) suggests that even in the absence of economic responsibility, firms would still exhibit a baseline level of competitive advantage, although at a lower level. Overall, the findings demonstrate that economic responsibility significantly enhances competitive advantage among food and beverage manufacturing firms in Kenya.

Table 4.14: Coefficients for Economic Responsibility and Competitive Advantage

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.836	.070		26.088	.000
	Economic responsibility	.593	.020	.828	30.240	.000

a. Dependent Variable: Competitive advantage

Source: Author (2026)

From Table 4.14, the following simple linear regression model was developed:

$$Y = 1.836 + 0.593X_1$$

Where:

Y = Competitive advantage

X₁ = Economic responsibility

4.7.2 Effect of Legal Responsibility on Competitive Advantage

The model summary results presented in Table 4.15 indicate the strength and explanatory power of the relationship between legal responsibility and competitive advantage among food and beverage manufacturing firms in Kenya. The correlation coefficient (R) of 0.833 shows a strong positive relationship between legal responsibility and competitive advantage. The R Square value of 0.694 implies that approximately 69.4 percent of the variation in competitive advantage is explained by legal responsibility alone. The adjusted R Square of 0.693 further confirms the robustness of the model after adjusting for degrees of freedom. Additionally, the standard error of the estimate (0.238) indicates a relatively low level of prediction error, suggesting that the model provides a good fit to the data and yields reliable estimates.

Table 4.15: Model Summary for Legal Responsibility and Competitive Advantage

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.833 ^a	.694	.693	.237831469910351

a. Predictors: (Constant), Legal responsibility

Source: Author (2026)

The ANOVA results presented in Table 4.16 test the overall statistical significance of the regression model. The findings show an F-statistic of 951.247 with a significance level of $p = 0.000$, which is below the 0.05 threshold. This indicates that the regression model is statistically significant and that legal responsibility has a significant effect on competitive advantage. The regression sum of squares (53.806) is substantially higher than the residual sum of squares (23.757), indicating that a large proportion of the variation in competitive advantage is explained by legal responsibility. This confirms that the model is appropriate for explaining the relationship between legal responsibility and competitive advantage.

Table 4.16: ANOVA for Legal Responsibility and Competitive Advantage

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	53.806	1	53.806	951.247	.000 ^b
	Residual	23.757	420	.057		
	Total	77.563	421			

a. Dependent Variable: Competitive advantage
b. Predictors: (Constant), Legal responsibility

Source: Author (2026)

The regression coefficients presented in Table 4.17 show the magnitude and direction of the effect of legal responsibility on competitive advantage. The results indicate that legal responsibility has a positive and statistically significant effect on competitive advantage ($B = 0.833$, $\beta = 0.833$, $p = 0.000$). This implies that a unit increase in legal responsibility leads to a 0.833 increase in competitive advantage, holding other factors constant. The standardized coefficient ($\beta = 0.833$) indicates a very strong effect size, suggesting that legal responsibility is a critical determinant of competitive advantage in the sector. The constant term ($B = 0.726$, $p = 0.000$) indicates that firms maintain a baseline level of competitive advantage even in the absence of legal responsibility, though at a lower level. Overall, the findings demonstrate that legal responsibility significantly enhances competitive advantage among food and beverage manufacturing firms in Kenya.

Table 4.17: Coefficients for Legal Responsibility and Competitive Advantage

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.726	.105		6.936	.000
	Legal responsibility	.833	.027	.833	30.842	.000

a. Dependent Variable: Competitive advantage

Source: Author (2026)

From Table 4.17, the following simple linear regression model was developed:

$$Y = 0.726 + 0.833X_2$$

Where:

Y = Competitive advantage

X_2 = Legal responsibility

4.7.3 Effect of Ethical Responsibility on Competitive Advantage

The model summary results presented in Table 4.18 indicate the strength and explanatory power of the relationship between ethical responsibility and competitive advantage among food and beverage manufacturing firms in Kenya. The correlation coefficient (R) of 0.701 shows a strong positive relationship between ethical responsibility and competitive advantage. The R Square value of 0.491 implies that approximately 49.1 percent of the variation in competitive advantage is explained by ethical responsibility alone. The adjusted R Square of 0.490 confirms the stability of the model after adjusting for degrees of freedom. Additionally, the standard error of the estimate (0.307) suggests a moderate level of prediction error, indicating that while the model fits the data reasonably well, its explanatory power is lower compared to economic and legal responsibility models.

Table 4.18: Model Summary for Ethical Responsibility and Competitive Advantage

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.701 ^a	.491	.490	.306519854002257
a. Predictors: (Constant), Ethical responsibility				

Source: Author (2026)

The ANOVA results presented in Table 4.19 test the overall statistical significance of the regression model. The findings show an F-statistic of 405.538 with a significance level of $p = 0.000$, which is less than the 0.05 threshold. This indicates that the regression model is statistically significant and that ethical responsibility has a significant effect on competitive advantage. The regression sum of squares (38.102) relative to the residual sum of squares (39.461) shows that although ethical responsibility explains a substantial portion of the variation in competitive advantage, a considerable proportion remains unexplained, further supporting the moderate explanatory power observed in the model summary.

Table 4.19: ANOVA for Ethical Responsibility and Competitive Advantage

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	38.102	1	38.102	405.538	.000 ^b
	Residual	39.461	420	.094		
	Total	77.563	421			

a. Dependent Variable: Competitive advantage
b. Predictors: (Constant), Ethical responsibility

Source: Author (2026)

The regression coefficients presented in Table 4.20 show the magnitude and direction of the effect of ethical responsibility on competitive advantage. The results indicate that ethical responsibility has a positive and statistically significant effect on competitive advantage ($B = 1.244$, $\beta = 0.701$, $p = 0.000$). This implies that a unit increase in ethical responsibility leads to a 1.244 increase in competitive advantage, holding other factors constant. The standardized coefficient ($\beta = 0.701$) indicates a strong effect size, confirming that ethical responsibility is an important determinant of competitive advantage. The constant term is negative and statistically significant ($B = -1.059$, $p = 0.000$), suggesting that in the absence of ethical responsibility, firms would experience lower levels of competitive advantage. Overall, the findings demonstrate that ethical responsibility significantly contributes to competitive advantage among food and beverage manufacturing firms in Kenya, although its influence is comparatively weaker than that of economic and legal responsibility.

Table 4.20: Coefficients for Ethical Responsibility and Competitive Advantage

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.059	.248		-4.262	.000
	Ethical responsibility	1.244	.062	.701	20.138	.000

a. Dependent Variable: Competitive advantage

Source: Author (2026)

From Table 4.20, the following simple linear regression model was developed:

$$Y = -1.059 + 1.244X_3$$

Where:

Y = Competitive advantage

X₃ = Ethical responsibility

4.7.4 Effect of Discretionary Responsibility on Competitive Advantage

The model summary results presented in Table 4.21 indicate the strength and explanatory power of the relationship between discretionary responsibility and competitive advantage among food and beverage manufacturing firms in Kenya. The correlation coefficient (R) of 0.549 shows a moderate positive relationship between discretionary responsibility and competitive advantage. The R Square value of 0.301 implies that approximately 30.1 percent of the variation in competitive advantage is explained by discretionary responsibility alone. The adjusted R Square of 0.300 confirms the stability of the model after adjusting for degrees of freedom. Additionally, the standard error of the estimate (0.359) is relatively higher compared to the other models, suggesting greater variability in prediction and comparatively lower model accuracy.

Table 4.21: Model Summary for Discretionary Responsibility and Competitive Advantage

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.549 ^a	.301	.300	.359218801953335

a. Predictors: (Constant), Discretionary responsibility

Source: Author (2026)

The ANOVA results presented in Table 4.22 test the overall statistical significance of the regression model. The findings show an F-statistic of 181.085 with a significance level of $p = 0.000$, which is less than the 0.05 threshold. This indicates that the regression model is statistically significant and that discretionary responsibility has a significant effect on competitive advantage. However, the regression sum of squares (23.367) is lower relative to the residual sum of squares (54.196), indicating that a larger proportion of the variation in competitive advantage remains unexplained by discretionary responsibility alone.

