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REPOSITIONING STRATEGY AND PERFORMANCE OF SMALL AND MEDIUM SCALE ENTERPRISES IN RIVERS STATE, NIGERIA

By

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Abstract

The association between strategic repositioning and SMEs' performance in Rivers State, Nigeria, was investigated in this research. In this research, a cross-sectional survey was used. A total of 1205 SMEs have been found. A total sample size of 291 was calculated. As a result, 291 owners/managers of the chosen SMEs in Rivers State were sent a questionnaire. In this research, a systematic sampling procedure was adopted, and only 242 copies (or 83 percent) of the questionnaires were properly completed and recovered. To determine the link between the variables, the data was examined using the Pearson product moment correlation statistical technique. The investigation revealed that the characteristics of ambidexterity (strategic repositioning) had a substantial positive link with indicators of SMEs performance. As a result, it was concluded that strategic repositioning is a construct with a positive and favorable view framed by target customers, who recognize and agree that the features of the reformed product offerings and services are at the same or identical level as other firms in the market segment with which the brand in question aspires to match and compete. It was suggested, among other things, that small and medium-sized businesses in Rivers State seek competitive costing approaches that are more long-term sustainable than cost reduction.

Key Words: Strategic repositioning and performance of SMEs, cost leadership strategy, product differentiation strategy, growth, Profitability.

1.0 Introduction

Because of the recent growing integration of the global economy, known as globalization, every country has had to focus its efforts on ensuring that its businesses are globally competitive. Small and medium-sized businesses are not left out of this boom. SMEs continue to be at the center of policy discussions in developing nations, according to Peter (2009). These businesses generally reflect a step in the shift from traditional to contemporary technologies in the industrial sector. According to Ogujuiba (2014), governments are often observed putting in frantic attempts to encourage SMEs. These huge efforts are the consequence of these businesses' actions contributing significantly to the country's employment, manpower development, and gross domestic product. Despite the government's huge efforts, via numerous programs and policies, to revitalize and provide a relevant basis for SME's in Nigeria, no significant improvements have been accomplished.

Given the current market's high level of competition, small and medium-sized product owners must use a variety of positioning methods. The core product of positioning is that the product holds a place in the thoughts of target consumers to the point that it is patronized whenever the buyer wants to buy anything. The act of creating an organization's services and image such that they hold a relevant and unique competitive position in the eyes of the target consumer is known as positioning. Kotler is a well-known figure in the (1997). Munene (2013) said that in order for a company to increase its profitability, it must use methods to reposition the company in order to improve its overall performance. Firms with significant competence and abilities that want to utilize their assets may benefit from repositioning. Strategic positioning, according to Kotler and Keeler (2006), is all about developing a company's image and product to hold a distinct and distinctive place in the minds of the target market. Repositioning is a creative endeavor that incorporates differentiation, in which an existing product is given an unique positioning in the minds of the targeted consumer in an overcrowded market place of comparable items. Several academics have studied how SMEs' performance might be enhanced to promote economic growth and development. Claudiu, Corina, and Simona (2019) looked at how economic and social variables affect the short- and long-term performance of small and medium-sized businesses (SMEs). Aminu and Sharif (2015) looked at a small sample of data to see if the drivers of SMEs performance in Nigeria might be quantified. Despite multiple study efforts, there is a paucity of evidence on how strategic repositioning affects SMEs' performance. This research examines the link between strategic repositioning and SMEs' performance in Rivers State, Nigeria, in order to fill the gap that has been identified.

