ORIGINAL ARTICLE

STRATEGIC ALLIANCE AND EFFECTIVENESS OF FIRMS IN THE BREWERY INDUSTRY IN SOUTH-SOUTH NIGERIA

Dr. Mrs. EZEANYANIKE PHOEBE ANURIKA

Office Technology And Management Federal Polytechnic Oko Anambra State Nigeria
Email: Phoebeanurika@gmail.com
Phone No: 07067968106

Abstract

This study examined strategic alliance and effectiveness of firms in the brewery industry in South-South Nigeria. The aim of the study was to determine the relationship between strategic alliance and effectiveness (productivity, market share and customer retention) of firms in the brewery industry in South-South Nigeria. Three research questions and hypotheses were developed to address the objectives of the study. The study adopted the survey research design. The population of the study consisted of 151 managers of the six (6) registered beverage companies in South-South Nigeria. All the members of the population were used as the sample size for the study. A structured questionnaire was used for data collection. The data collected from the respondents were analyzed statistically while the hypotheses were tested using Pearson Correlation Coefficient (r) and the SPSS software program version 23. The findings revealed that strategic alliance has a significant relationship with productivity of firms in the brewery industry in South-South Nigeria. The study also found a significant relationship between strategic alliance and market share offirms in the brewery industryin South-South Nigeria. The study also discovered a significant relationship between strategic alliance and customer retention offirms in the brewery industryin South-South Nigeria. Based on these findings, it was concluded that strategic alliance significantly enhances the effectiveness of brewery firms in terms of increasing their productivity, market share and customer retention. Based on these findings and conclusion, it was recommended thatbrewery companies that are lacking in the certain areas of competence should form strategic alliance with their competitors that have those essential skills as it would enable them achieve organizational effectiveness.

Keywords: strategic Alliance, effectiveness, productivity, customer retention and market share.

1.1 Background of the Study

In any industry where a company is given massive project to execute within a specific period of time, there is need for the company to join forces with its competitors to execute the project effectively and deliver the expected results. The process of joining forces with competitors to execute a project within a given period of time is termed strategic alliance. In a nut shell, strategic alliance is a form of partnership whereby two or more companies enter into a contract agreement and work together for a specific period of time to realize shared goals but remain independent (Dinc & Erel, 2010). Parkhe (2003) described strategic allianceas a relatively enduring inter-firm co-operative agreement, involving flows and linkages that use resources and/or governance structures from autonomous organizations, for the joint accomplishment of the mission and goals of each sponsoring firm.

Strategic alliance takes the form of a short term partnership in which the two different companies jointly undertake a transaction for mutual profit (Walter, 2005). Generally each company contributes assets and share risks. Like a partnership, strategic alliance can involve any type of business transaction. However, most joint ventures involve companies in the same industry (horizontal strategic alliance) but within a corporate framework (Findik & Beyhanb, 2015).Strategic alliance between a foreign firm and a local firm are backed by the international trade law and regulations within the country of operations (Shrader, 2001).

Strategic alliance is a popular business strategy. A good number of companies in Nigeria have adopted strategic alliance strategy. For instance, in 1982, Nigerian Breweries undertook a strategic alliance with Guinness Nigeria Plc. to promote the search for the cultivation of barley around Lake Chad basin. Nigerian Agip Oil Company (NAOC) operates a joint venture with Nigerian National Petroleum Corporation (NNPC) and Shell Petroleum Development Company (SPDC) to execute OML 60, OML 61, OML 62 and OML 63 projects. Other companies that have embraced strategic alliance include Belema Oil Producing Ltd, Eroton Exploration and Production Limited, and Exxon Mobil Nigeria Limited.

According to Elmuti (2007), a business can survive the competition and threats in its environment but only if the organization remains effective. Kwak (2008) stated that an effective organization is one that is thorough and efficient, runs smoothly and function well to produce the desired result or attain business goals. An effective organization runs like a well-designed, oiled machine and its moving parts function smoothly to produce the results the business set out to achieve(Elmuti, 2007). Every organization wants to attain a high degree of effectiveness. According to Guzzo (2006), effectiveness is the ability to produce the desired results.

Organizational effectiveness can be achieved by joining forces with their formal rivals. This strategy is more suitable for companies that compete in a growing industry where competitors lack the skills, expertise and technologies needed to get the desired results on their own (Ngaru, 2016). Such strategic move tends to bring about greater efficiency and reduce the intensity of rivalry in the industry, and making the industry more profitable(Ngaru, 2016). Dorsey and Boland (2009) added that a firm using strategic alliance as a business strategy may achieve greater economies of scale, gain access to improved processing technologies and marketing techniques.

