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Effect of Competitive Strategies on Growth of Small and Medium Enterprises in East-Nigeria

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Abstract
The ever changing and turbulent competitive business environment pose major challenges to large auditing firms like any other organization in Nigeria and manager shave been struggling to compete favorably. The specific objectives of the study are to establish the effects product penetration strategy, product development strategy and market development strategy on the SMEs growth in north east, Nigeria.The study adopted a quantitative research with the specific research design being a cross sectional survey design. The population of the study was classified into five states in the north east Nigeria. The sampling frame was 180 SMEs arising five states of which a sample size of 123 SMEs were extensively surveyed to ascertain the impact of competitive advantage on growth of SMEs. The sampling technique used was stratified random sampling. Primary data was collected by use of questionnaires which were administered through drop and pick method. Data screening was done to identify any missing data and it was further tested for reliability and normality. Reliability was tested using Cronbach's Alpha. Normality was tested using Kurtosis, Skewness and Kolmogorrov Smirnov (K-S) test. Outliers in the data were identified by use of a Stem and Leaf graph. Multicolinearity was also tested and all study variables were found to be free from any multicolinearity. Data was analyzed using SPSS version 24. Descriptive statistics e.g standard deviations and T-tests were used for preliminary tests. Inferential statistics such as Pearson's correlation, ANOVA and multiple regression analysis were used for further analysis. The key findings were that

competitive advantage had a positive influence on the growth of SMEs in north east Nigeria.. The study recommends managerial and policy adjustments in line with strategic management practices to enhance competitiveness of SMEs in the north east, Nigeria.

KEYWORDS:, Competitive strategy, product development, SMEs

Introduction

SMEs are focal as the backbone of the economy of Nigeria not because it constitutes about 87 percent of all enterprises, but because, it contributes to about 61 percent of the Gross Domestic Product (GDP) (Effiom & Edet, 2018). In spite of this, it is critical for SMEs in Nigeria to effectively maintain a steady growth and survival due to persistent organisational and environmental challenges like lack of penetration strategy, development strategy, lack of basic business knowledge, skills and attitude; high operating costs, poor attitude to marketing activities, government policy, and above all, lack of product development strategy. Similarly, the current trend of the global business environment has led to tight competition for SMEs and this has become unavoidable for them, despite their operations and sizes (Aroyeun et al., 2019).

Studies conducted within the last decade revealed that the sustainability of SMEs in both developed and developing nations like Nigeria could be traced to the effective implementation of entrepreneurial orientation (Brownhilder & Johan, 2017).

Competitive strategy applies when a firm exploits new or unique markets good for strong low cost competitor, segment markets and offer differentiated products and services to the new market segment offer unique features products, focused relationship building. A firm's relative position within its industry determines whether a firm's profitability is above or below the industry average. Generic strategies are concerned there are three approached which come under these strategies since they can be applied on products or services and it also can be available for all size of companies (Porter, 1998). Porter (1998) suggested three generic competitive strategies for protecting new markets or strategic business units. Porter’s typology of generic competitive strategies is: cost leadership, differentiation, and focus. These three actually fall into two basic categories. The focus strategy calls for concentration on a niche or a narrow segment. But Porter says that success in this strategy can be achieved either via cost leadership or differentiation (Porter, 2012).

Porter named these strategies as cost leader ship which can also be known as no frill strategy, differentiation where the company will have to create a unique or desirable products and services and focus where companies offers a specialised service in a specific niche market. Focus strategy can subdivide into further two parts as cost focus and differentiation focus (Porter, 2012). The main motive of Porter's generic strategies is to gain competitive advantage which means the company will focus on developing an edge that helps the company in getting the maximum sales of their product or service and also help in take it away from the competitors. This can be done through two strategies. First one is increasing the profits by reducing the costs and also charging prices which are on the basis of average in the industry. Second method is increasing the market share through charging lower prices and increasing the sales (Porter & Lee, 2013).

