



Building on Firm Competitive Advantage Through Core Competence Manufacturing Firm



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Abstract

The study examined the effect of core competence and firm competitive advantage in the Nigeria Brewing industry, with a focus on selected Brewing firms in Enugu, Onitsha and Benin City. The study employed a descriptive survey research design. Instrument adopted for the study is a structured questionnaire based on simple random sampling method. In addition, interview was also employed to serve as a compliment for the questionnaire. Reliability of the research instrument was tested using the Cronbach Alpha method which revealed that the instrument is reliable. The result of Durbin Watson revealed that the data is free from autocorrelation. Data analysis was done using both descriptive and inferential analysis technique. Descriptive statistics was used to give insight on the respondents profile while inferential statistics was used in the conducting of hypotheses. The two research questions for the study were analyzed using multiple regression model. The study shows that the two null hypotheses were rejected while the two alternative hypotheses were accepted (intellectual capital ($p=0.000<0.05$, $\beta=0.325$) and customer services ($p=0.000<0.05$, $\beta=0.708$); The study concluded that Nigeria Brewing industry in South East and South South Nigeria employ their core competence in achieving competitive advantage as they pick up skills, abilities, and resources that are unique to them, reflecting their particular path through history. The study recommended that in order to sustain competitive advantage, the firms must continually enhance their intellectual capital and if constant renewal does not take place, other firms will imitate and make the competencies which lead to competitive advantage obsolescence. It was also recommended that the industry regularly engage customers in an interactive section to establish or know how the firm has been able to serve them, and how than can further improve in their services, and that more checks and control be put in place in monitoring which distribution channel is lagging behind, and provide shift measures in managing such channels. The study contributed to knowledge by developing a framework that can validate the link between core competence and firm competitive advantage.

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1 Introduction

The success of any organization in an aggressive and competitive environment usually depends on its capability to adopt a best strategy that will make it survive in a competitive market (Avci et al., 2011). Hence, for firms to have a chance of survival in the industry, it is important for them to develop a focus and positioned strategy that align with the speedily evolving business environment (Pechlaner & Sauerwein, 2002). Porter (1985), defines Competitive advantage as a business concept describing attributes that allow an organization to outperform its competitors. These attributes may include access to natural resources, such as high grade ores or inexpensive power, highly skilled personnel, geographic location, innovation, high entry barriers, product differentiation, etc. New technologies, such as robotics and information technology, can also provide competitive advantage, whether as a part of the product itself, as an advantage to the making of the product, or as a competitive aid in the business process (for example, better identification and understanding of customers) (Ghasemi-Varnamkhasti et al., 2011; Santos et al., 2003).

From the above, it can be said that core competence is made up of two major attributes which is resources and capabilities. This study identifies resources and capabilities that give a firm competitive advantage. First among these is intellectual capital. Literature search has revealed that the main element that distinguish organizations from each other are not tangible; rather, it is intangible resources that are best able to meet the conditions necessary to become competitive advantages that are sustainable over time. It is argued that the strategy of organizations should be based on intangible resources, since it is these resources that provide greater differentiation and due to the fact that they are not available in the marketplace; rather, they are generally inherent to, and must be developed within companies via a complex process over a period of time (Ignacio & Miguel, 2009).

In the same way, and as it can be observed in the present time, organizations are increasingly being customer centric and are embracing customer-driven initiatives that seek to understand, attract, retain and build intimate long term relationship with profitable customers (Boamah, 2014). The era whereby firms just concentrate on adding to their customer base has become a thing of the past. Customer retention has been very vital to all businesses of late. Any business with the aim of sustaining growth should not aim at only adding up to its customer base but have a strategy of maintaining them. This will provide the avenue for cross-selling of products and services. Boamah (2014), added that firms should try and keep their customers. And one of the ways of doing this is through good customer service strategy. Customer service can basically be seen as the relationship that a company builds with its customers. It involves providing support during the purchasing process and after. A company has to make sure that both the service and the purchasing of a product have left the customer satisfied and happy. The reason is that a satisfied customer will not only return without looking at alternatives or comparing prices, but will recommend the store or firm to family members and friends. Customer service goes beyond providing products but it is making your clients feel you really care about them (Davicik & Sharma, 2016; Long & Vickers-Koch, 1995).