Statement of Problem

SMEs have emerged as a vital and active component of the global economy. The relevance of assessing SMEs' performance stems from a number of key factors. First and foremost, SMEs have a significant impact on both GDP and unemployment. According to Tomovska Misoska, Dimitrova, and Mrsik (2016), the interdependence of national economies (a direct effect of globalisation) and the difficult recovery following the global economic crisis have resulted in a significant increase in the role of SMEs, based on their ability to adapt to the challenges of a constantly changing environment. However, the problems that SMEs encounter are many, and they continue to stymie SMEs' growth and performance in Nigeria. The basic business issue is that CF or other growth inhibitors represent a danger to SME organizational leaders, resulting in a loss of profitability. The particular business issue is that some SME leaders lack the necessary tactics to keep their businesses afloat in Nigeria (Agbaje, 2013). They are typically shut down during the first few years of operation once they have established themselves. SMEs' growth, survival, and hence effective contribution to Nigeria's economic growth are hampered by a number of issues. Approximately 80% of small and medium-sized businesses are suffocated by a lack of funding and other related issues. The issue with funding SMEs is not so much the availability of capital as it is the lack thereof. The majority of Nigerian entrepreneurs lack the investment culture of reinvesting revenues. According to Bala (2002), a typical Nigerian entrepreneur's mindset is to invest now and reap tomorrow. Small and medium businesses often fail to implement a strategic positioning strategy in their operations. According to Ojiako (2000), one of the problems that SMEs face is a lack of strategic planning. SMEs must efficiently deploy and integrate their physical, human, and organizational assets in order to survive and prosper in a potentially harsh climate. Also, product repositioning on a strategic level. As a result, they will gain long-term competitive advantages, leading to improved performance and overall business growth (Lonial & Carter, 2015).

SMEs in Nigeria are now performing below expectations. The contribution of SMEs to the national GDP in Nigeria is claimed to be low for a variety of reasons. Inadequate infrastructure/financial support for firms operating in many sectors; restricted application of innovation to segment operations; and unfavorable competition from overseas products and services are only a few of them (Bangudu, 2013; Ndumanya, 2013). As a result, developing effective strategy is critical for every company to attain and sustain a competitive edge. As a result, in order to survive, businesses must reposition themselves strategically in response to fast environmental changes. Despite much investigation, however, a number of issues remain. The analysis of the link between strategic repositioning and performance of SMEs in Rivers state is one such challenge that this paper seeks to solve. This research aims to close that gap as well.

Objectives of the Study

The specific objectives are to;
Examine the relationship between

i. Cost leadership strategy and Growth of small and medium scale enterprises.
ii. Cost leadership strategy and Profitability of small and medium scale enterprises.
iii. Product Differentiation Strategy and Growth of small and medium scale enterprises.
iv. Product Differentiation Strategy and Profitability of small and medium scale enterprises.

Research Question

The following research questions were proffered as guide in the study;

What is the relationship between;

i. Cost leadership strategy and Growth of small and medium scale enterprises?
ii. Cost leadership strategy and Profitability of small and medium scale enterprises?
iii. Product Differentiation Strategy and Growth of small and medium scale enterprises?
iv. Product Differentiation Strategy and Profitability of small and medium scale enterprises?

Research Hypotheses

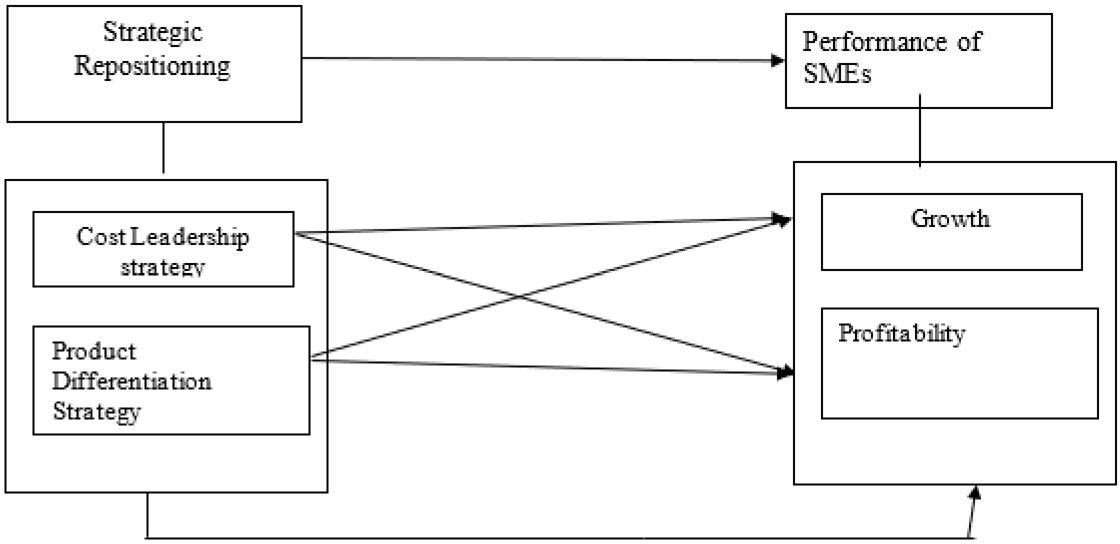
These under listed hypotheses serve as tentative answer to the research questions;
There is no significant relationship between;
HO_1: Cost leadership strategy and Growth of small and medium scale enterprises.
HO_1: Cost leadership strategy and Profitability of small and medium scale enterprises.