1.2 Statement of the Problem

The quest to achieve firm's effectiveness has propelled some brewery companies to undertake a joint project with their competitors in form of establishing a strategic alliance. For example, in 1982, Nigerian Breweries undertook a strategic alliance with Guinness Nigeria Plc. to promote the search for the cultivation of barley around Lake Chad basin. However, ever since these brewery companies embraced strategic alliance, it is not yet certain whether this strategy has helped to achieve organizational effectiveness. Although a good number of studies (e.g. Bhide, 2001;Shrader, 2001;Echaaobari et al, 2018; Kimani, 2016;Chu & Chiang, 2013;Lizardo et al, 2019; Ahmad et al, 2020) have examined strategic alliance of business firms but none of these studies relate the concept to firms effectiveness of brewery companies in South-South Nigeria. Most of the studies conducted on strategic alliance relate the concept to firm performance in the construction industry, high-technology manufacturing firms, hospitals, oil producing companies and SMEs in Indonesia, China, Kenya, Czech Republic and India while empirical studies that examined the relationship between strategic alliance and firms effectiveness of brewery companies in South-South Nigeria are absent or scanty.

1.3 Objectives of the Study

The main objective of this study is to examine the relationship between strategic alliance and effectiveness of firms in the brewery industry in South-South Nigeria. In order to achieve this objective, the study intends to:

1. determine the relationship between strategic alliance and productivity of firms in brewery industry;
2. find out the relationship between strategic alliance and market share of firms in brewery industry;
3. ascertain the relationship between strategic alliance and customer retention of firms in brewery industry.

1.4 Research Questions

Attempts were made to answer the following research questions:

1. What is the relationship between strategic alliance and higher productivity of firms in brewery industry?
2. what is the relationship between strategic alliance and market share of firms in brewery industry?
3. What is the relationship between strategic alliance and customer retention of firms in brewery industry?

Hypotheses

The following hypotheses were postulated to guide this study:

Ho_1: There is no significant relationship between strategic alliance and productivity of firms in the brewery industry.

Ho_2: There is no significant relationship between strategic alliance and market share of firms in brewery industry.

Ho_3: Strategic alliance is not significantly related to customer retention of firms in brewery industry.

Scope of the Study

The content scope of this study is restricted to horizontal merger and effectiveness of firms. The effectiveness of firms is measured using productivity, market share and customer retention. The geographical scope of this study was limited to firms in the brewery industry in the South-South Geopolitical Zone of Nigeria. The unit scope was made up of managers of the brewery firms in the South-South Geopolitical Zone of Nigeria.

1.7 Significance of the Study

This study is significant because the results and recommendations would be useful to companies in the brewery industry and other key personnel and organizations. The study would be useful to brewery companies in Nigeria because it would provide information on how strategic alliance can help them to achieve effectiveness of firms. This study would educate top executives on how strategic alliance can help their company to increase their productivity, market share and customer retention. The study will also be relevant to both local and foreign investors especially those who want to invest in the Nigerian brewery industry as it would sensitize them on the importance of strategic alliance in achieving firms effectiveness. The study will equally enlighten these investors on how strategic alliance can help to increase their firm's productivity, market share and customer retention. Lectures, students, private researchers and academic consultants will equally find this study relevant as it would assist them in researching further on strategic alliance and firm's effectiveness or any other related topic.