Growing competition in the domestic and international markets, more demanding and assertive customers, rapid advancement in technology, and changing government policies and laws, the marketing environment has changed dramatically in the last decade and is becoming more turbulent (Mcobrein, 2019). Scholars suggest that businesses must have more distinctive and purposeful marketing strategies and they should be effectively implemented (Cravens et al., 2000). Literature also suggests that companies that compete effectively on time (speeding new products to market, manufacturing just in time, responding promptly to customer complaints) tend to be good at other business attributes. Some of those business attributes include assessment of customer requirements, product quality consistency, and ability to exploit emerging markets, enter new businesses, generate new ideas and incorporate them in innovations (Mcobrein, 2019). As national markets expand and as new opportunities arise for satisfying consumer demand, greater specialization in distribution is evident both in level of distribution and in goods and services handled (Mcobrein, 2019). Distribution networks builds stable competitive advantages, since marketing channels have long-run character and to build them it is necessary to have a consistent structure; and also due to the fact that they are focused on people and relationships (Mcobrein, 2019). It is in the light of the above that the study examined the effect of core competence and firm competitive advantage in selected Brewing firms in Nigeria (Tampoe, 1994; Lei et al., 1996).

The Problem

The core competence of firms such as skills and tactic knowledge is used to develop competitive strategies that are unique to an organization. Core competences give significant contribution to the end product, provide access to more than one market, and are difficult for competitors to imitate. There are many challenges facing manufacturing

organizations in Nigeria during the cycle of their business activities. Many of these problems result directly from the inability of some organizations to have the right caliber of workforce that will enable them achieve the set goals. Some organization's managers do not know if they have the right people, resources, or business processes in place to make a success for a new strategy. They do not understand what know-how and management potential of their employees they have access to. Because they are devoid of such information, they take decisions in a vacuum. The society is not static, change always occur due to advent of technology which has affected the taste and attitude of consumers towards products in the market (Reza, 2011; Alamgir et al., 2011; Aličić & Duman, 2013). Also stiff competition among producers has made it mandatory that it is only the organizations that are innovative and responsive to change that will survive. Some managers are apprehensive of operating in a knowledge sharing environment because they believe that sharing power (knowledge) with employees is tantamount to giving it up. These organizations still only value the knowledge that comes from certain individuals usually senior managers and discount the fact that much of their intellectual capital resides in the average employee. They also lack good relationships with their employees, customers, stakeholders, community, suppliers and other publics because they don't share common values, ideas and culture (Holmstrom & Tirole, 1989; Kaynak, 2003).

At present, the brewing industry is going through a tough period due to (variety of consumer products at affordable rates, competition among firms arising from new technology, search for operational excellence with sufficiency of trained labour force,) an increase in the cost of living, pressures from foreign exchange rates, decreasing disposable income as well as distribution pressures stemming from security concerns amongst others. Therefore, almost every brewing firm is struggling to understand who their customer is, what the customer wants, when, how and why the customer wants it. For this reason, it has become essential for companies to find new ways to attract new customers, to maximize the value of each existing customer and to retain the most profitable ones. It is among these that the present study is focus on core competence and firm competitive advantage in the brewing industry in Nigeria (Lee et al., 2013; Duffie & Piper, 1986).

Study Objectives

- a. Examine the effect of intellectual capital on competitive advantage
- b. Determine the influence of customer services on competitive advantage

Research Hypotheses

H0₁: Intellectual capital has no significant effect on competitive advantage

H0₂: Customer services have no significant influence on competitive advantage

Review of Related Literature

Concept of Core competencies

Core competency can be seen as that which differentiates a firm from its milieu, or seen as the result of "collective learning" processes and are manifested in business activities and processes (Agha et al., 2012). The core competencies are those unique capabilities, which usually span over multiple products or markets (Hafeez et al., 2002). Core competency is a collection of competencies that are widespread in the corporation (Agha et al., 2012). One useful finding of Hafeez et al. (2002), analysis is that although Company A regards its core business as manufacturing engineering, the core competencies reside in the sales and marketing area. It was contended that "core competencies are the collective learning in the organizations, especially how to coordinate diverse production skills and integrate multiple streams of technologies (Agha et al., 2012)." It can be further argued that core competence is communication, involvement, and a deep commitment to working across organizational boundaries (Gupta et al., 2009). Ljungquist (2008) point out, that Core competence was originally invented as a tool for justifying business diversification at large companies, and for supporting internal processes such as product development. Scholars have acknowledged the importance of the concept by advancing it in multiple directions: by connecting it to conceptual notions of learning Agha et al. (2012), by suggesting core competence models to sustain competitive advantage Hafeez et al. (2002), by building on the concept's basic notions to invent similar concepts Sanchez (2004), and by developing processes for its identification (Eden & Ackermann, 2000). The importance of the concept is also acknowledged when testing the implementation of core competence as strategy. It is argued that in addition to identifying competences, the critical task is to assess them relative to those of competitors. Although a firm may identify a host of competences that it