Competitive strategy applies when a firm exploits new or unique markets good for strong low cost competitor, segment markets and offer differentiated products and services to the new market segment offer unique features products, focused relationship building (Porter, 1998). Thompson and Strickland (2010) on their part, define competitive strategies as consisting of all those moves and approaches that a firm has and is taking to attract buyers, withstand competitive pressure and improve its market position (Thompson and Strickland, 2010). Developing and implementing strategic and operational business plans enable owners to position their businesses to outperform competitors when faced with conflicting demands and limited resources (Cordeiro, 2013; Parnell, 2013).

Whilst micro-enterprises are very often the source of innovation, they are also especially vulnerable to competition from counterparts who introduce new products or services, or improve their production processes, lacking the resources to respond rapidly. Competition (markets) and information related factors, are said to be major challenges. Competition is seen in form of the size of market share in the rural setting. Most of these markets are not expanding and new competitors such as minisuper markets with wide varieties of products for those who were engaged in selling household products are emerging (Mwobobia, 2012).

Consequently, there is need to assist SMEs gauge their performance, learn from their environments about how to survive the competitive environment and continuously seek to reposition their key factors of competitive advantage in line with environmental changes (Rahman, 2012).

According to Ross and Perry (1999), there are different views for describing the four aspects of a firm's competitiveness. First is competition intensity which is explained by increased number of firms or similar product offering in a given industry, which according to Porter (1985) leads to product differentiation to enhance a firm's competitive position. Where competition intensity is high, a firm can identify a unique product dimension that is valued by its customers and position itself to meet those needs using its internal strengths (Ross & Perry, 1999).

A competitive product is the one that satisfies individual consumer needs and preferences, this way, competition intensity is an important aspect of competition (Crosby, 1979). The second aspect of competition is aspect of firm's competitiveness is the product quality, which is measured by the degree of conformance to predetermined specifications and standards. Any absence of specified attributes of a product or deviations from these standards can lead to its inability to compete effectively in the industry (Crosby 1979). A third aspect of competition is a firm's product cost. Garvin and March (1986) describes a products competitiveness in terms of costs and price. A competitive product is one that provides performance at acceptable price or provides conformance at acceptable cost. The firm's marketing experience is the fourth aspect of a firm's competitiveness. The competitiveness of a product or service is a simple unanalyzable property that people learn to recognize only through experience (Garvin & March, 1986).

Statement of the Problem

The Micro, Small and Medium Establishments report (RoK, 2018) indicates that there is high mortality rate of SMEs in Nigeria with a total of 2.2 million businesses having closed from 2012 to 2016. Small and Medium enterprises in Nigeria have been experiencing setbacks which led poor performances after the collapse of manufacturing companies between 2000-2008 whereby 20 companies shut down or suspended production due to economic recession (Ayodeji, 2017) It is argued that in Nigeria, just like in other country, the survival rate of SMEs is only 10-20% (Adeji, Ngugi & Wale, 2018). The SME sector has great potential as we realize that while many SMEs fail, others survive beyond infancy and adolescence, becoming major success stories, creating wealth for their founders and jobs for the communities they serve (Vijay & Ajay, 2019). Evidence is showing the slow decline of the small and medium retail enterprises in areas filtrated by the large retail chains (Mckinsey's Africa consumer insight center, 2012). These have created fierce competition from large retail merchandisers who are penetrating this market with such vigor, strategy, offering virtually all ranges of consumer products and locating themselves in strategic and convenient locations. Previous studies in north east, Nigeria on SMEs have largely focused on the social, economic andadministrative constrains that hinder growth of the retail SMEs (Mullei & Bokea, 2000). Less attention has also been paid on competitive strategies and growth of SMEs using the Ansoff's matrix.