REVIEW OF RELATED LITERATURE

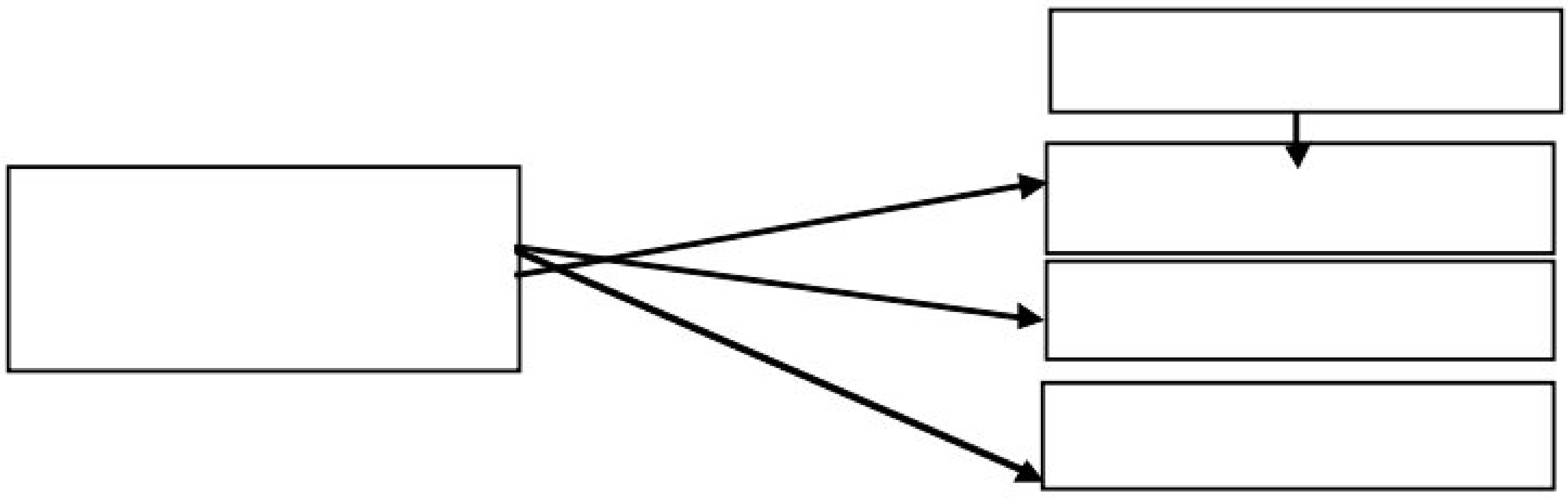

Fig 1: Operational Conceptual Framework

2.1 Conceptual Review

2.1.1 Concept of Strategic Alliance

Strategic alliance is a form of partnership where two or more companies enter into a contract agreement and work together for a specific period of time to realize shared goals but remain independent (Bhide, 2001). Barringer and Harrison (2000) defined strategic alliance is an arrangement between two or more firms in the same industry that establishes an exchange relationship but involve no joint ownership. Parkhe (2003) described strategicallianceas a relatively enduring inter-firm co-operative agreement, involving flows and linkages that use resources and/or governance structures from autonomous organizations, for the joint accomplishment of the mission and goals of each sponsoring firm. In other words, strategic alliances are collaborative agreements between two or more firms in the same line of business that involve the exchange and sharing of multiple resources for co-development of technologies or products (Lofstrom, 2000). Astrategic alliance is *horizontal* when two or more firms in same industry decide to work together in contract agreement to achieve a common goals (Elmuti & Kathawala, 2001).

Strategic alliance is a common form of horizontal integration strategy (Zamir et al, 2014). Child (2001) developed a two-dimensional framework which positions strategic alliances in relation to other forms of inter-organizational cooperation. The first dimension is the extent to which the cooperation is managed through either formalized contractual provisions that are market-based or hierarchy-based or implicit relationships dependent on interpersonal trust. The second dimension is the extent of transactional reach involved in the cooperation between organizations, i.e., the extensiveness and spread of such transactions. Strategic alliances exhibit a rather low transactional reach compared to other forms of cooperation, and span contractual (contract-based alliances) as well as trust-based cooperation (equity joint ventures).

Strategic alliance is widely used by companies to gain entry into foreign markets (Barringer & Harrison, 2000). Some foreign firm may decide to enter into a contract agreement with local firms that are already in the market which the foreign firm plans to enter. In the United States, for instance, strategic alliance is governed by State Partnership, Contracts, and Commercial Transactions law. A joint venture is also treated like a partnership for Federal Income Tax purposes (Walter, 2005).

External relationships permit a particular firm to access information possessed by its alliance partners, they have only limited relevance for the subsequent distribution of this knowledge within the organization. For example, as anecdotal evidence in the biotech and pharmaceutical industry suggests, large firms are often able to acquire new scientific and technical information through their alliance network, but these firms fail to achieve the internal transfer and application process across their functional units (Ernst & Young, 2003). While access to external information is necessary, it is not the only component of a successful learning process. The organization must also create an appropriate internal context in order to capitalize on these opportunities (Inkpen, 1998). Research shows that equity alliances are more effective than contract-based alliances for the acquisition of knowledge associated with partner capabilities (Inkpen, 1998).

2.1.2 Concept of firm's Effectiveness

According to Tohidi (2010),firms effectiveness is the degree to which firm achieve its goals. It connotes how successful an organization is in utilizing scarce resources (such as human, material, technological and financial resources) and reaching its goals (Tohidi, 2010). Firm's effectiveness is crucial for business growth and survival. According to Elmuti (2007), an effective organization will surely grow and survive the competition in its industry and vice versa. He further stated that the more effective an organization is, the more likely it will flourish for a long time and survive. Brenner (2009) noted that an effective organization satisfies its numerous customers, maximizes profitability, takes care of its employees, ensures internal efficiency, promotes innovation and supports the workforce to help achieve its goals. If an organization fails to reach its goals from year to year, it will gradual loose financial stability and its continuous existence is not guaranteed (Brenner, 2009).

Firms effectiveness can be achieved by creating a unique product so that the market can perceived the company's product as being superior to other firms offering similar products (M'kuma, 2015). For a business to achieve its goals in a competitive market, the firm must create superior value that customers cannot find elsewhere. According to Somuyiwa and Mcilt (2012), a firm can achieve firms effectiveness by creating value or products that are superior to their competitors' offerings. This includes improving the quality of its product and attaching a lower price to it. Antonova (2014) stated that a firm's survival results from providing greater value at a lower price. Kireru, et al (2016) argued that a firm that is determined to achieve organizational effectiveness must create a unique product that its competitors cannot easily imitate.