performs better relative to its competitors, not all competences are “core”. Core competences are those competences which allow firms a superior advantage [Agha et al. \(2012\)](#), and to be considered “core” the competence must meet three criteria:

1. Customer Value: A core competence must make a significant contribution to Customer perceived value.
2. Competitor Differentiation: Any competence across an industry cannot be defined as core unless the firm’s level of competence is superior to all its competitors and should be difficult to imitate.
3. Extendibility: The competence must be capable of being applied to new product arenas.

Competitive Advantage

Competitive advantage is the value an organization is able to create to differentiate itself from its competitors ([Gichuki, 2014](#)). According to [Passemard & Kleiner \(2000\)](#), this value is measured by the price customers are willing to pay for its particular service. If customers perceive the service as producing the required benefits, they will purchase that service, and, more importantly, will continue to do so over time. [Hitt et al. \(2001\)](#), posit that competitive advantage is something that occurs when an organization puts a value-creating strategy in place. This should be a strategy whose benefits cannot be copied, or which would simply be too expensive to copy ([Gichuki, 2014](#)). [Sheikh \(2008\)](#), asserts that new knowledge may perhaps be the only remaining and one of the most critical sources of competitive advantage available to an organization in the 21st century. This is true as previously available traditional resources may no longer offer any significant competitive advantage. To remain competitive, organizations must create and use new knowledge. To create new knowledge and attain competitive advantage, organizations need to locate and gather information and business intelligence about their internal and external consumers of knowledge and convert them into new knowledge. According to [Jackson et al. \(2003\)](#), firms will compete in complex and challenging business environments during this period, essentially transforming the business environment by factors such as generation, use, and management of new knowledge ([Mahyuni et al., 2019; Ghosh, 2017](#)).

Intellectual Capital (IC) and Competitive Advantage

Intellectual capital includes insight about information pertaining to the company’s history; customers; vendors; processes, stakeholders; and all other information that might have value for a competitor that, perhaps, is not common knowledge. [Nechaev & Adelman \(2011\)](#), stresses that intellectual capital is not only organizational knowledge but can also imply industry knowledge. It is the combination of both cognitive knowledge and intuitive/experience- related knowledge. [Ian \(2008\)](#), posits that intellectual capital encompasses both the inventory of knowledge based assets as well as the capacity to acquire and assimilate new learning rapidly. It is often invisible, intangible, or difficult to detect and quantify. Many companies view intellectual capital as a spectrum, ranging from ideas, thoughts, the “stuff” in people heads (implicit knowledge) to “concrete” intellectual assets, like software code with true measureable value that can be tracked and managed. Intellectual capital encompasses the intellectual and learned abilities of the workforce- its skills, knowledge, abilities and behaviours. It is a compilation of the individual, group and corporate knowledge brought to the table in solving complex business problems. Intellectual capital consists of information, experience, wisdom and ideas that are linked to the organization’s mission or principal purpose, and which will ultimately add value to the consumer of that organization’s output ([Ian, 2008](#)).

[Ian \(2008\)](#), opines that intellectual capital is much more than just intellectual property. At its roots, it is based in the “know-how” of people. It encompasses the intellectual and learned abilities of the workforce – its skills, knowledge, abilities and behaviours. It is a compilation of the individual, group and corporate knowledge brought to the table in solving complex business problems. It consists of information, experience, wisdom and ideas that are linked to the organization’s mission or principal purpose, and which will ultimately add value to the customer of that organization’s output ([Ian, 2008](#)). Intellectual capital represents the resources that produce imagination, inventiveness, and competitiveness, through the generation and dissemination of thoughts, ideas and fresh approaches. It is the sum and synergy of knowledge, experience, relationships, processes and discoveries, innovations, market presence, and community influence. Therefore from the above definitions one can also add that intellectual capital can be seen as the brain power of an organization, its knowledge abilities and capabilities that can be strategically utilized to achieve the set objectives ([Maduagwu, 2016](#)).