The common denominator in the development of marketing strategies for the SME sector that can lead to growth and success, is the concept of strategy development and product differentiation strategy, such as specific service providing and as well as innovation. It is always base on the principle of market segmentation for SMEs, which suggest the implementation of marketing strategy in a focused (concentrated) market (Marmullaku & Ahmeti, 2015). It was been suggested that certain strategic alternatives are typically more appropriate for a small firm, namely those that avoid direct competition with larger firms and that involve the development of close customer relationships and product adaptation (Storey & Sykes, 1996). In the specific language of Ansoff's Matrix, it has been suggested by (Perry 1987) that for SMEs the most appropriate growth strategies are therefore market penetration, product development and market development.

Ansoff (1987) developed four directional strategies model called product /market matrix as a tool for strategic choice as a business analysis technique that provides a framework enabling growth opportunities to be identified. It can help businesses to consider the implications of growing the business through existing or new products and in existing or new markets. Each of these growth options draws on both internal and external influences, investigations, and analysis that are then worked into alternative strategies (Perry, 1987). While Porter offers, how to identify competitive strategies, Ansoff matrix provided linkage between both products and the markets. Ansoff's model builds on Porters generic strategies and highlights the gap the subsidiary objectives relating to the marketing mix are used to fill. Ansoff matrix is a strategic marketing tool that links a firm's marketing strategy with its general strategic. Ansoff matrix is a planning technique used for deliberate judgment about firm growth through product and market extension networks (Beamish & Ashford, 2005).

Competitive strategic resources are the cornerstone of enterprises to gain competitive advantage and thereby performing better than their competitors in the same industry (Kraaijenbrink *et al.,* 2010). The premise of the resource-based theory is that, enterprises gain competitive advantage when they possess certain unique resources. The strategic literature indicates that enterprises' competitive advantages are the results of possessing internal resources which their competitors lack (Barney, 1986; Peteraf, 1993; Teece *et al.,*1997). Whilst research on the competitive advantage of retail SMEs based on there source based-view acknowledges that enterprises' unique resources give them competitive advantage, they are scanty and the focus of attention has a lot been on internal resources. Less attention has also been paid on external resources and competitive advantage. For example, Amadieu and Viviani (2010) investigated intangibleresources and the competitive advantage of SMEs in the French Wine industry. Theydocumented that intangible resources had a negative impact on SMEs' financialcompetitive advantage and a positive impact on commercial competitive advantagemeasurements especially for cooperatives and wholesalers. Dhanaraj and Beamish (2003)examined the competitive advantage of SMEs in the export sector and the results showed that the enterprise, technological intensity and enterprise size were predictors of export strategy and export strategy also positively influenced the enterprise's competitive advantage.

Lerner and Almor (2002) conducted a research into the relationships among strategic capabilities and the competitive advantage of women-owned small ventures. The results were that business competitive advantage depended on strategic, financial and managerial skills. The study of Bakar and Ahmad (2010) also showed that intangible resources of SMEs in Malaysia were significantly related to product innovation competitive advantage. Terziovsk'si (2010) research also revealed that innovation and strategy were the predictors of the competitive advantage of SMEs in the manufacturing sector in Australia.

The empirical studies on competitive advantage above indicate a need for studies focusing on SMEs in the retail sector particularly in the developing and middle class economy context, hence shifting attention to the retail sector in north east Nigeria was critical.

Competitive strategy (CS) relates to strategy formulation and implementation in organizations (Galetic, Prester & Nacinovic, 2007). Hotels that desire to perform must select strategies that give them a competitive advantage over their competitors based on their core competencies (Enz, 2008). Organizations can do strategic analysis to achieve competitive advantage using tools such as Strengths Weaknesses Opportunities and Threats (SWOT) Analysis, Porter's five forces model and the Resource Based Theory (RBT) of the firm. Strengths, Weaknesses, Opportunities and Threats analysis aims at matching an organizations internal strengths and weaknesses with a firms external opportunities and threats.