2.1.3 Measures of Effectiveness

Although there are several criteria used in measuring firm's effectiveness in literature but this study utilizes productivity, market share and profitability as its measures of organizational effectiveness.

2.1.3.1 Productivity

Firm's productivity is the sum total of output produced by an organization at a given period of time in relation to the input (resources – material, human, financial and technology) invested in an economy activity (Bartelsman & Doms, 2000).Mali in Anyadike (2013) defined organizational productivity as the measure of how well resources are brought together in an organization and utilized for the accomplishment of the desired result. It is reaching the highest level of performance with the least expenditure of resources (Mali, in Anyadike, 2013). Bloom and Reenen (2010) added their voice, describing organizational productivity as the relationship between output of goods and services of an organization and input of resources (human, technological, financial and material resources) employed in the process of production.

2.1.3.2 Market Share

Market share is a key indicator used to measure firm's effectiveness. Market share is the proportion of the total available market or market segment that is being served by a company(Greene, 2007).Market share enables managers or companies analyze their product demand in the market against competitors' offerings. Increasing market share is the most important goal for companies because it has a direct impact on revenue (Amelia, 2017). In many instances, market share is often considered as an important asset for competing firms because it helps to increase revenue and enhance business growth. Armstrong and Greene (2007) stated that companies whose market share is below a certain level will not be profitable and may cease from operation anytime soon. Amelia (2017) stated that a company whose market share is growing from year to year grows its revenue faster than its rivals in the same industry.

2.1.3.3 Customer Retention

Customer retention is firm"s effort to keep its customers by providing a great customer experience(Magatef & Tomalieh, 2015). The ability of an organization to retain its customers will depend to a large extent on the quality of products/services offered as well as the way it serves its customers (Bitner, 2002). Bluel in Kagendo (2015) argued that customer retention is more than providing the customers with what they expect; it involves exceeding their expectations such that the customers become loyal advocates of the brand. They raise the probability of changing customers from being a one or two item purchaser to purchasing several products (Rocking, in Magatef and Tomalieh, 2015). However, to companies to be successful in retaining their customers, they need to first make contact with the customer and follow up their activities.

2.1.4 Strategic Alliance and firms Effectiveness

It has been argued that strategic alliance has a relationship with firms effectiveness (Lubatkin et al., 2001). Inkpen (1998) recognized that participation in strategic alliance has implications on organizational effectiveness. According to Lei et al. (2007), strategic alliance enables firms to acquire resources (including assets) and skills that cannot be produced internally and also jointly to develop new products and processes that they need to survive in a highly competitive environment, the costs of which are, often beyond the financial and human resources of any single company. They can provide opportunities for firms to assimilate information, internalize skills, and develop new capabilities (Inkpen & Dinur, 1998). Strategic alliance can also facilitate corporate restructuring which aimed at a narrower business focus and higher investment return by helping firms divest non-core business units or activities that are costly to retain (Lei etal., 2007). As each alliance partner has different cooperative and competitive objectives and possesses different abilities for appropriating alliance benefits, it is argued that the factors that best explain network outcomes appear to depend on the individual competitiveness.

The formation rate of horizontal integration has increased dramatically in recent years (Dyer et al, 2001). For instance, the number of strategic alliances exploded to more than 10,200 in the year 2000 alone. It is estimated that US firms with revenues of two billion US dollars or more each formed an average of 138 alliances between 1996 and 1999. Currently, the top 500 global business companies average 60 major strategic alliances each (Dyer et al., 2001). Shifrin (2001)'s study also found that 80 percent of the top-level executives surveyed consider strategic alliance to be primary growth vehicles and expect alliances to account for 25 percent of their company's market value in 2005. More cooperative agreements will undoubtedly be launched, given the increasingly rapid rate of technological change, deregulation, and globalization (Harrigan, 1988).

As of today, strategic alliance is considered as one of the most strategic tools for achieving organizational effectiveness. Chen and Messner (2009) argued that strategic alliance can help companies to strategically penetrate a new target market whether domestic or international market and achieve organizational effectiveness. Calantone and Zhao (2001) stated that a small company that enters into a new target market via strategic alliance stands a better chance of achieving firm's effectiveness.

Indeed, strategic alliance can help companies to achieve firm's effectiveness. When compared to other options of horizontal integration, strategic alliance provides a better chance of company's survival in the new market. This is because both partners put their knowledge about the new market together, analyzes the market trends together, understands consumer taste and preference including competitors' strengths and weaknesses and strategically penetrates the new market (Sukali & Musyoka, 2017). Wilson (2005) stated that companies that enter into a new market through strategic alliance can survive in the new market because they usually have access to financial resources, information about the new market through pooled research efforts and increase their market share and profit margin via wider distribution channels.