Customer Service and Competitive Advantage

A service is seen as a contribution to the interest or well-being of others (Yeboah & Ewur, 2014). Customer service is anything organizations do for the customer that enhances the customer experience. Customer service is also said to be a relationship with people who are essential to anything you do; meeting the needs and expectations of the customer as defined by the customer and used to create a mutually beneficial relationship between itself and those it serves (Yeboah & Ewur, 2014). The only reason for business to be in business is to innovate and satisfy customers at a profit. Customer service is all of the organization's activities that increase the value received by consumers (Levy & Weitz, 2007). According to this definition, customer service is an activity that increases the value. Customer service is identifiable, but sometimes intangible, activities undertaken by organizations in conjunction with the basic goods and services it sells (Berman & Thelen, 2004). Intangibility, one of the main characteristics of services, is valid for customer service too. According to another definition, customer service is the sum total of what an organisation does to meet customer expectations and produce customer satisfaction (Institute of Customer Service). Customer satisfaction can be provided by meeting customer expectations. To meet these expectations, organizations must provide excellent customer service. Customer service is activities and benefits that is directly or additionally related with products sold (Kursunluoglu, 2011). Customer service is defined as service that support the provision of the company's core products (Kohlbacher & Herstatt, 2011). Customer service can be related with products directly such as product guarantee, product delivery etc. Also, customer service can be facilitating service which is not related with products directly such as parking area, children play area, call center etc. Customer service is tangible or intangible value increasing activities that is related with products or services directly or indirectly to meet customer expectations and so provide customer satisfaction and loyalty (Kursunluoglu, 2011).

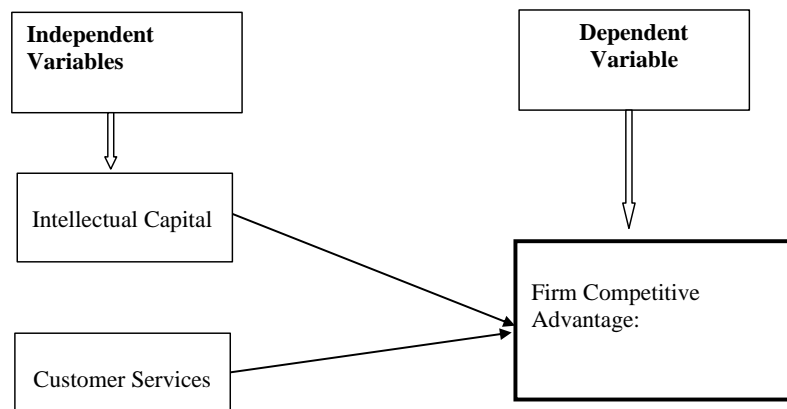


Fig. 2.1. Relationship between Independent and Dependent Variables

Conceptual Framework for the Study

Source: Researchers Model: 2022

As a result of the literature, a research model as shown in figure 2.1 was developed. The research model is used in the study to show the relationship between the independent variable (intellectual capital, customer services, distribution network, and brand name) and the dependent variable (firm competitive advantage) (Anđelković et al., 2017; Chopra, 2003; Chumaidiyah, 2011).

Theoretical Review

The study was anchored on Knowledge-Based View Theory.

Knowledge-Based View Theory

According to Pemberton & Stonehouse (2000) cited in Theriou et al. (2009), the knowledge-based view postulates that competitive advantage is governed by the capability of firms to develop new knowledge-based assets that create core

competencies. Therefore, the strategy of the firm depends on the available knowledge capabilities. The knowledge-based view assumes that knowledge is the critical input in production and the primary source of value (Kiyabo & Isaga, 2019). In the aspect of intellectual capital, Nechaev & Adelman (2011) stresses that intellectual capital is not only organizational knowledge but can also imply industry knowledge. It is the combination of both cognitive knowledge and intuitive/experience-related knowledge. Jan (2008) posits that intellectual capital encompasses both the inventory of knowledge based assets as well as the capacity to acquire and assimilate new learning rapidly. However, building of distinctive capabilities and core competencies within firms calls for knowledge management processes of creating, acquiring, storing, sharing, and deploying knowledge; thus, firms should first build knowledge management capabilities so as to gain abilities of creating other necessary distinct capabilities and core competencies (Theriou et al., 2009). Literature has demonstrated that there is a growing consensus that competitive advantage can be obtained through knowledge management capabilities (Halawi et al., 2005).