Table 4.22: ANOVA for Discretionary Responsibility and Competitive Advantage

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23.367	1	23.367	181.085	.000 ^b
	Residual	54.196	420	.129		
	Total	77.563	421			

a. Dependent Variable: Competitive advantage
b. Predictors: (Constant), Discretionary responsibility

Source: Author (2026)

The regression coefficients presented in Table 4.23 show the magnitude and direction of the effect of discretionary responsibility on competitive advantage. The results indicate that discretionary responsibility has a positive and statistically significant effect on competitive advantage ($B = 1.534$, $\beta = 0.549$, $p = 0.000$). This implies that a unit increase in discretionary responsibility leads to a 1.534 increase in competitive advantage, holding other factors constant. The standardized coefficient ($\beta = 0.549$) indicates a moderate effect size, suggesting that while discretionary responsibility contributes to competitive advantage, its influence is less pronounced compared to economic, legal, and ethical responsibility. The constant term is negative and statistically significant ($B = -2.073$, $p = 0.000$), indicating that in the absence of discretionary responsibility, firms would experience lower levels of competitive advantage. Overall, the findings demonstrate that discretionary responsibility significantly influences competitive advantage among food and beverage manufacturing firms in Kenya, although its effect is comparatively weaker than the other dimensions of corporate social responsibility.

Table 4.23: Coefficients for Discretionary Responsibility and Competitive Advantage

		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	-2.073	.447		-4.640	.000
	Discretionary responsibility	1.534	.114	.549	13.457	.000

a. Dependent Variable: Competitive advantage

Source: Author (2026)

From Table 4.23, the following simple linear regression model was developed:

$$Y = -2.073 + 1.534X_4$$

Where:

Y = Competitive advantage

X_4 = Discretionary responsibility

4.7.5 Joint Effect of the CSR Dimensions on Competitive Advantage

Table 4.24 presents the model summary results, which indicate the overall strength and explanatory power of the regression model. The correlation coefficient (R) of 0.881 shows a very strong positive relationship between the combined corporate social responsibility dimensions and competitive advantage among food and beverage manufacturing firms in Kenya. The R Square value of 0.776 implies that approximately 77.6 percent of the variation in competitive advantage is explained jointly by economic, legal, ethical, and discretionary responsibilities. The adjusted R Square of 0.774 further confirms the robustness of the model after adjusting for the number of predictors included, indicating minimal inflation of explanatory power. The relatively low standard error of the estimate (0.204) suggests that the predicted values of competitive advantage are close to the observed values, reflecting good model accuracy and reliability.

Table 4.24: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.881 ^a	.776	.774	.203984706444539

a. Predictors: (Constant), Discretionary responsibility, Ethical responsibility, Economic responsibility, Legal responsibility

Source: Author (2026)

Table 4.25 presents the ANOVA results, which test the overall statistical significance of the regression model. The results show an F-statistic of 361.764 with a significance level of $p = 0.000$, indicating that the regression model is statistically significant at the 5 percent level. This means that the combined effect of economic, legal, ethical, and discretionary responsibilities significantly predicts competitive advantage among food and beverage manufacturing firms in Kenya. The large regression sum of squares (60.212) relative to the residual sum of squares (17.351) further

demonstrates that a substantial proportion of the total variation in competitive advantage is accounted for by the independent variables. This confirms the suitability of the model for explaining the relationship between corporate social responsibility practices and competitive advantage.

Table 4.25: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	60.212	4	15.053	361.764	.000 ^b
	Residual	17.351	417	.042		
	Total	77.563	421			

a. Dependent Variable: Competitive advantage

b. Predictors: (Constant), Discretionary responsibility, Ethical responsibility, Economic responsibility, Legal responsibility

Source: Author (2026)

Table 4.26 presents the regression coefficients showing the contribution of each corporate social responsibility dimension to competitive advantage. The constant term was negative and statistically significant ($B = -1.143$, $p = 0.000$). This implies that when all CSR dimensions are held at zero, the predicted value of competitive advantage would be negative. However, since the variables were measured using a five-point Likert scale, a zero value was outside the actual measurement range. Therefore, the negative constant should not be interpreted substantively, but rather as a statistical intercept required for estimating the regression line. This was treated as a limitation of using linear regression on Likert-scale composite scores.

Economic responsibility had a positive and statistically significant influence on competitive advantage ($B = 0.227$, $\beta = 0.317$, $p = 0.000$). This implies that a unit increase in economic responsibility was associated with a 0.227 increase in competitive advantage, holding other CSR dimensions constant. Legal responsibility also had a positive and significant influence on competitive advantage ($B = 0.361$, $\beta = 0.361$, $p = 0.000$), indicating that regulatory compliance, law adherence, and certification attainment significantly enhanced firm competitiveness. Ethical responsibility had a positive and statistically significant influence on competitive advantage ($B = 0.355$, $\beta = 0.200$, $p = 0.000$), suggesting that product transparency, fair treatment, and green practices contributed to improved competitive positioning. Discretionary responsibility similarly

had a positive and significant influence on competitive advantage ($B = 0.372$, $\beta = 0.133$, $p = 0.000$), implying that community projects, charitable donations, and environmental programs enhanced competitive advantage.

Table 4.26: Model Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	t	
1	(Constant)	-1.143	.308		-3.710	.000
	Economic responsibility	.227	.036	.317	6.356	.000
	Legal responsibility	.361	.050	.361	7.150	.000
	Ethical responsibility	.355	.057	.200	6.191	.000
	Discretionary responsibility	.372	.078	.133	4.758	.000
a. Dependent Variable: Competitive advantage						

Source: Author (2026)

From Table 4:26, the following model has been developed:

$$Y = -1.143 + 0.227X_1 + 0.361X_2 + 0.355X_3 + 0.372X_4$$

Where:

Y = Competitive advantage

X_1 = Economic structure

X_2 = Legal responsibility

X_3 = Ethical responsibility

X_4 = Discretionary responsibility

4.8 Chapter Summary

This chapter presented the results of data analysis and key findings of the study on the influence of corporate social responsibility on competitive advantage among food and beverage manufacturing firms in Kenya. It covered response rates, demographic characteristics, descriptive statistics of study variables, diagnostic test results, and inferential analysis using correlation and multiple regression techniques. The findings showed that economic, legal, ethical, and

discretionary responsibilities are positively and significantly associated with competitive advantage, with legal and economic responsibilities exhibiting the strongest effects. The chapter established empirical evidence that corporate social responsibility practices play a critical role in enhancing firm competitiveness, thereby providing a strong basis for the conclusions and recommendations presented in the subsequent chapter.

CHAPTER FIVE: SUMMARY, DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents discussion of the study findings, draws conclusions based on the research objectives, and provides practical recommendations for policy and managerial action. It also highlights the study's contributions and outlines areas for future research in relation to corporate social responsibility and competitive advantage among food and beverage manufacturing firms in Kenya.

5.2 Summary of Findings

This study examined the influence of corporate social responsibility on the competitive advantage of food and beverage manufacturing firms in Kenya, with a focus on four dimensions: economic, legal, ethical, and discretionary responsibilities. The analysis was based on descriptive statistics, correlation analysis, and regression results.

The descriptive findings showed that the adoption of CSR practices varied across the four dimensions. Legal responsibility recorded the highest level of adoption (mean = 4.12), indicating that most firms strongly comply with regulatory requirements, industry standards, and certification frameworks. This was followed by discretionary responsibility (mean = 3.83), suggesting that firms are actively engaged in philanthropic and community-based initiatives. Economic responsibility recorded a moderate level of adoption (mean = 3.33), with firms placing more emphasis on operational efficiency and cost management than on innovation and reinvestment. Ethical responsibility recorded the lowest mean score (mean = 3.16), indicating relatively weaker implementation, particularly in market-facing practices such as supplier relations and marketing transparency. In terms of competitive advantage, firms reported relatively high performance (mean = 3.89), particularly in product differentiation, market share, and brand credibility, although some variation was observed in customer loyalty and consistency in product quality.

The correlation results indicated that all CSR dimensions were positively and significantly associated with competitive advantage. Economic responsibility and legal responsibility exhibited strong positive relationships with competitive advantage, suggesting that efficiency and compliance-related practices are closely linked to improved firm performance. Ethical

responsibility also showed a strong positive association, indicating that fairness, transparency, and stakeholder trust contribute meaningfully to competitive positioning. Discretionary responsibility demonstrated a moderate but significant relationship with competitive advantage, implying that while philanthropic activities enhance corporate image and stakeholder goodwill, their influence is comparatively weaker than that of other CSR dimensions.