HO$_1$: Product Differentiation Strategy and Growth of small and medium scale enterprises.
HO$_1$: Product Differentiation Strategy and Profitability of small and medium scale enterprises.

2.0 Literature Review

Positioning theory is at the heart of our project. It is concerned with the examination of a company's external environment as a starting point for developing a corporate strategy. It examines the firm's market position and develops strategic strategies to capitalize on market opportunities. Porter's (1985) work is influential in the Setting School, which views strategy as fundamentally about positioning the organization for the future. His thesis is that certain sectors are more appealing than others on a fundamental level. As a result, a company should have access to all of the market's potential strategic positions and choose the most efficient one. According to proponents of the positioning theory, examining the external environment should lead to a judgment regarding which market position is the most favorable.

Research model



Source: adopted from Porter (1985)

Concept of Strategic repositioning
Positioning is one of the most important strategic choices made by a company, and its positioning actions contribute to its long-term competitive advantage (Cadogan, Hooley, Greenley, Fahy, & Cadogan, Hooley, Greenley, Fahy, & Cadogan, Hooley, 2001). According to Blankson and Crawford (2012), repositioning is necessary when the operating environment causes significant changes in the competitive landscape, such as shifts in customer behavior. Consumers have pre-existing views concerning a brand, therefore repositioning is not a choice to be taken lightly (Strategic Direction, 2008).

(Blankson & Crawford, 2012) found that the use of strategic positioning has a direct relationship with a company's performance, such as sales, earnings, return on investment, and market share. Positioning effectiveness is defined by Fuchs and Diamantopoulos (2010) as the degree to which customers consider a brand to hold a positive, distinctive, and believable position in their thinking. Positioning should accentuate the unique qualities that set it apart from its rivals and appeal to the general audience (Kapferer, 2004).

The effect of strategy on the external environment, internal resources and competencies, and stakeholder expectations and influence are all factors to consider while developing a strategic stance. The niche that an organization occupies within its sphere of influence is defined by positioning. The company is positioned for continued success, sustainability, and a significant competitive edge thanks to its solid strategic position. Positioning is more than simply promotion and advertising, as Lovelock (1984) correctly points out. Competition, application and object qualities, categories of customers engaged, or product characteristics may all be used to determine positioning.

Cost leadership strategy

Porter discusses cost leadership as one of three general company strategies in his well-known book, Competitive Strategy (1980). Cost leadership necessitates a relentless pursuit of cost-cutting measures. Improved operational efficiency, production learning or scale economies, unique raw material access, or particular partnerships with suppliers, distributors, or consumers may all help save costs. Vertically integrated or integrated into high value added, proprietary components and services are common among cost leaders. The goal of this strategy is to promote the company's low-cost goods in a certain sector. Experience, investment in manufacturing facilities, conservation, and close monitoring of overall operating costs are all part of the cost leadership strategy (through programs such as reducing the size and quality management).In areas where customers are price sensitive, cost leadership gives a competitive advantage. The cost of companies pursuing this strategy is to cut all costs along the value chain (Thompson & Strictland, 1996).

Product Differentiation Strategy

When typical products and services fail to fulfill a customer's demands, businesses must devise unique ways to suit those needs. Another strategy to compete in the market is to do it in this manner. According to Mercer (1992), differentiation is the practical positioning of goods or services such that they are distinguishable from their competitors. It means to differentiate its goods from those of its competitors in such a manner that consumers believe they are better. In general, the more specialized goods or services are, the less direct the rivalry will be, according to Mercer (1992).