2.2 Theoretical Review

This study adopted the experiential learning theory which was developed by Kolb in 1976. The experiential learning theory states that learning is a cyclical process in which experience is translated into concepts which can be used while selecting new experiences (Kolb, in Findik & Beyhanb, 2015). The experiential learning theory argues that routines activities of an organization can change by learning and trial-and-error experimentation. Firms are likely to adopt a strategy that brings favourable outcomes (Faems et al., 2000). The experiential learning theory posits that a firm that observes a much improvement in the execution of a product by another firmtends to appreciate it and experiment such improvement in future (Hagedoorn, 2002).

The theory argues that organizations also learn like individuals when they collaborate with each other and shared their ideas, knowledge and experience (Findik & Beyhanb, 2015).

2.3 Empirical Review

A significant number of studies have been conducted on strategic alliance and organizational effectiveness. For instance, Bhide (2001) investigated the impact of strategic alliance on firm performance in India.

Their study adopted the descriptive survey research design where data were collected from managers in construction firms in India. The researchers used a structured questionnaire as their main instrument for data collection while mean, standard deviation, Chi-square and Pearson Product Moment Correlation were used for data analysis. The study found a significant relationship between mergers and performance of construction firms. The studies also revealed that acquisition significantly enhance the performance of construction firms in Pakistan.

Shrader (2001) empirically examined collaboration and performance of young high-technology manufacturing firms in the foreign market. The researchers adopted the exploratory research design and used a structured questionnaire to collect data from 78 managers of new high-technology manufacturing firms operating in the international market. The data collected were analyzed using descriptive statistics such as percentage and frequency count, mean and standard deviation while the hypotheses were tested using Pearson Product Moment Correlation Coefficient. The SPSS version was used to perform the bivariate correlation analysis. The findings showed that collaboration has a significant positive relationship with performance of young high-technology manufacturing firms in the foreign market. The study also revealed that research and development as well as advertising intensity significantly moderate the relationship between collaboration and performance of young high-technology manufacturing firms in the foreign market.

Georgea et al (2002) studied the level of business-university alliances in machinery industry in Czech Republic. The researchers compared firms with established links and those with such links. The researchers adopted the cross-sectional survey research design and used a structured questionnaire to collect data from managers in banks. The data collected were analyzed using mean and standard deviation while the formulated hypotheses were tested using simple regression analysis and the SPSS. After analyzing the data collected from the respondents, the researcher found out that there is a higher level of business-university alliances in machinery industry in Czech Republic. The study also revealed that collaboration between business and universities positively and significantly affect organization' creative and innovation in both product and process and also revealed that firms that have a link with university can excel in product development and innovative outputs.

Ahmad et al (2020) carried out a study to determine how collaboration impacts on the market orientation-performance relationship of SMEs in China. The study employed the descriptive survey research design and used a structured questionnaire to obtain data from 171 new entrepreneurs of SMEs in China. The data collected were analyzed using the Structural Equation Modeling (SEM), and the findings showed that marketing orientation has a direct impact on performance of performance of SMEs in China. The study also revealed that collaboration strategy played a significant mediating role in the relationship between marketing orientation and performance of SMEs in China.

2.4 Gap in Reviewed Literature

From the literature reviewed, it was observed that a significant number of studies have been conducted on strategic alliance of business firms but none of these studies relate the concept to firm's effectiveness of brewery companies in South-South Nigeria. Most of the studies conducted on strategic alliance relate the concept to firm performance in the construction industry, high-technology manufacturing firms, hospitals, oil producing companies and SMEs in Indonesia, China, Kenya, Czech Republic and India(e.g. Bhide, 2001;Shrader, 2001;Ahmad et al, 2020) while studies that relate strategic alliance to organizational effectiveness of brewery companies in South-South Nigeria are absent or limited.

METHODOLOGY

3.1 Methods

research design was adopted in this study. The population of this study consisted of 151 managers of the six (6) registered brewery companies in the South-South Geopolitical Zone of Nigeria. The six brewery companies include Champion Breweries Plc., Bendel Brewery Limited, Guinness Nigeria Ltd, Nigerian Breweries Plc, Pabod Breweries Plc, and International Breweries Plc. These brewery companies were drawn from the six states that make up the South-South Geopolitical Zone namely; Akwa Ibom State, Cross River State, Delta State, Edo State State, Bayelsa State and Rivers State. These managers include general managers, strategic managers, tactical managers, operational managers, human resource managers,production managers, marketing managers, logistic managers, sales managers and finance managers.The census sampling technique was adopted in this study. By this method of sampling, it meant that all the members of the population (151 managers) were used as the sample size for this study.

A structured questionnairewas used as the main instrument for data collection. The questionnaire was structured on a 5 Likert type scale namely: Strongly Agree (SA), Agree (A), Undecided (U), Disagree(D) and Strongly Disagree (SD). The validity of the instrument was determined through face and content analysis while its reliability was tested using Cronbach Alpha method. After confirming the validity and reliability of the instrument, the questionnaire was administered to the respondents (managers) of the brewery companies in South-South Geopolitical Zone.A total copy of 151 questionnaires was administered to the respondents across the six states in the South-South Zone and 112 copies were collected. The data collected from the respondentswere analyzed statistically while the hypotheses were tested using the Spearman Rank Correlation Coefficient (rho).The SPSS software program version 23 was used to perform the correlation analysis.