The regression findings confirmed that corporate social responsibility significantly predicts competitive advantage. The combined model showed strong explanatory power, with CSR dimensions jointly accounting for a substantial proportion of the variation in competitive advantage ($R^2 = 0.776$). All four CSR dimensions were found to have positive and statistically significant effects on competitive advantage. Legal responsibility had the strongest positive influence on competitive advantage ($B = 0.361$), followed by discretionary responsibility ($B = 0.372$), ethical responsibility ($B = 0.355$), and economic responsibility ($B = 0.227$). The standardized coefficients further showed that legal responsibility exerted the strongest relative effect among the predictors. These findings indicate that while all CSR dimensions contribute positively to competitive advantage, regulatory compliance, certification attainment, and operationally aligned CSR practices are particularly important in enhancing competitiveness among food and beverage manufacturing firms in Kenya.

5.3 Discussion of Findings

This section presents an in-depth discussion of the study findings in relation to the research objectives and the theoretical foundations guiding the study. The results are interpreted by comparing them with existing empirical literature and explaining their implications for corporate social responsibility practices and competitive advantage among food and beverage manufacturing firms in Kenya.

5.3.1 Economic Responsibility and Competitive Advantage

The findings of this study established that economic responsibility has a positive and statistically significant effect on competitive advantage among food and beverage manufacturing firms in Kenya. This is supported by both correlation and regression results, which showed that increases in economic responsibility are associated with improvements in competitive advantage. Specifically, the regression results indicated that economic responsibility significantly predicts

competitive advantage, implying that firms that emphasize cost efficiency, operational effectiveness, and supply chain management tend to achieve better market outcomes. These findings suggest that economic-oriented practices play an important role in shaping firm competitiveness within the sector.

The results can be interpreted within the context of Carroll's CSR Pyramid Model, which identifies economic responsibility as a fundamental component of corporate social responsibility. The model emphasizes that firms are expected to be economically viable through efficient operations and sustainable financial practices. In this study, the positive and significant effect of economic responsibility on competitive advantage supports this perspective by demonstrating that firms that effectively manage costs and operations are better positioned to compete in the market. However, the findings do not imply a hierarchical or foundational relationship among CSR dimensions, but rather indicate that economic responsibility is one of the key drivers of competitive advantage within the broader CSR framework.

From a theoretical standpoint, the findings provide partial support for the Resource-Based View theory. Economic responsibility practices such as operational efficiency and effective resource utilization can be viewed as internal capabilities that enhance firm performance. However, the study did not directly measure resource-based attributes such as rarity or inimitability; therefore, the interpretation is limited to the extent that efficient use of resources contributes to improved competitive outcomes. This suggests that while RBV provides a useful lens for understanding the role of internal capabilities, its application in this study is primarily indirect.

The findings are consistent with empirical studies that report a positive relationship between economic responsibility and firm competitiveness. For instance, Velte (2022) found that firms that integrate cost efficiency within their operational strategies tend to achieve better market performance. Similarly, Kim et al. (2023) observed that efficient resource utilization contributes to improved organizational outcomes in manufacturing contexts. These studies support the argument that economic responsibility, when implemented through efficiency-oriented practices, contributes to enhanced firm performance. However, unlike some prior studies, the current study does not extend the findings to specific outcomes such as innovation or brand loyalty, as these were not directly tested.

At the regional and local level, the findings are in line with studies conducted in African and Kenyan contexts. Sosola (2024) and Agyapong (2024) reported that operational efficiency and financial discipline contribute positively to firm performance in Sub-Saharan Africa. Similarly, Wamuyu and Kariuki (2023) and Ouma et al. (2025) found that Kenyan manufacturing firms that emphasize cost management and process efficiency tend to perform better in competitive markets. The present study builds on this evidence by empirically demonstrating that economic responsibility is a significant predictor of competitive advantage within a multidimensional CSR framework. Overall, the findings indicate that economic responsibility contributes meaningfully to competitive advantage, although its effectiveness should be considered alongside other CSR dimensions.

5.3.2 Legal Responsibility and Competitive Advantage

The findings of this study established that legal responsibility has a positive and statistically significant effect on competitive advantage among food and beverage manufacturing firms in Kenya. This is supported by the regression results, which showed that legal responsibility is a strong predictor of competitive advantage. This implies that firms that comply with regulatory requirements, adhere to industry standards, and maintain relevant certifications tend to achieve better competitive outcomes. The results suggest that compliance-related practices play a critical role in enhancing firm performance within the sector.

These findings can be interpreted within the context of Carroll's CSR Pyramid Model, which identifies legal responsibility as a core component of corporate social responsibility. The model emphasizes that firms are expected to operate within the boundaries of laws and regulations governing their activities. In this study, the significant positive effect of legal responsibility on competitive advantage supports this view by showing that adherence to regulatory requirements is associated with improved firm outcomes. However, the findings do not imply that legal responsibility alone determines competitiveness, but rather that it constitutes an important element within a broader set of CSR practices.

From a theoretical perspective, the findings provide limited support for the Resource-Based View theory. Compliance-related practices such as certification and adherence to regulatory standards may enhance firm credibility and reduce operational risks, thereby contributing to improved

performance. However, the study did not directly measure resource characteristics such as uniqueness or inimitability, and therefore the interpretation is restricted to the role of compliance as an internal organizational capability that supports competitive outcomes.

The findings are consistent with empirical studies that report a positive association between legal responsibility and firm performance. For instance, Velte (2022) found that firms operating in regulated environments benefit from strong compliance systems through improved organizational outcomes. Similarly, Kim et al. (2023) observed that adherence to regulatory requirements contributes to enhanced firm performance in manufacturing sectors. These findings support the argument that compliance with legal and regulatory frameworks is an important factor in shaping firm competitiveness. However, unlike some prior studies, the present study does not extend these findings to specific outcomes such as market access or customer loyalty, as these relationships were not directly tested.

At the regional and local level, the findings align with evidence from Sub-Saharan Africa and Kenya. Sosola (2024) and Agyapong (2024) reported that regulatory compliance and adherence to industry standards positively influence firm performance in African manufacturing contexts. Similarly, Wamuyu and Kariuki (2024) and Ouma et al. (2025) found that compliance with standards and certification requirements is associated with improved firm outcomes among Kenyan manufacturing firms. The present study contributes to this body of knowledge by demonstrating that legal responsibility is a significant predictor of competitive advantage within a multidimensional CSR framework. Overall, the findings indicate that legal responsibility plays a central role in enhancing competitive advantage, although its effect should be considered alongside other CSR dimensions.

5.3.3 Ethical Responsibility and Competitive Advantage

The findings of this study established that ethical responsibility has a positive and statistically significant effect on competitive advantage among food and beverage manufacturing firms in Kenya. This is supported by the regression results, which showed that ethical responsibility significantly predicts competitive advantage. This implies that firms that emphasize fairness, transparency, stakeholder engagement, and ethical decision-making tend to achieve better competitive outcomes. However, the magnitude of the effect is lower compared to economic and

legal responsibility, suggesting that while ethical practices contribute to competitiveness, their influence is relatively moderate within the sector.

These findings can be interpreted within the framework of Carroll's CSR Pyramid Model, which identifies ethical responsibility as an important component of corporate social responsibility that goes beyond legal compliance. The model emphasizes that firms are expected to operate in a manner that is fair, just, and acceptable to stakeholders. In this study, the positive and significant effect of ethical responsibility on competitive advantage supports this view by demonstrating that ethical conduct is associated with improved firm outcomes. However, the findings do not imply that ethical responsibility alone determines competitive advantage, but rather that it contributes as part of a broader set of CSR practices.

From a theoretical perspective, the findings provide limited support for the Resource-Based View theory. Ethical practices may enhance intangible aspects such as credibility and stakeholder trust, which can contribute to improved firm performance. However, the study did not directly measure intangible resources such as reputation or brand equity; therefore, the interpretation is limited to the observed relationship between ethical responsibility and competitive advantage. This suggests that while RBV offers a useful explanatory lens, its application in this study is indirect.

The findings are consistent with empirical studies that report a positive relationship between ethical responsibility and firm performance. Velte (2022) found that firms that emphasize ethical practices tend to achieve improved organizational outcomes. Similarly, Kim et al. (2023) observed that responsible business practices contribute to enhanced firm performance in manufacturing contexts. These findings support the argument that ethical responsibility plays a role in shaping firm competitiveness. However, unlike some prior studies, the present study does not extend these findings to specific outcomes such as customer loyalty or pricing advantages, as these relationships were not directly tested.