In a product differentiation strategy, a company strives to be distinctive in its industry by including certain features that are appreciated by the majority of purchasers. It selects one or more distinct traits and positions itself to satisfy these requirements. Differentiation makes a product attractive, resulting in increased sales and profit. Differentiation seems to lead to higher profitability, according to strategy, industrial economics, and marketing. Simply said, differentiation allows a company to charge greater pricing. This is a prominent issue in marketing management, but it also appears in strategic management (Thompson and Strickland, 1995), industrial economics (Scherer, 1990), and mainstream economics (Jackson and McConnell, 1988).

According to Raduan, Jegak, Haslinda, and Alimin (2009), firms that accomplish things that are unique and difficult to imitate have a competitive edge and are more likely to be successful than their competitors. To effectively apply these strategies, businesses must have a clear understanding of the present competitive landscape in order to convince customers of the benefits of sustainable goods (Pondeville, Swaen, & de Rongé, 2013).

Performance of SMEs

SMEs play a critical role in reengineering Nigeria's socioeconomic environment in a growing economy like Nigeria. The dynamic significance of SMEs in developing nations as engines for achieving the growth and development goals of developing countries has long been acknowledged. SME development has remained a prominent word in the business sector, according to Ismaila (2012). This is due to the sector's role as a generator of jobs, national growth, poverty alleviation, and economic progress. When compared to the main sectors, including multinational corporations, SMEs can brag of being the world's largest employers of labor. SMEs, according to Okorie and Ibegbulem (2014), aid in the building of rural infrastructure since they allow for the development of local skills and technology acquisition via adaption.

In Sub-Saharan African nations like Nigeria, the SME sector is a powerful engine for economic transformation. Because of their importance and value in local marketplaces, the companies in this study are related to SMEs.

In terms of domestic economic growth, SMEs are the impetus for growth inside the constraints of society. Similarly, SME acts as a catalyst for job creation, bridging the gap between technological advancements and the provision of assistance to bigger corporations (Adetiloye, 2012; Akanbi, 2015; Huggins, & Weir, 2012).

Records demonstrate that SMEs have aided the development of indigenous technology in many nations by promoting private ownership and entrepreneurial skills, increasing job possibilities per unit of capital invested, and boosting private ownership and entrepreneurial abilities (Ekpo, 2010). Efficiency, financial outcomes, level of production, number of consumers (Anggadwita & Mustafid, 2014), market share, profitability, productivity, performance dynamics, costs and liquidity (Gupta & Batra, 2016; Zimon, 2018), and so on may all be measured quantitatively.

Growth

Growth is something that all businesses aspire towards, regardless of their size. Small businesses want to grow, and large businesses want to expand. In order to absorb the rising expenditures that arise with time, businesses must expand at least a little each year. Salary increases with time, as do the expenses of job perks. Small firms may benefit from organizational growth in a variety of ways, including enhanced efficiency through economies of scale, more power, a better capacity to resist market swings, a higher survival rate, higher profitability, and increased prestige for organizational members. Growth is seen as a sign of success and advancement by many small businesses. Many practicing managers are concerned with organizational growth, which is cited as one metric of performance for small organizations. In the end, a company's success and growth will be determined by how successfully it achieves its objectives.

Profitability

Profitability is similar to profit, but there is one crucial distinction. Profit is an absolute number, whereas profitability is a relative number. It is a statistic that is used to assess the breadth of a company's earnings in proportion to its size. Profitability is a metric for determining how efficient a company is – and, ultimately, whether it succeeds or fails (Nimalathasan and Velnamby, 2008). A business's capacity to provide a return on an investment based on its resources in contrast to an alternative investment is another definition of profitability. A corporation's ability to make a profit does not always imply that the company is profitable.

The fundamental purpose of any company profitability is to make money. The firm will not exist in the long term if it is not profitable. As a result, determining present and previous profitability, as well as estimating future profitability, is critical. Income and costs are used to determine profitability. The term "income" refers to the money created by a company's operations. One of the most crucial objectives for company managers is to increase profitability. Managers are continuously looking for methods to boost profitability by changing the company (RW Walker (1974). The concepts profit and profitability are not interchangeable.