Research Objectives

The general objective is to determine the effect of competitive strategies on growth of small and medium enterprises in east-Nigeria

Specific objectives

The study will be guided by the following specific objectives:

- To determine the effect of market penetration strategy on the growth of SMEs in north east Nigeria
- To examine the effect of market development strategy on the growth of SMEs in north east Nigeria
- To establish the effect of product development strategy on the growth of SMEs in north east Nigeria

Research Question

- To what extend does market penetration strategy influence the growth of SMEs in north east, Nigeria ?
- How does market development strategy affect the growth of SMEs in north east, Nigeria ?
- Does product development strategy influence the growth of SMEs in north east, Nigeria ?

Research Hypotheses

H01: Market penetration strategy has no significant effect on the growth of SMEs in north east, Nigeria

H02: Market development strategy has no significant effect on the growth of SMEs in north east, Nigeria

H03: product development strategy has no significant effect on the growth of SMEs in north east, Nigeria

Scope of Study

The study focused on SMEs in the north east Nigeria covering Bauchi, Taraba, Gombe, Adamawa, Yobe and Borno state. The study cover the effect of competitive strategies on growth of small and medium enterprises in east-Nigeria It was carried out from 27th March 2017 to 27th March 2022.

Justification of the study

Managers without strategic understanding of competitive strategy are prone to postponing costs that later escalate when the company is later judged to have violated its competitive aggressiveness. The study is important to start-ups so that they can be able to evaluate their competencies that will enhance their chances of survival and eventual growth. It will serve as a resource for personal decision-making as a self-evaluation aid that can be used to increase prospective entrepreneur's awareness of their strengths and weaknesses with regard to future business endeavors. They will significantly give important lessons on how best to organize the SMEs in order to realize long lasting benefits and optimal contribution to economic growth. The findings of this study are anticipated to be useful to the upcoming SMEs as they will be enabled to better understand the importance of adopting the right strategies and be conversant with best practices in regard to business growth and profit sustainability competitiveness as long as some form of analysis and discussion of their implications for small firm policy. In addition, this research will enable both policy makers and stakeholders to identify the strengths and weaknesses of various strategies/incentives; policy areas are required for growth of MSEs through appropriate policies intervention to enable access of credit and affordable financial services.. Knowing which of their personal competencies (existing and to be developed) might positively affect their business, entrepreneurs can thus act with greater accuracy and confidence towards the accomplishment of their goals. The study would therefore help policy makers formulate policies that are geared towards ensuring SME's survival based on what would increase their entrepreneurial competencies. Research interest in manufacturing sector stems from the consequences of factories on the environment and society in which they are located, and the significant impact on the economy of a nation since it is the basis for determining a nation's economic efficiency

LITERATURE REVIEW

Competitive strategic management is vital if the firm is to succeed, indeed possibly survive. Notwithstanding this, these firms will face numerous problems and crises as they grow, some of which are predictable, others that are not (Lobonțiua & Lobonțiua, 2013). Majumdar (2007) acknowledges that economies have included many policies for the promotion of the SME sector like product reservation, infrastructure support, direct and concessional credit, tax concession, special assessment in procurement of equipment, facility of duty drawback, quality control, and provision of market network (Majumdar, 2007).

Muthaih and Venkatesh (2012) suggest that many factors contribute in the SME growth; similarly, there are many barriers to growth. For small businesses, barriers can be of two types, institutional and financial. An institutional barrier includes the enterprise's interaction with government, issues related to legalization, taxation, and government support. Financial barriers will involve lack of financial resources. Further, SMEs can also face external and internal barriers along with social barriers which would cover aspects of market position of an enterprise, access to right kind of human resources, and access to network (Muthaih & Venkatesh, 2012).

Moreover, Gaskill et al. (2003) assert that small businesses are dependent on the owner's insight, managerial skills, training, education, and the background of the company's leader. Often, lack of these characteristics is the cause of small business' failure (Gaskill et al., 2003). Growth in market share is correlated with profitability; other important forms of growth do exist. Growth in the number of markets served, in the variety of products offered, and in the technologies that are being used to provide goods or services frequently lead to improvements in a firm's competitive ability. Growth means change, and proactive change is essential in a dynamic environment (Kiraka et al, 2013). Burns and Harrison (1996), good management is the key to the growth and development of a smaller firm. This means that managerial tasks in smaller firms are concentrated in the hands of very few people, and possibly even a single person.