At the regional and local level, the findings align with evidence from Sub-Saharan Africa and Kenya. Sosola (2024) and Agyapong (2024) reported that ethical practices positively influence firm performance in African manufacturing sectors. Similarly, Wamuyu and Kariuki (2023) and Ouma et al. (2025) found that ethical conduct is associated with improved firm outcomes among Kenyan firms. The present study contributes to this body of knowledge by demonstrating that

ethical responsibility is a significant predictor of competitive advantage within a multidimensional CSR framework. Overall, the findings indicate that ethical responsibility contributes to competitive advantage, although its effect is comparatively weaker than that of economic and legal responsibility.

5.3.4 Discretionary Responsibility and Competitive Advantage

The findings of this study established that discretionary responsibility has a positive and statistically significant effect on competitive advantage among food and beverage manufacturing firms in Kenya. This is supported by the regression results, which showed that discretionary responsibility significantly predicts competitive advantage. This implies that firms engaging in philanthropic activities, community development initiatives, and voluntary environmental programs tend to achieve improved competitive outcomes. However, the magnitude of the effect is lower compared to economic, legal, and ethical responsibility, indicating that discretionary responsibility contributes to competitiveness but to a relatively lesser extent.

These findings can be interpreted within the context of Carroll's CSR Pyramid Model, which identifies discretionary responsibility as a voluntary component of corporate social responsibility that goes beyond economic, legal, and ethical obligations. The model suggests that such activities enhance corporate goodwill and stakeholder relationships. In this study, the positive and significant effect of discretionary responsibility on competitive advantage supports this view by showing that voluntary CSR initiatives are associated with improved firm outcomes. However, the findings do not imply that discretionary responsibility alone is sufficient to drive competitive advantage, but rather that it complements other CSR dimensions.

From a theoretical perspective, the findings provide limited support for the Resource-Based View theory. Discretionary CSR activities may contribute to aspects such as stakeholder relationships and organizational image, which can influence firm performance. However, the study did not directly measure intangible resources such as reputation or social capital, and therefore the interpretation is limited to the observed statistical relationship between discretionary responsibility and competitive advantage. This indicates that while RBV offers a useful perspective, its application in this study remains indirect.

The findings are consistent with empirical studies that report a positive relationship between discretionary responsibility and firm performance. Velte (2022) found that voluntary CSR initiatives are associated with improved organizational outcomes. Similarly, Kim et al. (2023) observed that social and community-oriented activities contribute to enhanced firm performance in competitive markets. These findings support the argument that discretionary responsibility plays a role in shaping competitive outcomes. However, unlike some prior studies, the present study does not extend the findings to specific outcomes such as customer loyalty or brand attachment, as these relationships were not directly tested.

At the regional and local level, the findings align with evidence from Sub-Saharan Africa and Kenya. Sosola (2024) and Agyapong (2024) reported that community-based initiatives and voluntary CSR activities positively influence firm performance in African manufacturing contexts. Similarly, Wamuyu and Kariuki (2023) and Ouma et al. (2025) found that discretionary CSR practices are associated with improved firm outcomes among Kenyan firms. The present study contributes to this body of knowledge by demonstrating that discretionary responsibility is a significant predictor of competitive advantage within a multidimensional CSR framework. Overall, the findings indicate that discretionary responsibility contributes to competitive advantage, although its influence is comparatively weaker than that of the other CSR dimensions.

5.4 Conclusion of the Study

This section presents the conclusions drawn from the findings of the study in relation to the research objectives. The conclusions summarize the influence of corporate social responsibility dimensions on competitive advantage among food and beverage manufacturing firms in Kenya and highlight the theoretical, conceptual, contextual, and methodological contributions of the study.

The study concludes that economic responsibility has a positive and significant influence on competitive advantage among food and beverage manufacturing firms in Kenya. Firms that emphasize cost management, operational efficiency, innovation, and effective resource utilization are more likely to achieve improved product quality, stronger brand image, increased customer loyalty, and enhanced market share. The findings therefore confirm that economically responsible practices contribute significantly to competitiveness within the sector.

The study identifies innovation, supplier fairness, and marketing transparency as relatively weak areas of CSR implementation, highlighting important gaps that require targeted strategic action. To address weak innovation, firms should integrate CSR into their core innovation strategies by investing in sustainable product development, eco-efficient production processes, and partnerships with research institutions to drive continuous improvement. In terms of supplier fairness, organizations should adopt structured supplier codes of conduct, strengthen monitoring mechanisms, and promote long-term, inclusive relationships with suppliers to ensure ethical sourcing and shared value creation. Regarding marketing transparency, firms need to enhance the credibility and clarity of CSR communication by adopting standardized reporting frameworks, ensuring truthful and verifiable disclosures, and leveraging digital platforms to engage stakeholders effectively. Collectively, these targeted strategies can transform existing weaknesses into strategic strengths, enabling firms to improve stakeholder trust, operational efficiency, and overall competitive advantage.

The study further concludes that legal responsibility is a major determinant of competitive advantage in the food and beverage manufacturing sector. Firms that comply with regulatory requirements, adhere to industry standards, and maintain relevant certifications are more likely to achieve improved competitive positioning. The findings demonstrate that legal responsibility is particularly important in highly regulated industries where product safety, quality standards, and consumer protection directly influence customer trust and market performance.

In addition, the study concludes that ethical responsibility positively influences competitive advantage. Firms that embrace fairness, transparency, responsible marketing, and environmentally responsible practices tend to strengthen customer trust and improve market positioning. Although the effect of ethical responsibility was relatively lower compared to legal and economic responsibility, the findings confirm that ethical business conduct remains an important contributor to long-term competitiveness within the industry.

The observed contradiction between high reported compliance with legal and ethical corporate social responsibility (CSR) requirements and weak marketing transparency suggests the influence of underlying institutional dynamics that are not explicitly explored in the study. From an institutional theory perspective, firms often respond differently to coercive, normative, and

mimetic pressures depending on the strength of regulatory enforcement and stakeholder scrutiny. High compliance in legal and ethical domains may reflect strong coercive pressures arising from regulatory requirements, fear of sanctions, or mandatory reporting standards, which compel firms to adopt formal CSR practices. In contrast, weaker marketing transparency may indicate limited enforcement mechanisms or less stringent oversight in communication and disclosure practices, allowing firms to selectively present information in ways that enhance legitimacy without full accountability.

This inconsistency can also be explained by symbolic compliance, where organizations adopt visible CSR practices to satisfy external expectations while withholding detailed or potentially unfavourable information in marketing communications. Furthermore, institutional voids, such as weak monitoring agencies or inconsistent enforcement across sectors, may create an environment where firms prioritize compliance in highly regulated areas while treating transparency as discretionary. The finding therefore points to a decoupling between formal CSR adoption and substantive disclosure practices, suggesting that firms may engage in impression management rather than fully integrating transparency into their strategic operations. Consequently, a deeper examination of regulatory effectiveness, industry norms, and stakeholder pressure is necessary to fully understand the divergence between compliance and transparency in the Kenyan manufacturing context.

The study also concludes that discretionary responsibility positively influences competitive advantage, though its effect is comparatively weaker than the other CSR dimensions. Firms that engage in voluntary activities such as community development, charitable support, and environmental programs are more likely to enhance their corporate image and stakeholder goodwill. The findings therefore suggest that discretionary responsibility complements other CSR dimensions in strengthening competitive advantage.

From a structural perspective, the limited impact of ethical and discretionary CSR may be attributed to weak institutional frameworks, inconsistent enforcement mechanisms, and limited regulatory incentives. In many developing economy contexts, including Kenya, regulatory systems tend to prioritize compliance-based CSR (e.g., legal and environmental requirements) over voluntary or discretionary initiatives. As a result, firms focus their resources on meeting mandatory

obligations, while ethical and philanthropic activities are treated as secondary or optional. Moreover, the absence of strong monitoring institutions and standardized reporting frameworks reduces accountability in these areas, limiting their visibility and measurable impact on competitive advantage. Where enforcement is uneven, firms may engage in symbolic or minimal ethical compliance without fully integrating these practices into their strategic operations. This structural imbalance leads to a decoupling between formal CSR commitments and substantive outcomes, thereby weakening the effectiveness of ethical and discretionary CSR dimensions.

Cultural factors also play a critical role in shaping the limited influence of ethical and discretionary CSR. In many organizational contexts, CSR is often perceived primarily as a compliance or reputational requirement rather than a core strategic function. This perception reduces the emphasis placed on ethical leadership, transparency, and voluntary social contributions. Additionally, stakeholder expectations regarding ethical practices and philanthropy may not be sufficiently strong or consistent to drive meaningful organizational change. For example, if consumers and communities prioritize price, product availability, or quality over ethical considerations, firms may have limited incentive to invest heavily in discretionary CSR initiatives. Furthermore, internal organizational cultures may lack the values-based orientation required to embed ethical CSR into decision-making processes, leading to superficial or fragmented implementation. As a result, ethical and discretionary CSR remain peripheral rather than central to competitive strategy.