Empirical Review

Ukpong and Edet (2016) discussed repositioning small and medium sized businesses in Nigeria to stimulate the economy. SME's are a nation's growth and development engine. SMEs help to expand the growth, acquire new technology, and reduce unemployment. The report also discusses ways for repositioning SME's in Nigeria for economic revival. Financial issues, insufficient basic infrastructure, socio-cultural issues, planning issues, location/economic issues, weak accounting systems, and a volatile regulatory environment are important obstacles to SMEs' success. Among other things, it was suggested that SMEs be encouraged to use long-term low-interest funding markets. Entrepreneurial SMEs should be rewarded with tax breaks and rewards, and the government should keep SMEs at the forefront of industrial policy in order to accomplish economic growth and development. Monetary and fiscal policy should provide excellent framework to support SMEs in their growth and survival.

Mohamed, Ndinya, and Ogada (2019) investigated the strategy of cost leadership on the performance of small-scale miners in Taita Taveta County. Based on Porter's Generic Strategies, the study targeted 502 miners from 22 registered organizations and 13 firms that operate as medium scale miners in the area. From this group, 222 were chosen at random for the research. To examine the data, descriptive statistics were used using frequencies and percentages. The results showed that MSMs in the region used cost leadership strategy to minimize operating costs, enhance output, and profitability. A more sustainable cost than cost reduction is advocated for MSMs.

Claudiu et al. (2019) analyze how key economic and social variables affect SME performance in the short and long run (SMEs). SME performance is measured as a percentage of total enterprise value added (VA). The authors chose EU nations based on cluster analysis. To acquire short- and long-term impacts, an analysis is undertaken that checks stationarity, cointegration, and causality between the influencing indicators and the variable evaluating SMEs' performance. The research found that given the rising social and economic relevance of SMEs at the European level, identifying the best ways to improve their performance should be a priority for the EU as a whole and for each member state.

Njuguna and Waithaka (2020) studied the impact of cost leadership on insurance strategy performance in Nyeri County, Kenya. The county's twenty-five (25) insurance businesses were studied using a census method. Among the responders were branch managers, financial officers, marketing managers, claims managers, and actuaries from all of the insurance companies surveyed. This method yielded 125 responses. The research looked at the insurance firms' non-financial performance from 2014 to 2018. The company's financial statements, management reports, and other relevant publications were reviewed for secondary data. The Pearson correlation study found a high positive link between cost leadership ($r=0.791$, $p=0.01$) and organizational performance. Similarly, cost leadership ($=880$, $p=0.004$) has a beneficial influence on organizational performance. Thus, pursuing cost leadership methods yields favorable outcomes for the organization. The report advises insurers to strengthen proprietary technology and distribution channels for goods that are only marginally established. This may be restricting their ability to manage operations and distribution expenses.

The survey addressed 112 Sameer Africa (K) Limited personnel in Nairobi, including top management, HODs, and subordinate staff. A total of 134 people were chosen at random using stratified and basic random selection. Strategic Balance Theory guided the investigation. Self-administered questionnaires gathered primary data. The hypothesis was tested using descriptive statistics (tables) and inferential statistics (Pearson correlation and regression analysis) with a significance level of 0.05. Importantly, the research examined the connection between differentiation strategy and organizational performance. The research discovered a link between product differentiation and organizational performance. As a consequence of the study's findings, companies' performance would be enhanced by using product differentiation methods that target rivals' product features. The research supports product differentiation since it has the strongest correlation with organizational performance.

Using the Kenya Seed Company as a case study, Nolega, Oloko, and Oteki (2015) examined how product differentiation impacts firm performance. The study was descriptive in nature. Customers and Kenya Seed Company employees were chosen at random, while 140 agents were chosen through purposeful sampling. Descriptive analysis revealed how product differentiation affects market dominance. The research advised Kenya Seed Company to enhance seed diversity to meet soil and climate needs.

Edet and Okon (2018) explored the issues and problems of repositioning SME in Nigerian economy. SMEs are critical to a country's economic success. To achieve economic growth and development, Nigerians should support locally produced items and the government should continue to prioritize SMEs.