EMPIRICAL RESULTS AND DISCUSSION

4.1 Results

The Pearson Correlation Coefficient (r) was used to determine the relationship between the two variables in each of the hypotheses formulated in this study. The r value is computed using the SPSS version 23.0. Here, the data collected on the two variables in each hypothesis were inserted into the computer system and the SPSS version 23.0 was used to correlate the data. The results of the analysis are presented below:

Hypothesis 1

Ho_1: There is no significant relationship between strategic alliance and productivity of firms in brewery industry in South-South Nigeria

Table 1: Result of correlation analysis between strategic alliance and productivity of firms in the brewery industry

			Strategic Alliance	Productivity
Pearson (r)	Strategic Alliance	Correlation Coefficient	1.000	.638**
			.	.001
		Sig. (2 tailed)	112	112
		N		
	Productivity	Correlation	.638**	1.000
		Coefficient	.001	.
		Sig. (2 tailed)	112	112
		N		

**Correlation is significant at 0.01 levels (2 tailed)

*Correlation is significant at 0.05 levels (2 tailed)

Source: SPSS-Generated Output, 2023

Table 4.20 shows the result of the correlation analysis performed between strategic alliance and productivity of firms in the brewery industry in South-South Nigeria. The result indicates that strategic alliance is strongly and positively correlated to productivity of firms in the brewery industry (r = .638**) and the symbol ** signifies that this correlation is significant at 0.01 level. As a result of this, we then reject the null hypothesis (Ho_1) and accept the alternate hypothesis which states that there is strong positive and significant relationship between strategic alliance and productivity of firms in the brewery industry in South-South Nigeria.

Hypothesis 2

Ho_2: There is no significant relationship between strategic alliance and market share of firms in the brewery industry in South-South Nigeria.

Table 2: Result of correlation analysis between strategic alliance and market share of firmsin the brewery industry

			Strategic Alliance	Market Share
Pearson (r)	Strategic Alliance	Correlation Coefficient	1.000	.615**
		Sig. (2 tailed)	.	.001
		N	112	112
	Market Share	Correlation Coefficient	.651**	1.000
		Sig. (2 tailed)	.001	.
		N	112	112

**Correlation is significant at 0.01 levels (2 tailed)

*Correlation is significant at 0.05 levels (2 tailed)

Source: SPSS-Generated Output, 2023

Table 2 contains the result of the correlation analysis carried out between strategic alliance and market share of firms in the brewery industry in South-South Nigeria. The result shows that strategic alliance is strongly and positively correlated to market share of firms in the brewery industry (r = .651*) and this correlation is significant at 0.01 level as indicated by the symbol **. Based on this result, the null hypothesis (Ho_2) is rejected and the alternate hypothesis is accepted. This means that there is strong positive and significant relationship between strategic alliance and market share of firms in the brewery industry in South-South Nigeria.

Hypothesis 3

Ho_3: There is no significant relationship between strategic alliance and customer retention of firms in brewery industry in South-South Nigeria.

Table 3: Result of correlation analysis between strategic alliance and customer retention of firms in the brewery industry

			Strategic Alliance	Customer Retention
Pearson (r)	Strategic Alliance	Correlation Coefficient	1.000	.726**
		Sig. (2 tailed)	.	.001
		N	112	112
	Customer Retention	Correlation Coefficient	.726**	1.000
		Sig. (2 tailed)	.001	.
		N	112	112

**Correlation is significant at 0.01 levels (2 tailed)

*Correlation is significant at 0.05 levels (2 tailed)

Source: SPSS-Generated Output, 2023

Table 3 presents the result of the correlation analysis carried out between strategic alliance and customer retention of firms in brewery industry in South-South Nigeria. The result shows that strategic alliance has a strong positive correlation with customer retention of firms in the brewery industry (r = .726**) and this correlation is significant at 0.01 level as signified by the symbol **. Consequently, the null hypothesis (Ho_3) is rejected and the alternate hypothesis is accepted. This implies that we then accept that there is a strong positive and significant relationship between strategic alliance and customer retention of firms in brewery industry in South-South Nigeria.

4.2 Discussion of Findings

This study found a strong positive and significant relationship between strategic alliance and higher productivity of firms in the brewery industry in South-South Nigeria. This finding was deduced from the result of the correlation analysis carried out on the two variables in the first hypothesis. The result revealed that strategic alliance is strongly and positively correlated to productivity of firms in the brewery industry (r = .638**) and this correlation is significant at 0.01 level. As a result of this, we then rejected the null hypothesis (Ho_1) and accepted the alternate hypothesis which states that there is strong positive and significant relationship between strategic alliance and productivity of firms in the brewery industry in South-South Nigeria. This finding is supported by Kimani (2016) and Meunier-FitzHugh and Piercy (2007) as both studies reported that strategic alliance enables companies to bring their knowledge, skills and expertise to the table and work coordinately to increase their productivity.