Most beneficiaries of WEF are low value enterprises therefore due to high level of competition they therefore need to develop and apply strategies which will make their businesses grow and survive competition (Kiraka et al., 2013). A key rationale for supporting the MSME sector is its potential to generate output, employment and income (Kantor, 2001).

Focusing the firm's strategy on sharing equity, identifying a particular market niche, identifying new products, technological sophistication and devolution of decisionmaking are key to growth businesses tend to be those that extend ownership of the firm to others in exchange for equity (Storey, 1994). A firm has a wide range of strategies to pursue in creating and sustaining internal growth through use of Porter's Generic Strategies which include cost leadership, differentiation and focus (Barney, 2002). Besides these, marketing, development of alliances and the focus on the ethical issues comprise important components of the growth strategy (Kazem, 2004).

O'Gorman (2001) notes that 'success strategies' are characterized as high growth businesses. High growth businesses in turn are competitive on product quality, price and new product offering (O'Gorman, 2001). Firms seeking growth on the basis of innovation would essentially be oriented towards continuously offering a product that would take a high rank on the 'state-of-the-art' scale in the market (O'Gorman, 2001). Porter and Stern (2001) attest that business growth is also realizable through innovation, which the OECD (2000) defines as encompassing any new development in firms (Porter & Stern, 2001).

This strategy involves creating or reengineering products or services to meet new market demand, introducing new processes to improve productivity, developing or applying new marketing techniques to expand sales opportunities, and incorporate new forms of management systems and techniques to improve operational efficiency (Porter & Stern, 2001). Production strategies, such as the development of new products and services, technological specialization and focus on innovation, also determined growth (Achtenhagen et al., 2010; Davidsson et al., 2010; Dobbs & Hamilton, 2007; Moreno & Casillas, 2008).

Growth is regarded as the second most important goal of a firm, the most important being firm survival. Aversion to growth has been said to the principal reason why most SMEs stagnate and decline (Clark et al., 2001). Previous research reveals that firm growth is a multidimensional phenomenon, there is substantial heterogeneity in a number of factors associated with firm growth and related research (Delmar et al., 2003). O'Shannassy (2009), however, simply categorized the organization performance in the strategy literature into two measures, namely; strategic (for example sales growth, market share, customer satisfaction, quality) and financial objectives (for example return on asset, return on equity, return on sales).

The commonly used measures of firm growth: (employment growth, sales growth, profit, return on equity [ROE], return on assets [ROA]) and entrepreneurs' perceived growth relative to their competitors in terms of increase in company value (Leona et al., 2010).Growth in market share is correlated with profitability; other important forms of growth do exist. Growth in the number of markets served, in the variety of products offered, and in the technologies that are being used to provide goods or services frequently lead to improvements in a firm's competitive ability. Growth means change, and proactive change is essential in a dynamic environment (Kiraka et al, 2013).

A business or entrepreneurial venture is successful if it is growing. Growth has various connotations: It can be defined in terms of revenue generation, value addition, and expansion in terms of volume of the business. It can also be measured in the form of qualitative features like market position, quality of product, and goodwill of the customers (Kruger, 2004). Business growth is a vital indicator of a flourishing enterprise.

Theoretical Framework

Porter's Competitive strategies

This study was based on Porter's competitive strategy theory (1998) in which the main motive is to gain competitive advantage which means the organisation will focus on developing an edge that helps the organisation in getting the maximum sales of their product or service and also help in take it away from the competitors. (Porter, 1998). Porter always maintained in his work of generic strategy that the one thing in which companies need to focus is not to get stuck in the middle when it comes to strategy which means it is very important to choose the right and a perfect generic strategy since the decision to choose a specific type of strategy will help in underpinning every other strategic decision for the company and make it more worthwhile in order to spend right time on right things.