Market-related constraints further explain the relatively weak impact of ethical and discretionary CSR. In highly competitive and cost-sensitive markets such as the food and beverage sector, firms often prioritize efficiency, cost reduction, and short-term financial performance over long-term social investments. Ethical and discretionary CSR activities, which typically require additional resources and may not generate immediate financial returns, may therefore be deprioritized. Additionally, the market may not effectively reward such initiatives due to low consumer awareness or limited willingness to pay a premium for ethically responsible products. In such contexts, the competitive advantage derived from discretionary CSR is constrained by weak demand-side pressures. Furthermore, information asymmetry in the market may prevent stakeholders from fully recognizing or valuing ethical CSR efforts, thereby reducing their impact on firm performance.

Taken together, these structural, cultural, and market constraints suggest that the low impact of ethical and discretionary CSR is not necessarily a reflection of their inherent ineffectiveness but rather a consequence of contextual limitations. The findings indicate that these dimensions of CSR are not yet fully institutionalized or strategically leveraged within the sector. Instead, firms appear to prioritize CSR activities that are directly linked to regulatory compliance or operational efficiency, while ethical and philanthropic initiatives remain underdeveloped and weakly connected to competitive outcomes. This highlights a broader issue of CSR maturity, where organizations are still transitioning from compliance-driven approaches to more integrated and value-driven CSR strategies.

Conceptually, the study fills an important knowledge gap by disaggregating corporate social responsibility into economic, legal, ethical, and discretionary dimensions instead of treating CSR as a single composite construct, as done in many previous studies. This enabled a clearer understanding of the relative influence of each CSR dimension on competitive advantage. The study also addressed the gap relating to the limited use of non-financial indicators by examining competitive advantage using product quality, brand image, customer loyalty, and market share.

Contextually, the study contributes to the limited empirical evidence on the relationship between corporate social responsibility and competitive advantage within Kenya's food and beverage manufacturing sector. By focusing specifically on this industry, the study generated sector-specific findings relevant to a highly regulated and increasingly consumer-conscious manufacturing environment characterized by rising sustainability expectations and food safety concerns.

Methodologically, the study addressed limitations in prior research by adopting a census approach involving all food and beverage manufacturing firms registered with the Kenya Association of Manufacturers and by collecting data from multiple respondents within each firm. This approach enhanced the comprehensiveness, reliability, and generalizability of the findings while reducing reliance on single-informant responses. The study therefore contributes both empirically and methodologically to the growing body of literature on corporate social responsibility and competitive advantage.

5.5 Recommendations of the Study

This section presents recommendations derived from the findings of the study to guide policymakers and food and beverage manufacturing firms in strengthening corporate social responsibility practices and enhancing competitive advantage within the Kenyan context.

5.5.1 Policy Recommendations

The study established that legal responsibility has the strongest influence on competitive advantage among food and beverage manufacturing firms in Kenya. Based on this finding, regulatory agencies such as the Kenya Bureau of Standards, Kenya Dairy Board, and the Agriculture and Food Authority should strengthen enforcement of food safety standards, product quality requirements, environmental regulations, and certification systems across the sector. Particular attention should be given to supporting implementation of front-of-pack nutritional labeling requirements and responsible product disclosure practices to enhance consumer awareness and trust within the food and beverage industry.

The study also recommends that policymakers streamline compliance procedures and reduce bureaucratic barriers associated with certification and regulatory approvals. Simplifying compliance processes, especially for medium-sized manufacturers, would reduce operational costs while encouraging firms to adopt and maintain high standards of legal and ethical responsibility. In addition, government agencies should collaborate with industry associations such as the Kenya Association of Manufacturers to provide training programs on responsible production practices, sustainability reporting, ethical sourcing, and environmental management within the food and beverage sector.

Further, since economic responsibility significantly influences competitive advantage, policymakers should support initiatives that enhance operational efficiency within the sector. This may include incentives for adoption of energy-efficient technologies, waste reduction systems, sustainable packaging, and environmentally friendly production processes. Such interventions would not only strengthen firm competitiveness but also support national sustainability and industrialization goals.

5.5.2 Practice Recommendations

The findings showed that economic responsibility significantly influences competitive advantage. Food and beverage manufacturing firms should therefore strengthen operational efficiency through investment in modern production technologies, efficient supply chain systems, quality control processes, and cost management practices. Firms should particularly focus on reducing production waste, improving inventory management, and enhancing product consistency, as these practices directly influence product quality and market competitiveness.

The study further established that legal responsibility is a major determinant of competitive advantage. Firms should therefore institutionalize compliance management systems by creating dedicated compliance and regulatory monitoring units responsible for tracking food safety standards, labeling requirements, environmental regulations, and certification obligations. In light of increasing consumer concern regarding food content and safety, firms should proactively implement transparent front-of-pack nutritional labeling and accurate product information disclosure even before mandatory enforcement. This would strengthen consumer trust, brand image, and customer loyalty.

The findings also showed that ethical responsibility positively influences competitive advantage. Firms should strengthen ethical practices by enhancing transparency in marketing communication, ensuring fairness in supplier relationships, promoting responsible sourcing, and adopting environmentally sustainable practices. In particular, firms should establish internal ethical guidelines and supplier codes of conduct to ensure consistency in ethical decision-making across the supply chain. This would improve stakeholder trust and strengthen long-term brand reputation.

In addition, discretionary responsibility was found to positively influence competitive advantage, although to a relatively lower extent. Firms should therefore align community development initiatives, environmental programs, and philanthropic activities with their core business objectives and stakeholder needs. For example, food and beverage firms may invest in nutrition awareness campaigns, farmer capacity-building programs, clean water initiatives, or sustainable agriculture projects that simultaneously strengthen community welfare and supply chain sustainability.

Finally, the study recommends that firms adopt an integrated CSR implementation framework where economic, legal, ethical, and discretionary responsibilities are embedded into strategic planning, operational processes, marketing activities, supplier management, and stakeholder engagement practices. Rather than treating CSR as isolated activities, firms should integrate CSR into core business functions by linking operational efficiency with environmental sustainability, compliance with ethical sourcing, and community engagement with brand development. This integrated approach would enable firms to derive stronger and more sustainable competitive advantage within the Kenyan food and beverage manufacturing sector.

5.5.3 Theoretical Recommendations

From a theoretical perspective, the findings of this study reinforce the applicability of Archie Carroll's CSR Pyramid Model and the Resource-Based View theory in explaining the relationship between corporate social responsibility and competitive advantage within the Kenyan food and beverage manufacturing sector. The findings confirm that CSR dimensions contribute differently to competitive advantage, with legal and economic responsibilities exerting stronger influence compared to ethical and discretionary responsibilities. This supports the argument that CSR should not be viewed as a uniform construct, but rather as a multidimensional strategic framework whose components influence organizational outcomes differently depending on the industry and operating environment.

The study also contributes theoretically by demonstrating that in highly regulated and consumer-sensitive industries such as food and beverage manufacturing, compliance-oriented and operationally efficient CSR practices function as valuable organizational capabilities that strengthen competitive positioning. The findings therefore extend the Resource-Based View theory by showing that legal compliance, certification attainment, operational efficiency, and responsible production practices can serve as strategic resources that are valuable, difficult to imitate, and capable of generating sustained competitive advantage. Future theoretical development should therefore consider contextualizing CSR frameworks to better reflect the realities of emerging markets and highly regulated manufacturing sectors where regulatory compliance, food safety, sustainability, and stakeholder trust are central drivers of competitiveness.

5.6 Limitations of the Study

One limitation of this study relates to the use of a cross-sectional research design, which captured corporate social responsibility practices and competitive advantage at a single point in time. While this approach was appropriate for examining relationships among the study variables, it did not allow for the assessment of how these relationships evolve over time. As a result, the study was limited in its ability to capture dynamic changes in CSR practices and competitive advantage or to establish causal relationships among the variables.

Another limitation concerns the reliance on self-reported data collected through structured questionnaires. Although respondents were selected based on their roles and knowledge of firm operations, their responses may have been influenced by social desirability bias or subjective judgment. This is particularly relevant for variables such as ethical responsibility and compliance practices, where respondents may have provided favourable assessments of their organizations. Despite efforts to ensure anonymity and confidentiality, the possibility of response bias could not be eliminated.