This study also found a strong positive and significant relationship between strategic alliance and market share of firms in the brewery industry in South-South Nigeria. This finding was obtained from the result of the correlation analysis carried out on the two variables in the second hypothesis. The result revealed that strategic alliance is strongly and positively correlated to market share of firms in the brewery industry (r = .615**) and this correlation is significant at 0.01 level. Based on this result, the null hypothesis (Ho_2) was rejected and the alternate hypothesis was accepted. This means that there is strong positive and significant relationship between strategic alliance and market share of firms in the brewery industry in South-South Nigeria. This finding is supported by Zamir, Sahar and Zafar (2014) studies revealed that firm that form a strategic alliance with its competitors to execute a project jointly will grow their market share.

Finally, it was reported that strategic alliance has a strong positive and significant relationship with customer retention of firms in the brewery industry in South-South Nigeria. This finding emerged the result of the correlation analysis carried out on the two variables in the third hypothesis. The result revealed that strategic alliance has a strong positive correlation with customer retention of firms in the brewery industry (r = .726**) and this correlation is significant at 0.01 level. Consequently, the null hypothesis (Ho_3) was rejected and the alternate hypothesis was accepted. This implies that we then accepted that there is a strong positive and significant relationship between strategic alliance and customer retention of firms in the brewery industry in South-South Nigeria.

CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

This study examined strategic alliance and effectiveness of firms in the brewery industry in South-South Nigeria. From the result of the analysis carried out, it was confirmed that strategic alliance has a significant relationship with productivity of firms in the brewery industry in South-South Nigeria. The study also found a significant relationship between strategic alliance and market share of firms in the brewery industry in South-South Nigeria. The study also discovered a significant relationship between strategic alliance and customer retention of firms in the brewery industry in South-South Nigeria. Based on these findings, it was concluded that strategic alliance significantly enhance the effectiveness of firms in terms of achieving productivity, greater market share and increased customer retention rate.

5.2 Recommendations

Based on the findings and conclusion, the following recommendations are made:

1. That, brewery companies in South-South Nigeria should consider strategic alliance in the execution of huge project as it would enhance the achievement of firm's effectiveness.
2. That, brewery companies that are lacking in the certain areas of competence should form strategic alliance with their competitors that have those essential skills as it would enable them achieve greater productivity and efficiency.
3. That, brewery companies that do not have the required modern technology for the execution of a particular project should form strategic alliance with their competitors that have those essential technology as this strategic partnership would lead to the achievement of firm's effectiveness.
4. That, brewery companies should develop a policy that will encourage strategic alliance as it would go a long way in facilitating organizational learning which will in turn boost their competency level and increase their market share.
5. Finally, it is recommended that brewery companies that have formed strategic alliance with their competitors should work closely and coordinately with their partners as it would enable the partnership deals be achievable.

REFERENCES

Ahmad, Z., Chao, L.C., Chao, W. & Iiyas, S. (2020). How collaboration impacts in the market orientation-performance relationship of SMEs? A perspective from belt and road initiative. *Journal of Business & Industrial Marketing*, 4 (2), 144-156.

Ajitabh, A. & Momaya, K. (2004). Competitiveness of firms: Review of theory, frameworks and models. *Singapore Management Review*, 26 (1), 45-61.

Amelia (2017). Competitive advantages build with products differentiation strategy and services quality: A Study Star Hotels in Jakarta Indonesia. *International Journal of Advancement in Engineering Technology, Management and Applied Science*, 4(3), 114-123.

Antonova, K, (2014). Organizational competitiveness through strategic knowledge management. *Journal of University of Economics*, 1, 76-86.

Anyadike, N.O. (2013). Human resource planning and employee productivity in Nigeria public organizations. *Global Journal of Human Resource Management*, 1 (4), 56-68.

Bartelsman, E. & Doms, M. (2000). Understanding productivity: Lessons from longitudinal microdata. *Journal of Economic Literature,* 38 (3), 569-594.

Bhide, O. (2011). Strategic alliances in Firms. *Journal of Management*, 12 (9), 167-174.

Bitner, M.J. (2002). Evaluating service encounters: The effects of physical surroundings and employee responses. *Journal of Marketing*, 54(2), 69-82.

Bloom, N. & Reenen, J.V. (2010). Human resource management and productivity. National Bureau of Economic Research (NBER) Working Paper Series, Cambridge.

Brenner, R. (2009). Personal, team and organizational effectiveness. Retrieved from: http://www. chacaayon.com. /pointlookout/effective.shtml).

Chi, H.L. & Chiang, C.Y. (2013). The effects of strategic hospital alliances on hospital efficiency. *The Service Industries Journal*, 33 (6), 624-635.