Therefore, when the company is in the process of choosing three generic strategies, it is significant to take into account the competencies of the organisation and its strength into account (Rangan et al., 2012).

Much discussion of small firm strategy is based upon the Porter approach (Burns & Harris, 1996). In this framework, competitive advantage is hypothesized to derive from product market positions based on either cost leadership (selling a standard product at a lower cost than competitors) or market differentiation (selling a product that is unique in some way and therefore commands a higher price). These two strategies can also be distinguished according to their competitive scope. Thus, the strategies may operate over a whole market or be focused upon a particular segment (Megicks, 2002)

As a part of broad market strategies, it is very important to decide before hand whether the company will focus on cost leadership or on differentiation strategy. So in this strategy the company will either depend on cost focused strategy or on differentiation strategy. On the broader basis, the main key is to ensure that the company is adding something extra which as a result serves only that specific market niche. The fact that something extra which can be done through number of ways like reducing costs or by increasing differentiation, it is important to focus on the kind of customers company is serving and the kind of expectation of the customers (Rangan et al., 2012).

There are number of steps which can be followed here in this case. The first one is that for each generic strategy the company will have to focus on SWOT analysis where the company can (Rangan et al., 2012). There are two sources of superior performance namely: locating an industry where industry conditions are good enough to allow a rate of return above the competitive level and having a firm attain a position of advantage viz a viz competitors within an industry to allow it to earn a return in excess of industry average. As competition intensifies, very few industry environments can guarantee same returns, hence the primary goal of a strategy is to establish a position of competitive advantage for a firm (Kirunja, 2011).

Competitive strategy applies when a firm exploits new or unique markets good for strong low cost competitor, segment markets and offer differentiated products and services to the new market segment offer unique features products, focused

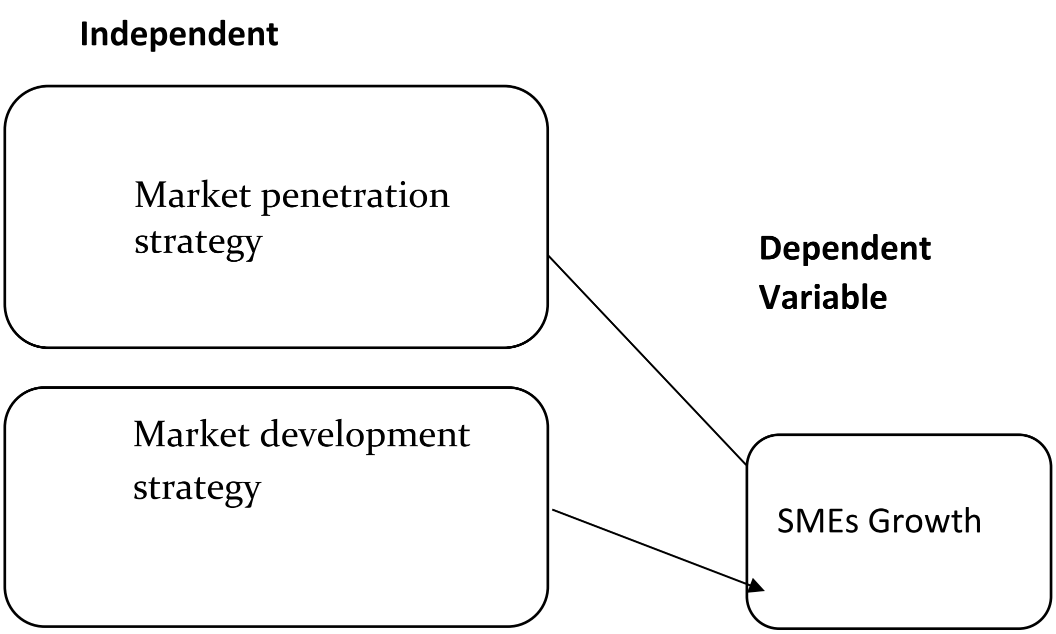
Theory of Growth

There are various theoretical perspectives which explain the growth of SMEs and associated strategies, but Dobbs and Hamilton (2007) claim that there is no single theory which can adequately give the explanation. The organic/evolution theory by Greiner (1972), cited in Gupta, Guha and Krishnaswami (2013), asserts that firms learn about their efficiency overtime and move through distinguishable stages with each phase containing a relatively calm period of growth and each with a management crisis.