Empirical Review

Kawan (2017) did a study on the role of core competencies in achieving competitive advantage in the banking sector in Iraq Kurdistan region Erbil. The study aimed at revealing the relationship and effect of the core competencies represented by the organizational learning, technology management, and the human capital in achieving the competitive advantage represented by cost, quality, speed, and innovation. Questionnaire was adopted as a main instrument for data collection. The analytical descriptive approach was adopted where the main and secondary variables were described in addition to analyzing the relationship between them. Sample of the study was represented by (40) private banks from the total of (43) banks, and (207) managers were selected for the study. 207 questionnaires form were distributed to all managers in the banks and all valid form were restored for analyzing relationships, impacts and contrast analyzed using SPSS V.18. On the basis of empirical findings, the study reached a number of conclusions. The most important conclusion was that there is positive significant correlation between the core competencies and competitive advantage. The study recommended focusing attention on national banks, providing cooperation and coordination between private and government banks, raising customer satisfaction by providing banking services, and focusing on efficiency courses for bank employees to achieve outstanding performance in the field of activities (Coelho et al., 2003; Connell et al., 2018; Topolansky et al., 2015).

Maduagwu (2016), carried out a study to analyze the concept of intellectual capital and how it's effective management can impact on competitive advantage of manufacturing industry with special reference to selected brewing firms in South East Nigeria. The study sought to ascertain the extent to which human capital development is planned in order to have differentiation advantage, explore the extent to which relational capital can be controlled in order to have low cost provider advantage, determine the extent to which organizational capital can be designed in order to have best cost provider advantage, investigate the extent to which brain power can lead to innovative advantage and finally ascertain the extent to which organizational learning correlates with focused advantage strategy in selected brewing firms in South East Nigeria. The researcher adopted a descriptive research design. The tools used for collection of data were five point likert scale questionnaire, oral interview and model modification in line with the objectives of the study. The sources of data for the study were primary and secondary sources. The population of the study was 850 and comprised the top management, middle management and lower management staff of the four selected brewing firms in South East Nigeria. They were Guinness Nigeria Plc, Nigeria Breweries Plc, and SAB Miller Breweries and consolidated Breweries Plc. The firms were chosen because they operate in the same geographical area and also produce similar but differentiated products (Hasan, 2008; Israel, 1992; Higo, 2008; Jones & George, 2009). The study applied an exhaustive sampling hence the sample size was 850. The data generated from the field survey were presented and analyzed using frequency distribution tables and simple percentages. Hypotheses testing were done using Z-test of population proportion for hypotheses one, two and three while Z-test for the likert scale was used for testing hypotheses four and five. The instrument was checked for reliability using cronbach alpha with a value of 0.75. The results of the study showed that effective plan on human capital development had a positive relationship with differentiation advantage, effective relational capital control system had a positive advantage on low cost provider advantage, effective organizational capital design had a positive relationship on best cost provider advantage, brain power lead had a positive influence on innovative advantage and that there was a positive correlation between organizational learning and focused advantage strategy. In conclusion organizations that have meaningful performance information about its intellectual capital can use it to inform decision making, to test and review strategy, and to manage risks associated with business activities for better performance. The study therefore recommended that the strategic

managers in the brewing firms studied should be backed by policy. Human capital development should be effectively planned in order to have differentiation advantage over other competitors, relational capital should be efficiently and effectively controlled among organization's members to sustain low-cost provider advantage, there must be effective organizational design to enable the organizations to have a formal system of task and job reporting relationships that determine effective use of resources so as to achieve the best cost provider advantage over rivals, the organizations should provide enabling environment to enhance the skill and capabilities of their workforce to achieve innovative advantage and the organizations should be responsive to learning in order to have focused advantage over their competitors (Kabue & Kilika, 2016; Kayabaş et al., 2017).

2 Materials and Methods

The study adopted the descriptive survey research design. The population of 793 was drawn while a sample size of 26 using the Taro Yamani's formula. The reliability of the instrument was established through Cronbach's alpha statistics. In statistics, Cronbach's alpha is a coefficient of reliability (or consistency). "An Alpha Coefficient of 0.80 is generally accepted as a good level of internal reliability of the instrument, though an Alpha level of 0.70 is also considered to be efficient." The Statistical Package for Social Science (SPSS) software version 22 for windows was employed as analytical tool for the study (Makhloufi & Al-Erjal, 2014; Obijuru, 2016; Ogbo et al., 2014).