Child, J. (2001). *Learning through strategic alliances*. Oxford University Press.

Dyer, J. H. & Singh, H. (2008). The relational view: Cooperative strategies and sources of Inter-organizational competitive advantage. *Academic. Management Review*. 23(4) 660–679.

Echaaobari, S.G., Adim, C. V. & Ihunda, C. C. (2018). Collaboration strategy and employee performance in oil producing companies in Port Harcourt, Nigeria. *International Journal of Social Sciences and Management Research*, 4 (3), 21-30.

Elmuti, D. & Kathawala, Y. (2001). An overview of strategic alliances. *Management Decision*, 2 (3), 205-218.

Elmuti, D. (2007). The perceived impact of team based management systems on organizational effectiveness. http//www.emerald.com/journal/itm?articleid=8827768show=).

Faems, D., Van Looy, B. & Debackere, K. (2005). Inter-organizational collaboration and innovation: toward a portfolio approach. *Journal of Product Innovation Management*, 22, 238-250.

Findik, D. & Beyhanb, B. (2015). The impact of external collaborations on firm innovation performance: Evidence from Turkey. *Procedia - Social and Behavioral Sciences,* 195 (5) 1425 – 1434.

Gulati, R. (2008). Alliance and networks. *Scientific Management Journal*, 19 (3), 293-317.

Inkpen, A. C. & Beamish, P. W. (1998). Knowledge, bargaining power, and the instability of international joint ventures. *Academic Management Review.* 22(1), 177–202.

Harrigan, K. R. (1988). Joint ventures and competitive strategy. *Strategic Management Journal*, 9(1),361–398.

Kagendo, R. (2015).Influence of electronic marketing on customer retention at Safaricom Limited. MBA Thesis, University of Nairobi.

Kimani, D. (2016). Strategic collaboration and performance of small and medium enterprises in Nairobi Central Business District. MBA Thesis, University of Nairobi, Kenya.

Lei, D., Slocum, J.W. & Pitts, R.A. (2007). Building cooperative advantage: Managing strategic alliances to promote organizational learning. *Journal of World Business*, 32(3): 203-223.

Lizardo, J., Prabowo, H., Furinto, A. & Budiastuti, D. (2019). Market attractiveness and collaboration strategies in improving the business performance of the digital out of home media industry in Indonesia. *International Journal of Scientific & Technology Research*, 8 (11), 67-79.

Lofstrom, S.M. (2000). Absorptive capacity in strategic alliances: Investigating the effects of individuals' social and human capital on Inter-firm learning. Paper Presented at the Organizational Science Winter Conference, Keystone, Colorado.

Lubatkin, M., Florin, J. & Lane, P. (2001). Learning together and apart: A model of reciprocal Inter-firm learning. *Human Relations*, 54(10), 1353-1382.

Magatef, S. G. & Tomalieh, E. F. (2015). The impact of customer loyalty programs on customer retention. *International Journal of Business and Social Science,* 6 (8), 78-93.

M'kuma, E.K. (2015). Strategic positioning and competitive advantage in banking industry in Kenya: A Descriptive Statistics of Private Sector Banks. *European Journal of Business and Management*, 7(32), 101-109.

Nielsen, B.B. (2004). The role of trust in collaborative relationships: A multi-dimensional approach. *Dans Management Journal*, 7 (3), 239-256.

Porter, M.E., Schwah, K. & Lopez-Claros, A. (2006). The global competitiveness report 2005-2006: Underpinning rising prosperity. *World Economic Forum*, Palgrave MacMillan.

Shrader, R.C. (2001). Collaboration and performance in foreign market: The case of young high-technology manufacturing firms. *The Academic of Management Journal*, 44 (1), 45-60.

Somuyiwa, A. O. & Mcilt, M. (2012). Firm's competitiveness through supply chain responsiveness and supply chain management practices in Nigeria. *British Journal of Arts and Social Sciences,* 10(1), 42-52.

Tohidi, H. (2010). Teamwork productivity and effectiveness in an organization base on rewards, leadership, training, goals, wage, size, motivation, measurement and information technology. A paper presented at the World conference on Information Technology.

Tippins, M.J. & Sohi, R.S. (2003). IT competency and firm performance: Is organization learning a missing link? *Strategic Management Journal*, 24 (8), 745-761.

Vlachvei, A. & Notta, O. (2017). Firm competitiveness: Theories, evidence and measurement. *International Journal of Business Management*, 4 (3), 42-56.

Zamir, Z., Sahar, A. & Zafar, F. (2014). Strategic alliances: A comparative analysis of successful alliances in large and medium scale enterprises around the world. *Educational Research International Journal,* 3 (1), 25-39.

Zeng, S. X., Xie, X. M. & Tam, C. M. (2010). Relationship between cooperation networks and innovation performance of SMEs. *Technovation*, 30(3), 181-194.