New firms entering the market are unaware of their true efficiencies immediately but as they mature, they are able to uncover their productive efficiencies and adopt strategies befitting the circumstances (Staines, 2005). According to dynamic stage theory by Papadaki and Chami (1982), cited in Levie and Lichtenstein (2010), SMEs have certain characteristics that are associated with the propensity for entrepreneurial behaviour. SMEs with more of these characteristics are more likely to grow faster than those with fewer ones (Papadiki & Chami, 2002).
In other words the attitude of the individual entrepreneur in taking risks, motive of going into self employment, his or her managerial abilities to raise capital and perceive new markets, will determine the growth of the firm. Finally, the life cycle model by McMahon (1998) and similar in principle to the organic theory, explain the growth of an enterprise using the biological metaphor of the "lifecycle" (McMahon, 1998).

CONCEPTUAL FRAMEWORK

According to Kombo and Tromp (2009), a concept is an abstract or general idea infeed or derived from specific instances. A conceptual framework is a set of broad ideas and principles taken from relevant fields of enquiry and used to structure a subsequent presentation. In this study as shown in Figure 2.1 illustrates the conceptual framework which shows the relationships of the variable that are independent and dependent in this study include: market penetration strategy, market development strategy and product development strategy being variables that are independent whereas SMEs growth being the variable that is dependent.



Review of Related Variables

Market penetration strategy

Market penetration is the name given to a growth strategy where the business focuses on selling existing products into existing markets. This is done by taking part or a competitor's entire market share. Other ways to penetrate the market could be by finding new customers for your product or by getting current customers to use more of your products (Free Management, 2015). Market penetration is the simplest and first option for growth in most of companies. They is already in the market with a present or on hand product. Market penetration is an attempt to increase company sales without leaving original product market strategy at the cost of rivals in the market (Ansoff, 1957).

The organisation recuperates business performance by either mounting the quantity of sales to it's on hand customers or by finding fresh customers for at hand products. This means mounting income by promoting the product, repositioning the product. A successful market penetration strategy relies on detailed knowledge of the market and competitor activities. It relies on having successful products in a market that is already known well. Ansoff matrix and market penetration strategy requires both market and competitor intelligence. One key constraint of market penetration is that does not allow anything in the drive to grow market share to compromise existing success. The organisation needs to be aware of what has made the product a success so far and ensure that nothing it does will undermine it. This strategy should be given careful consideration for organizations that are not in a position to invest heavily or are not comfortable with taking risks, as the amount of risk associated with this strategy is relatively low (Free Management, 2015). Another approach to market penetration is to persuade your existing customers to use your product or service more frequently. There are several tactics you could use to do this, including loyalty schemes, adding value to the current product, or making alterations to the product that encourage greater use (Pearce & Robison, 2011). The degree of customers loyalty has tendency to be higher when perception of both cooperate reputation and cooperate image are strongly favorable. Additional interaction between both contributes to better explanation of customer loyalty. The tactics of this approach all aim to 'tie in' customers to a firm's product or service by making it more difficult for them to move to another supplier.