The use of a cross-sectional research design may have introduced biases that affect the interpretation of the study's findings, particularly due to temporal ambiguity, which limits the ability to establish causal relationships between corporate social responsibility (CSR) and competitive advantage and raises the possibility of reverse causality. Additionally, collecting data at a single point in time using a single questionnaire increases the risk of common method bias, potentially inflating observed relationships, while the design also fails to capture dynamic changes in CSR practices and performance outcomes over time. Sampling and response biases may further affect representativeness, limiting generalizability. However, these limitations could be mitigated through the inclusion of control variables, careful questionnaire design, ensuring respondent anonymity, and grounding the analysis in strong theoretical frameworks. Future studies are recommended to adopt longitudinal designs or multiple data sources to enhance causal inference and improve the robustness of findings.

The study also involved multiple respondents from each firm in order to capture strategic, operational, and compliance perspectives on corporate social responsibility practices. However, the study treated responses as individual observations during analysis, which may create ambiguity

regarding within-firm response aggregation. Differences in perceptions among respondents from the same organization may not have been fully captured or reconciled statistically. Although the use of multiple respondents enhanced the breadth of information collected and reduced reliance on a single informant, the absence of formal within-group agreement analysis represents a methodological limitation that should be considered when interpreting the findings.

In addition, the study was limited to non-financial measures of competitive advantage, including product quality, brand image, customer loyalty, and market share perceptions. While these indicators were appropriate for assessing competitive positioning, they did not capture financial outcomes such as profitability, return on investment, or shareholder value. Therefore, the findings should be interpreted within the context of non-financial dimensions of competitive advantage rather than overall firm financial performance.

Finally, the study focused on food and beverage manufacturing firms registered with the Kenya Association of Manufacturers, which limits the generalizability of the findings to informal enterprises or firms operating outside the association's membership framework. In addition, the regulatory and operational characteristics of the food and beverage manufacturing sector may differ from those of other industries. Consequently, caution should be exercised when generalizing the findings beyond the specific context of the study.

5.7 Suggestions for Further Research

Future studies should consider adopting longitudinal research designs to examine the long-term influence of corporate social responsibility practices on competitive advantage. Although the findings of the current study generally aligned with Carroll's CSR Pyramid Model and the Resource-Based View theory, as well as prior empirical literature indicating that CSR positively influences competitive advantage, the cross-sectional nature of the study limited the ability to observe how these relationships evolve over time. Longitudinal studies would provide deeper insights into how firms sustain CSR initiatives, adapt to changing regulatory and market conditions, and maintain competitive advantage in the long run.

Further research should also incorporate objective financial performance indicators alongside non-financial measures of competitive advantage. While this study focused on product quality, brand image, customer loyalty, and market share, future studies may include profitability, return on

assets, sales growth, and shareholder value to establish a more comprehensive understanding of the strategic and financial implications of corporate social responsibility practices within the manufacturing sector.

In addition, future studies should adopt mixed methods approaches combining quantitative and qualitative techniques to provide deeper explanations for some of the anomalies and contradictions observed in the findings. For example, although ethical responsibility was found to positively influence competitive advantage, some firms reported relatively strong stakeholder engagement practices while simultaneously recording lower scores on aspects such as marketing transparency and supplier fairness. Qualitative methods such as interviews or case studies would help researchers explore the organizational, cultural, managerial, and operational factors underlying such inconsistencies and generate insights that extend beyond statistical relationships alone.

Future studies should also examine the moderating or mediating effects of organizational and environmental factors on the relationship between CSR and competitive advantage. Variables such as firm size, ownership structure, technological capability, organizational culture, market orientation, and regulatory intensity may influence how effectively CSR practices translate into competitive outcomes. Examining these factors would provide more nuanced understanding of the conditions under which CSR generates the greatest strategic value.

Further research may also conduct sub-sector analyses within the food and beverage manufacturing industry. The current study treated the sector as relatively homogeneous despite the existence of diverse sub-sectors such as dairy processing, beverage manufacturing, grain milling, confectionery, edible oils, and processed foods, each with distinct operational, regulatory, and competitive characteristics. Future studies focusing on individual sub-sectors may provide more detailed insights into how specific CSR dimensions influence competitive advantage under different industry conditions.

Future research is encouraged to employ more robust analytical approaches, such as longitudinal data, instrumental variable techniques, or structural equation modelling, to better account for reverse causality and unobserved heterogeneity.

Finally, comparative studies across different industries or countries within the East African region would enhance the generalizability of findings and contribute to the development of regionally

relevant CSR frameworks. Cross-country and cross-sector analyses would help identify contextual similarities and differences in CSR implementation, stakeholder expectations, regulatory enforcement, and competitive dynamics, thereby enriching the growing body of African literature on corporate social responsibility and competitive advantage.

5.8 Chapter Summary

This chapter summarizes the key findings, conclusions, and recommendations of the study on the influence of corporate social responsibility (CSR) on competitive advantage among food and beverage manufacturing firms in Kenya. The chapter highlights that while CSR generally has a significant positive relationship with competitive advantage, the effects vary across different CSR dimensions, with stronger impacts observed in legal and environmental responsibilities compared to ethical and discretionary aspects. It also acknowledges key methodological and analytical limitations, including issues related to cross-sectional design, potential biases, and unexamined heterogeneity among firms. Based on these findings, the chapter provides practical recommendations for strengthening weak CSR areas such as innovation, supplier fairness, and marketing transparency, while also suggesting directions for future research, including the use of longitudinal designs and more advanced analytical approaches to enhance causal inference and generalizability.

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APPENDICES

Appendix I: Introduction Letter

Dear Respondent,

Ref: Participation in Data Collection

My name is Faith Muthoni Mbae, a postgraduate student at Strathmore University. I am currently conducting a research study entitled:

“THE INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY ON COMPETITIVE ADVANTAGE OF FOOD AND BEVERAGE MANUFACTURING FIRMS IN KENYA”

In this regard, I am seeking your support and cooperation in participating in the data collection exercise. The information you provide will be treated with utmost confidentiality and used solely for the stated academic purpose. Participation is voluntary, and you have the right to withdraw from the study at any point.

Thank you very much for your time and valuable contribution. Feel free to get in touch with me if you need more information or have any inquiries at muthonifa2@gmail.com or +254 735 994565.

Yours faithfully,

Faith Muthoni Mbae

Postgraduate Student, Strathmore University

Appendix II: Introductory Letter from the School

Ole Sangale Rd, Madaraka Estate
P.O. Box 59857 - 00200, Nairobi, Kenya
Cell: +254 703 034 414/677
X/Twitter/TikTok: @SSSKenya
Facebook/LinkedIn: Strathmore University Business School
Email: sbsinfo@strathmore.edu or visit www.sbs.strathmore.edu



3rd November 2025

To Whom It May Concern,

RE: FACILITATION OF RESEARCH – MBAE, FAITH MUTHONI

This is to introduce Mbae, Faith Muthoni who is a Master of Commerce (MCOM) Student at Strathmore University Business School, admission number MCOM/73381. As part of our MCOM Programme, Faith is expected to do applied research and undertake a project. This is in partial fulfilment of the requirements of the MCOM course. To this effect, Faith would like to request appropriate data from your organization.

Faith is undertaking a research paper on **“THE INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY ON COMPETITIVE ADVANTAGE OF FOOD AND BEVERAGE FIRMS.”** The information obtained shall be treated confidentially and shall be used for academic purposes only.

Our MCOM Programme seeks to establish links with industry, and one of these ways is by directing our research to areas that would be of direct use to industry. We would be glad to share our findings with you after the research, and we trust that you will find them of great interest and of practical value to your organization.

We appreciate your support and shall be willing to provide any further information if required.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Njoki Kiagiri".

Njoki Kiagiri
Manager – Graduate Programmes
Strathmore University Business School.

Association of African
Business Schools



Strathmore Business School is a Proud member of:



Appendix III: Research Questionnaire

This questionnaire is designed to gather information for a research study on the influence of corporate social responsibility on competitive advantage of food and beverage manufacturing firms in Kenya. Your honest and accurate responses will be treated with utmost confidentiality and used exclusively for academic research purposes.

Instructions

Pick only a response (box) for every question.