3.0 Methodology

A survey of SMEs in Rivers state was conducted in order to meet the previously mentioned goals. The survey found a total of 1205 small and medium businesses in Rivers state. However, a total sample size of 291 was determined using the Krejcie and Morgan (1970) methodology for sample size calculation. As a result, a total of 291 questionnaires were delivered to SMEs' owner-managers, who served as the study's respondents. In this investigation, the systematic sampling approach was applied. This method was chosen because it provides a realistic representation of the complete population and avoids the possibility of researcher bias in the sample case selection. Product differentiation strategy and cost leadership strategy were used to assess the independent variable (strategic repositioning). Each component was assessed using four items from Goktan (2005). The test-retest reliability was used to assess the research instrument's internal consistency. The instrument was found to be reliable in all three dimensions (product differentiation strategy, cost leadership strategy, and cost leadership strategy) with Cronbach alpha values of 0.79 and 0.82, respectively. SME performance was judged in terms of growth and profitability as the dependent variable. Five items were used to assess each component. The Cronbach values for the items for growth and profitability were 0.84 and 0.78, respectively. Items were assessed on a 4-point Likert scale. In order to determine the link between strategic repositioning and SMEs' performance, the Pearson product moment correlation statistical analysis was employed with the support of SPSS version 21 to analyze the previous state hypotheses.

4.0 Result

Only 267 (92%) of the 291 questionnaires issued to respondents were returned, and only 242 (83 percent) were properly completed and utilized for the research. The hypotheses test was conducted with a 95 percent confidence interval, assuming a significance level of 0.05. The decision rule is placed at a crucial area of p > 0.05 for null hypothesis acceptance and p 0.05 for null hypothesis rejection.

Decision Rule:

Where P < 0.05 = Reject the null hypotheses

Where P > 0.05 = Accept the null hypotheses

Table 1: Cost Leadership Strategy and Growth

Correlations

		Cost Leadership Strategy	Growth
Cost Leadership Strategy	Pearson Correlation	1	.702
	Sig. (2-tailed)		.000
	N	242	242
Growth	Pearson Correlation	.702	1
	Sig. (2-tailed)	.000	
	N	242	242

Source: Survey Data, 2021

The data analysis yielded a significant threshold of p<0.05 (0.000<0.05). The r = 0.702 indicates a strong positive tie between the variables. As a result, the null hypothesis is rejected, whereas the alternative hypothesis is accepted.

Table 2: Cost Leadership and Profitability

Correlations

		Cost Leadership	Profitability
Cost Leadership	Pearson Correlation	1	.591
	Sig. (2-tailed)		.004
	N	242	242
Profitability	Pearson Correlation	.591	1
	Sig. (2-tailed)	.004	
	N	242	242

Source: Survey Data, 2021

The data analysis yielded a significant threshold of p<0.05 (0.004<0.05). The correlation coefficient is 0.591, indicating a positive tie between the variables. The results show that the factors have a favorable association. As a result, the null hypothesis is rejected, whereas the alternative hypothesis is accepted.

Table 3: Product Differentiation and Growth

Correlations			
		Product Differentiation	Growth
Product Differentiation	Pearson Correlation	1	.502
	Sig. (2-tailed)		.000
	N	242	242
Growth	Pearson Correlation	.502	1
	Sig. (2-tailed)	.000	
	N	242	242

Source: Survey Data, 2021

The data analysis yielded a significant level of p<0.000 (0.000<0.05). The correlation coefficient is 0.502, indicating a positive tie between the variables. The results show that the factors have a favorable association. As a result, the null hypothesis is rejected, whereas the alternative hypothesis is accepted.

Table 4: Product Differentiation Strategy and Profitability

Correlations			
		ProductDifferentiation	Profitability
Product Differentiation	Pearson Correlation	1	.611
	Sig. (2-tailed)		.000
	N	242	242
Profitability	Pearson Correlation	.611	1
	Sig. (2-tailed)	.000	
	N	242	242

Source: Survey Data, 2021

The data analysis yielded a significant level of p<0.000 (0.000<0.05). The correlation coefficient is 0.611, indicating a positive tie between the variables. The results show that the factors have a favorable association. As a result, the null hypothesis is rejected, whereas the alternative hypothesis is accepted.

5.0 Discussion of Findings

The study's hypothesis analysis revealed a substantial positive association between strategic positioning and SMEs' organizational performance.