3 Results and Discussions

Multiple Regression Analysis

A multiple regression analysis was conducted by the researcher to identify the relationship among the independent variables on competitive advantage in the Firms in South East and South South Nigeria. The statistical package for social sciences (SPSS) version 22 was applied to code, enter and compute the measurements of the multiple regressions for the study. The results are shown in the table 1 below.

Table 1
Model Summary of Multiple Regression Analysis

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|-------|-------------------|----------|-------------------|----------------------------|---------------|
| 1 | .863 ^a | .744 | .740 | 1.1259 | 2.132 |

a. Predictors: (Constant), , IntCapt, CustServ,
b. Dependent Variable: ComptAdv

Coefficient of determination explains the percentage of variation in the dependent variable (in this case; competitive advantage) that is explained by the independent variables (intellectual capital, customer services, distribution network, and brand name). Table 1 revealed that 74.4% of variance in competitive advantage is accounted for by the joint predictive power of (intellectual capital, customer services, distribution network, and brand name) as indicated by the R² while the remaining 25.6% is explained by other factors not studied in this research. Further research therefore calls for an investigation of other factors (25.6%) that affect competitive advantage. The Durbin-Watson statistic is 2.132 which is between 2.0 and 4.0 and therefore indicates that the data is free from autocorrelation (Okafor & Nnanna, 2018; Rangaswamy & Van Bruggen, 2005; Rosenbloom, 2007).

Table 2
ANOVA Table

| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|---------|-------------------|
| 1 | Regression | 834.683 | 4 | 208.671 | 164.609 | .000 ^b |
| | Residual | 286.494 | 226 | 1.268 | | |
| | Total | 1121.177 | 230 | | | |

a. Dependent Variable: ComptAdv
 b. Predictors: (Constant), , IntCapt, CustServ,

Table 2 revealed that the p value for the F statistic (.000) is < .05. This implies that at least one of the independent variables is a significant predictor of the dependent variable (competitive advantage).

Table 3
 Multiple Regression Coefficients

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | |
|-------|-----------------------------|------------|---------------------------|------|--------|------|
| | B | Std. Error | Beta | | | |
| | (Constant) | 1.917 | 1.022 | | 1.875 | .062 |
| | IntCapt | .249 | .036 | .325 | 6.851 | .000 |
| 1 | CustServ | .707 | .036 | .708 | 19.857 | .000 |

a. Dependent Variable: ComptAdv

Source: SPSS version 22 output of field survey data, 2022

The result in Table 3 reveals that the two components of core competence had a significant effect on competitive advantage. The relative importance of the significant predictors was determined by the size of standard beta coefficient. Beta weight is useful because it uses a unit measurement that is same for all variables. On this note, customer services ($\beta = 0.708$, $p = 0.000$) was the most important predictor of competitive advantage (Sawagvudcharee et al., 2018; Sharma & Mehrotra, 2007; Yan et al., 2010).

Test of Hypotheses

The regression result determined the level of effect each of the independent variables have on the dependent variable, given the level of significance at 0.05. The p-values reported in the regression coefficient table were used for testing the study hypotheses.

The Decision Rule

If the probability value calculated is greater than the critical level of significance, then the null hypothesis will be accepted while the alternate hypothesis is rejected and vice versa. If the probability value of 0.00 is smaller than the critical value of 5% (i.e. $0.00 < 0.05$) we conclude of the given parameter that it is statistically significant. In this situation, it is accepted that there is need to reject the null hypothesis and to accept the alternate. Gujarati and Porter (2009) observed that when we reject null hypothesis, we say that our findings are statistically significant and vice versa. Thus the p-value for the hypothesis testing is at 0.05(5 %) i.e. the tolerable error thereby placing the level of significance at 5%

Hypothesis One

Intellectual capital has no significant effect on competitive advantage in the brewing industry in Nigeria. Result showed that intellectual capital exerts a positive and significant effect on competitive advantage ($\beta = 0.325$, $p = 0.000$). By implication, a unit change in intellectual capital will lead to a 0.325 units change in competitive advantage. Sample data provided convincing evidence that intellectual capital exerts a statistically significant effect on competitive advantage. The null hypothesis that intellectual capital has no significant effect on competitive advantage in the brewing industry in Nigeria is therefore rejected, and the alternative hypothesis that intellectual capital has a significant effect on competitive advantage in the brewing industry in Nigeria is accepted.