Part A: Respondent Profile

1. **Position in the Firm** (Tick one)
 - ☐ Chief Executive Officer / Managing Director
 - ☐ Head of Marketing
 - ☐ Head of Corporate Affairs / CSR
 - ☐ Quality Assurance / Compliance Manager
 - ☐ Other (please specify) _____
2. **Years of Experience in the Food and Beverage Industry** (Tick one)
 - ☐ Less than 5 years
 - ☐ 5–10 years
 - ☐ 11–15 years
 - ☐ More than 15 years
3. **Firm's Years of Operation** (Tick one)
 - ☐ Less than 5 years
 - ☐ 5–10 years
 - ☐ 11–20 years
 - ☐ More than 20 years
4. **Firm's Sub-sector** (Tick one)
 - ☐ Dairy Processing
 - ☐ Beverage Production (Alcoholic/Non-Alcoholic)
 - ☐ Grain Milling and Cereal Products
 - ☐ Edible Oils and Fats
 - ☐ Confectionery and Processed Foods
 - ☐ Other (please specify) _____

Part B: Economic Responsibility

4. Please rate your level of affirmation or disapproval with the following items. Please utilize the scale: “1=Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree and 5=Strongly agree.”

	1	2	3	4	5
1. Our firm actively implements strategies to reduce production costs without compromising quality.					
2. Operational efficiency is a key priority in our production processes.					
3. The company invests in modern technology to enhance production efficiency.					
4. We allocate resources regularly to product and process innovation.					
5. Cost savings are reinvested to improve customer value.					
6. Our supply chain is managed to ensure timely delivery of inputs.					
7. We continuously evaluate suppliers for cost and quality effectiveness.					
8. The firm achieves cost leadership in its product category.					

Part C: Legal Responsibility

5. Please rate your level of affirmation or disapproval with the following items. Please utilize the scale: “1=Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree and 5=Strongly agree.”

	1	2	3	4	5
1. Our firm complies fully with all applicable food safety regulations.					
2. We adhere strictly to KEBS labeling requirements.					
3. Labor laws are fully implemented in our organization.					
4. Environmental regulations are followed without exception.					
5. We maintain valid industry certifications such as HACCP or ISO 22000.					
6. Regulatory compliance is monitored regularly by a dedicated team.					
7. New legal requirements are integrated into operations promptly.					
8. The firm has no recent record of regulatory violations.					

Part D: Ethical Responsibility

6. Please rate your level of affirmation or disapproval with the following items. Please utilize the scale: “1=Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree and 5=Strongly agree.”

	1	2	3	4	5
1. Product information provided to customers is accurate and transparent.					
2. Marketing practices are honest and not misleading.					
3. Employees are treated fairly and with respect.					
4. The firm upholds fair payment practices for suppliers.					
5. Our operations incorporate environmentally friendly production methods.					
6. The company prioritizes consumer safety beyond legal requirements.					
7. Stakeholder engagement is conducted with integrity and openness.					
8. Ethical practices are embedded in decision-making processes.					

Part E: Discretionary Responsibility

13. Please rate your level of affirmation or disapproval with the following items. Please utilize the scale: “1=Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree and 5=Strongly agree.”

	1	2	3	4	5
1. The firm invests in community development projects.					
2. We regularly support health-related initiatives in our communities.					
3. Educational programs receive active sponsorship from the company.					
4. Charitable donations form part of our annual budget.					
5. The company supports local cultural and sporting events.					
6. Voluntary environmental conservation programs are undertaken by the firm.					
7. Our philanthropic activities address community needs.					
8. Community engagement initiatives are sustained over time.					

Part F: Competitive Advantage

15. Please rate your level of affirmation or disapproval with the following items. Please utilize the scale: “1=Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree and 5=Strongly agree.”

	1	2	3	4	5
1. Our products meet consistently high quality standards.					
2. The brand enjoys a strong and positive market image.					
3. Customers show loyalty by repeatedly purchasing our products.					
4. We maintain a competitive share of our target market.					
5. Product quality differentiates us from competitors.					
6. Our brand is recognized for reliability and trustworthiness.					
7. Customer feedback influences continuous improvement in our products.					
8. We retain customers even when competitors lower their prices.					

THANK YOU

Appendix IV: Ethics Approval Letter



24th October 2025

Ms Mbae Faith,
faith.mbae@strathmore.edu

Dear Ms Mbae,

RE: The Influence of Corporate Social Responsibility on Competitive Advantage of Food and Beverage Manufacturing Firms in Kenya

This is to inform you that SU-ISERC has reviewed and **approved** your above **SU-masters** research proposal. Your application reference number is **SU-ISERC3054/25**. The approval period is from **24th October 2025 to 23rd October 2026**.

This approval is subject to compliance with the following requirements:

- i. Only approved documents including (informed consents, study instruments, and MTA) will be used
- ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SU-ISERC.
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to SU-ISERC within 72 hours of notification
- iv. Any changes, anticipated or otherwise, that may increase the risks or affect the safety or welfare of study participants and others or affect the integrity of the research must be reported to SU-ISERC within 72 hours
- v. Clearance for the export of biological specimens must be obtained from relevant institutions.
- vi. Submission of a request for renewal of approval at least 60 days prior to the expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days of completion of the study to SU-ISERC.

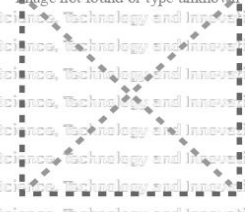
Before commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology, and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke/> and obtain other clearances needed.

Yours sincerely,

Mr Ambrose Rachier,
Chairperson; SU-ISERC

Ole Sangale Rd, Madaraka Estate. PO Box 59857-00200, Nairobi, Kenya. Tel +254 (0)703 034000
Email admissions@strathmore.edu www.strathmore.edu

Appendix V: NACOSTI Permit

 REPUBLIC OF KENYA Ref No: 656581	 NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION Date of Issue: 11/November/2025
RESEARCH LICENSE	
	
This is to Certify that Ms. FAITH MUTHONI MUTHONI of Strathmore University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: THE INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY ON COMPETITIVE ADVANTAGE OF FOOD AND BEVERAGE FIRMS for the period ending : 11/November/2026.	
License No: NACOSTI/P/25/4181967 Applicant Identification Number 656581	Ag. Director General NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION Verification QR Code 
NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application. See overleaf for conditions	

THE SCIENCE, TECHNOLOGY AND INNOVATION ACT, 2013 (Rev. 2014)
Legal Notice No. 108: The Science, Technology and Innovation (Research Licensing) Regulations, 2014

The National Commission for Science, Technology and Innovation, hereafter referred to as the Commission, was established under the Science, Technology and Innovation Act 2013 (Revised 2014) herein after referred to as the Act. The objective of the Commission shall be to regulate and assure quality in the science, technology and innovation sector and advise the Government in matters related thereto.

CONDITIONS OF THE RESEARCH LICENSE

1. The License is granted subject to provisions of the Constitution of Kenya, the Science, Technology and Innovation Act, and other relevant laws, policies and regulations. Accordingly, the licensee shall adhere to such procedures, standards, code of ethics and guidelines as may be prescribed by regulations made under the Act, or prescribed by provisions of International treaties of which Kenya is a signatory to.
2. The research and its related activities as well as outcomes shall be beneficial to the country and shall not in any way;
 - i. Endanger national security
 - ii. Adversely affect the lives of Kenyans
 - iii. Be in contravention of Kenya's international obligations including Biological Weapons Convention (BWC), Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO), Chemical, Biological, Radiological and Nuclear (CBRN).
 - iv. Result in exploitation of intellectual property rights of communities in Kenya
 - v. Adversely affect the environment
 - vi. Adversely affect the rights of communities
 - vii. Endanger public safety and national cohesion
 - viii. Plagiarize someone else's work
3. The License is valid for the proposed research, location and specified period.
4. Neither the license nor any rights thereunder are transferable.
5. The Commission reserves the right to cancel the research at any time during the research period if in the opinion of the Commission the research is not implemented in conformity with the provisions of the Act or any other written law.
6. The Licensee shall inform the relevant County Director of Education, County Commissioner and County Governor before commencement of the research.
7. Excavation, filming, movement, and collection of specimens are subject to further necessary clearance from relevant Government Agencies.
8. The License does not give authority to transfer research materials.
9. The Commission may monitor and evaluate the licensed research project for the purpose of assessing and evaluating compliance with the conditions of the License.
10. The Licensee shall submit one hard copy, and upload a soft copy of their final report (thesis) onto a platform designated by the Commission within one year of completion of the research.
11. The Commission reserves the right to modify the conditions of the License including cancellation without prior notice.
12. Research, findings and information regarding research systems shall be stored or disseminated, utilized or applied in such a manner as may be prescribed by the Commission from time to time.
13. The Licensee shall disclose to the Commission, the relevant Institutional Scientific and Ethical Review Committee, and the relevant national agencies any inventions and discoveries that are of National strategic importance.
14. The Commission shall have powers to acquire from any person the right in, or to, any scientific innovation, invention or patent of strategic importance to the country.
15. Relevant Institutional Scientific and Ethical Review Committee shall monitor and evaluate the research periodically, and make a report of its findings to the Commission for necessary action.