Growth and Cost Leadership Strategy

Table 1 revealed a substantial positive association between cost leadership strategy and growth. This link exists because the p-value (p=0.000<0.05) was lower than the threshold of significance. The null hypothesis was therefore rejected, but the alternative hypothesis was accepted. Furthermore, the spearman correlation coefficient demonstrated a.702 link between cost leadership strategy and growth. This demonstrates that cost leadership strategy and growth have a significant beneficial link. As a result, implementing a cost leadership strategy would improve the growth of small and medium-sized businesses in Rivers state. This research supports the results of Lonial and Carter (2015), who argue that in order for SMEs to survive and thrive in a potentially harsh climate, they must efficiently deploy and integrate their physical, human, and organizational assets. Also, product repositioning on a strategic level. As a result, they will gain long-term competitive advantages, resulting in greater performance and overall business growth.

Profitability and Cost Leadership Strategy

Table two revealed a considerable positive association between cost leadership strategy and profitability. This is due to the fact that the p-value (p=0.000<0.05) was lower than the criterion of significance. The null hypothesis was therefore rejected, but the alternative hypothesis was accepted. Furthermore, the spearman correlation coefficient demonstrated a.591 link between cost leadership strategy and profitability. In Rivers state, a cost leadership strategy would definitely lead to higher profits in small and medium size businesses. This conclusion is backed up by Blankson and Crawford (2012). They proved experimentally that strategic positioning has a direct relationship with a company's performance, such as sales, earnings, return on investment, and market share. The results also support those of Mohamed, Ndinya, and Ogada (2019), who found that medium-scale mining throughout the nation was doing well in terms of production volumes, market share, and profitability, owing to cost-cutting measures such as lower production overheads.

Product Differentiation Strategy and Growth

Table three's findings revealed a significant positive relationship between product differentiation strategy and growth. This is because the p-value (p=0.000<0.05) was lower than the threshold of significance. The null hypothesis was therefore rejected, but the alternative hypothesis was accepted. Furthermore, the spearman correlation coefficient revealed a.502 correlation between cost leadership strategy and growth. This demonstrates that product differentiation strategy and growth are linked. As a product, the study claims that small and medium-sized businesses that can differentiate their products will grow faster than their counterparts. This research supported the findings of Mungan and Ogot (2017), who discovered that companies that pursue a differentiation strategy have higher revenue growth. The findings supported those of Tharamba, Fitich, and Anyango (2018), who found that strategic positioning has a positive impact on organizational performance.

Product Differentiation Strategy and Profitability

Table 4 shows that product differentiation strategy and profitability have a positive significant association. This is due to the fact that the p-value (p=0.000<0.05) was lower than the criterion of significance. The null hypothesis was therefore rejected, but the alternative hypothesis was accepted. Furthermore, the spearman correlation coefficient demonstrated a.611 link between product differentiation strategy and profitability. According to the study, SMEs in Rivers state will have a better chance of increasing their profitability if they use product differentiation strategies. Thompson and Strickland (1995); Scherer (1990); and Jackson and McConnell (1995) all came to similar conclusions (1988). They claim that strategy, industrial economics, and marketing all seem to agree on why differentiation might lead to higher profitability. Because differentiation allows a company to fetch greater pricing, that's all there is to it.

6.0 Conclusion and Recommendation

Strategic repositioning is a construct with a positive and favorable view framed by target customers who recognize and agree that the features of the reformed product offerings and services are on par with or identical to those of other firms in the market segment with which the brand in question aspires to compete. When target consumers have a positive opinion of the changed product offers and are happy with service delivery, strategic repositioning is successful. Clearly, the study's results show that cost leadership strategy has the greatest impact on SMEs' performance when compared to other strategic positioning indicators. The following suggestions are made by the study:

1. SMEs in Rivers state should focus on competitive costing approaches that are more long-term sustainable than cost reduction.
2. If SMEs want to compete in the rising market, they must scale up their product qualities and physical differentiation tactics.
3. To maintain its significance in Nigeria's economic growth process, a strategic sector of the economy such as SMEs must stay competitive.
4. In order to achieve economic growth and development, the government should continue to make SMEs a primary priority of industrial strategy. Monetary and fiscal policies should be designed to provide a suitable framework for SMEs to grow and sustain themselves.

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