Hypothesis Two

Customer services have no significant influence on competitive advantage in the brewing industry in Nigeria. Result of customer services in table 2 revealed a positive and significant effect ($\beta = 0.708$, $p = 0.000$) on competitive advantage. This implied that a unit change in customer services will lead to a 0.708 units change in competitive advantage. Sample data provided convincing evidence that customer services exerts a positive and significant impact on competitive advantage. Thus, we reject the stated null hypothesis that customer services have no significant influence on competitive advantage in the brewing industry in Nigeria and accept the alternative hypothesis that customer services has a significant influence on competitive advantage in the brewing industry in Nigeria.

Discussion of Results

Intellectual Capital and Competitive Advantage

The significance value for intellectual capital is 0.000 from the coefficient table (Table 2). When compared with the study level of significance (0.05), intellectual capital has a significant and positive effect on competitive advantage. The t statistics values on the other hand shows 6.851. It implies that intellectual capital has a positive relationship with competitive advantage. One percent (1%) movement in competitive advantage is accounted for by standardized coefficients of ($\beta = 0.325$). The r value is 0.863 while, the r-squared value of 0.744 depicts a near goodness of fit relationship between intellectual capital and competitive advantage. The adjusted r square value on its own part shows 0.740 (emphasizing non-spuriousity of variable) and this shows that movement in competitive advantage is predicted by the variant in the model specification to the tune of 74% while other factors not included in the model specification has an effect of 26%. A Durbin Watson value of 2.132 is also revealed from the analysis. The finding of this study is in line with the claim of [Roos et al. \(2007\)](#), that a change in the organization's intellectual capital resources portfolio is an early warning for a change in the organization's ability to generate value in the future. This is also in accordance with [Fragouli et al. \(2009\)](#) that intellectual capital can be seen as the group of knowledge assets that are attributed to an organization and most significantly contribute to an improved competitive position of these organizations by adding value to defined stakeholders. The finding also aligns with the claims of [Bontis \(2008\)](#), that intellectual capital is a knowledge companies applies to gain competitive advantage and also add value to such an organization.

Customer Services and Competitive Advantage

The significance value for customer services is 0.000 from the coefficient table (Table 3). When compared with the study level of significance (0.05), customer services have a significant and positive effect on competitive advantage. The t statistics values on the other hand shows 19.857. It implies that customer services have a positive relationship with competitive advantage. One percent (1%) movement in competitive advantage is accounted for by standardized coefficients of ($\beta = 0.708$). The r value is 0.863 while, the r-squared value of 0.744 depicts a near goodness of fit relationship between customer services and competitive advantage. The adjusted r square value on its own part shows 0.740 (emphasizing non-spuriousity of variable) and this shows that movement in competitive advantage is predicted by the variant in the model specification to the tune of 74% while other factors not included in the model specification has an effect of 26%. A Durbin Watson value of 2.132 is also revealed from the analysis. The finding of this study is in line with [Lamptey \(2016\)](#) that customer service is very key in gaining competitive advantage for organizations, as satisfied customers provide repeat purchase and in addition contribute in sending out a positive word of mouth to potential customers. This also aligns with [Kursunluoglu \(2011\)](#), that customer service is tangible or intangible value increasing activities that is related with products or services directly or indirectly to meet customer expectations and so provide customer satisfaction and loyalty thus increasing firms competitive advantage.

4 Conclusion

The study established that Nigeria Brewing employ their core competence in achieving competitive advantage as they pick up skills, abilities, and resources that are unique to them, reflecting their particular path through history. The conclusions of the study are further broken down below. Intellectual resources are the main basis of enhancing sales revenue and profitability in the Nigeria Brewing industry in South East and South South Nigeria, and that Human

capital, structural capital and relational capital, are the components of managing intellectual capital in the organizations.

Recommendations

1. The study recommended that, in order to sustain competitive advantage, the firms must continually enhance their intellectual capital and if constant renewal does not take place, other firms will imitate and make the competencies which lead to competitive advantage obsolescence.
2. The study recommended that the industry should regularly engage customers in an interactive section to establish or know how the firm has been able to serve them, and how than can further improve in their services.

Conflict of interest statement

The author declared that he have no competing interests.

Statement of authorship

The author have a responsibility for the conception and design of the study. The author have approved the final article.

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