National Commission for Science, Technology and
Innovation(NACOSTI),
Off Waiyaki Way, Upper Kabete,
P. O. Box 30623 - 00100 Nairobi, KENYA
Telephone: 020 4007000, 0713788787, 0735404245
E-mail: dg@nacosti.go.ke
Website: www.nacosti.go.ke

Appendix VI: Food and Beverage Manufacturing Firms in Kenya

Aariva Ltd	Chemelil Sugar Company Ltd	Candy Kenya Ltd	Honey Care Africa
Afribo (K) Ltd	Chirag Kenya Ltd	Capel Food Ingredients	Insta Products (EPZ) Ltd
Africa Spirits Ltd	Coastal Bottlers Ltd	Capwell Industries Ltd	Italian Gelatin & Food Products Ltd
African Coffee	Coca-Cola East Central and West Africa Ltd	Centrofood Industries Ltd	Jambo Biscuits (K) Ltd
Afrimac Nut Company	Coca-Cola Juices (K) Ltd	Chai Trading Company Ltd	James Finlay Kenya Ltd
Agri Pro-Pak Ltd	Coffee Agriworks Ltd	Jetlak Foods Ltd	Melvin Marsh International
Agricultural & Veterinary Supplies Ltd (Agrivet)	CoffTea Agencies	Jjasm Mini-Distillery	Menengai Oil Refineries Ltd
Agriner Agricultural Development	Crown Beverages LTD	Juja Coffee Exporters	Meru Greens Horticulture Ltd
Agro Chemical & Food Company Ltd	Danone Baby Nutrition Africa and Overseas	Jungle Group	Meru Water & Sewerage Services
Al-Mahra Industries Ltd	Del Monte Kenya Ltd	Kabianga Dairy Ltd	Milly Fruit Processors Ltd
Alliance One Tobacco Kenya Ltd	Diamond Industries Ltd	Kambu Distillers Ltd	Mini Bakeries (Nbi) Ltd
Almasi Beverages Ltd	DoinyoLessos Creameries Ltd	Kamili Packers Ltd	Miritini Kenya
Alpha Fine Foods Ltd	DPL Festive Ltd	Kapa Oil Refineries Ltd	Mjengo Ltd
Alpha Grain Millers Ltd	Dutch Waters Ltd	Karirana Estate Ltd	Mombasa Maize Millers Ltd
Alpine Coolers Ltd	East African Breweries Ltd	Kedsta Investment Ltd	Monwalk Investment Ltd
Aquamist Ltd	East African Sea Food Ltd	Kenafric Bakery	Morani Ltd
Arkay Industries Ltd	East African Seed Co. Ltd	Kenafric Industries Ltd	Mount Kenya Bottlers Ltd
Aviano East Africa	Eastern Produce Kenya Ltd (Kakuzi)	Kenblest Ltd	Mumias Sugar Co. Ltd
Bakers Corner Ltd	Edible Oil Products	Kenchic Ltd	Munyiri Special Honey Ltd
Bakex Millers Ltd	Eldoret Grains Ltd	KentasteProducts Ltd	Mwanga Millers
Bakhresa Grain Milling (K) Ltd	Elekea Ltd	Kenya Co-Operative Coffee	Mzuri Sweets Ltd

		Dealers Ltd (KCCD)	
Bdelo Ltd	Elle Kenya Ltd	Kenya Highland Seed Co. Ltd	Nairobi Bottlers Ltd
Belat Enterprises	Equator Bottlers Ltd	Kenya Nut Company Ltd	Nairobi Flour Mills Ltd
Belfast Millers Ltd	Erdemann Co. (K) Ltd	Kenya Seed Company Ltd	Nal Packaging Holdings Ltd
Bidco Africa Ltd	Europack Industries Ltd	Kenya Sweets Ltd	NAS Airport Services Ltd
Bio Food Products Ltd	Excel Chemicals Ltd	Kenya Tea Development Agency	NesFoods Industries Ltd
Brava Foods	Farmers Choice Ltd	Kenya Tea Growers Association	Nestle Kenya Ltd
Breakfast Cereal company (K) Ltd (Formerly Weetabix)	Frigoken Ltd	Kenya Tea Packers Ltd (KETEPA)	New Kenya Co-Operative Creameries Ltd
British American Tobacco Kenya Plc	FRM EA Packers Ltd	Kenya Wine Agencies Ltd	NiceyNicey Maize Millers Ltd
Broadway Bakery Ltd	Frutarom Kenya (Ltd)	Kerio Valley Development Authority	Nicola Farms Ltd
Brookside Dairy Ltd	General Mills East Africa Ltd	Keroche Industries Ltd	Njoro Canning Factory(Kenya) Ltd
Brown Biashara Ltd	Giloil Company Ltd	Kevian Kenya Ltd	Norda Industries Ltd
Buffalo Millers	Githunguri Dairy Farmers Co-operative Society	Kibos Sugar and Allied Industries	Nzoia Sugar
Bulto Foods Ltd	Glacier Products Ltd	Kilimanjaro Biscuits Ltd	Olivado EPZ Ltd
Bunda Cakes & Feeds Ltd	Global Fresh Ltd	Kinangop Dairy Ltd	Palmhouse Diaries Ltd
Bunge East Africa Ltd	Global Tea & Commodities (K) Ltd	Kirinyaga Flour Mills	Patco Industries Ltd
Burton and Bamber Company Ltd	Gold Crown Foods (EPZ) Ltd	Kisii Bottlers Ltd	Pearl Industries Ltd
Butali Sugar Mills Ltd	Golden Africa Kenya Ltd	Koba Waters Ltd/ Broomhill Springs Water	Pearly LLP
Buuri Millers Enterprises	Gonas Best Ltd	Krish Commodities Ltd	Pembe Flour Mills Ltd
Buzeki Dairy Ltd	Grain Bulk Handlers	Kuguru Food Complex Ltd	Pernod Ricard Kenya Ltd

C. Dormans Ltd	Green Forest Foods Ltd	Kwale International Company Ltd	Platinum Distillers Ltd
C.Czarnikow Sugar(EA) ltd	Happy Cow Ltd	Kwality Candies & Sweets Ltd	Premier Flour Mills Ltd
Cadbury Kenya Ltd	Heritage Foods Kenya Ltd	Landeco Ltd	Premier Food Industries Ltd
Caffe Del Duca Ltd	Highlands Mineral Water Co. Ltd	Luma Stores & Supplies Enter. Ltd	Pride Industries Ltd
Spice World Ltd	Sahara Venture Capital Company Ltd	Mace Foods Ltd	Pristine International Ltd
Stawi Foods and Fruits Ltd	Salim Wazarani Kenya Company	Mafuko Industries Ltd	Proctor & Allan (E.A.) Ltd
Sunny Processors Ltd	Sameer Agriculture & Livestock (Kenya) LTD	Malindi Natural Juice Processors Ltd	Promasidor (Kenya) Ltd
Sweet Rus Ltd	SBC Kenya Ltd	Mama Millers Ltd	Propack Kenya Ltd
T.S.S. Grain Millers Ltd	Scepter Millers Ltd	Mamboleo Distillers Ltd (Formerly Kenlab Supplies Ltd	Pwani Oil Products Ltd
Tropical Heat Ltd (Formerly Deepa Industries)	Selecta Kenya Gmbh& Co. .KG	Manji Food Industries Ltd	Rafiki Millers Ltd
Trufoods Ltd	Shree Sai Industries	Mastermind Tobacco (K) Ltd	Raka Milk Processors
Trust Feeds Ltd	Sigma Supplies Ltd	Mayfeeds Kenya Ltd	RAZCO Ltd
Trust Flour Mills Ltd	Simply Foods Ltd	MDI Ltd	Re-Suns Spices Ltd
Spectre International Ltd	Sky Foods Ltd	Megatech Ltd	Rift Valley Bottlers Ltd
South Nyanza Sugar Company			

Source: KAM (2025)