The ability of an organization to achieve higher usage by customers can be greatly enhanced by rapidly changing technologies that encourage users to upgrade or that offer more reasons to use the product or service (Strauss el Ansoury, 2004). Kimotho (2012) did a study on the impact of competitive strategies on the financialperformance of CFC Stanbic Bank Limited. The link between these competitivestrategies and the financial performance of commercial banks form the framework ofthe study. A case study approach was employed to determine the impact of competitivestrategies on the financial performance of commercial banks specifically focusing onCfC Stanbic Bank Ltd in Kenya. Content analysis wasused to analyze the data collectedin this study. The presentation of the analysis and interpretations was captured in twoparts: the first part capturing the general information in regard to those sampled, whilethe second part was further subdivided into parts capturing; Segmentation Strategies;Price Strategies; Delivery and Distribution Strategies; Promotional Strategies; Riskmanagement strategies; Product and service differentiation strategies and performanceof the bank. The results indicate that those companies that are effective at rapidlybringing innovative new products and services to the market have gained a hugecompetitive edge in today's business world. The results therefore attributed theimprovement in financial performance on the competitive strategies that the bank hasbeen undertaking in the past years of its existence.

Market development strategy

Market development according to Asnoff (1993) is a strategy that promotes market growth through identifying and developing new market segments for the current product. This strategy targets non-buying consumers in currently targeted segments. It also targets new customers in new segments. It entails expanding the potential market through new users or new uses. New users according to Asnoff include new geographic segments, new demographics, new institutions or new psychographic segments. Market development involves market penetration, market segmentation, and market diversification. Market penetration strategy focuses on selling existing products into existing markets to gain a higher market share. The strategy involves selling more to current consumers and to new customers who can be thought of as being in the same market place (Turner, 2010). Asnoff (1993) asserted that market segmentation as a growth strategy identifies and develops new market segments for current products. Although other factors could influence competitiveness of the Kenyan Tea globally, Asnoff maintained that market segmentation leads to new customers in new segments which support competitiveness of the product. Reibstein (2010) observed that, the increasing intensity of competition in the tea global markets was a challenge facing Kenyan companies in the tea industry at all stages of involvement in international markets. As markets open up, and become more integrated, the pace of change accelerates, technology shrinks distances between markets and reduces the scale advantages of large firms, new sources of competition emerge, and competitive pressures mount at all levels of the industry. Also, the threat of competition from companies in countries such as India, China, Malaysia, and Brazil was on the rise, as their own domestic markets are opening up to foreign competition, stimulating greater awareness of international market opportunities and of the need to be internationally competitive. Market penetration strategies used by tea companies to access the global markets contribute immensely to their market growth. The made savanna sugarcane is traded through three marketing channels namely direct local and international sales, factory door sales and the tea auction in Nigeria. The Ashaka cement serves as a regional selling centre for the cement producing states namely Lagos, Enugu, Ebonyi, Bauchii, Sokoto and Ogun state thereby positioning Nigeria to become a major cement trade centre. Neil (2011) observed that companies which previously focused on protected domestic markets are entering into markets in other countries creating new sources of competition, often targeted to price-sensitive market segments. Not only is competition intensifying for all firms regardless of their degree of global market involvement, but the basis for competition is changing as a result, competition continues to be market-based and ultimately relies on delivering superior value to consumers.

Product development strategy

Product development according to Turner (2010) is a strategy that a company adopts to create new products targeted at its existing markets to achieve growth. This involves extending the product range available to the firm's existing markets. The product development may be obtained by value addition, product differentiation, standardization and product diversification to the existing tea products. Keegan (1989) noted that the success of marketing depends amongst others on the success of the product in satisfying the consumers and if the product fails to satisfy the consumer, any amount of effort to boost the sales may not gain long term success. According to Atikiya (2013) Kenya intends to strategically boost the level of value addition in its niche export markets by increasing manufacturing of local agricultural products tea included. Owino (2012) defines value addition in the context of tea to signify the processing of tea produced or bought in bulk form into products that are sold at the retail level in consumer-ready packets through product modification and diversification with an intention of creating more value for the product. In Kenya, major agricultural products are exported as raw materials with no value addition resulting to low level of competitiveness. Investment opportunities for value adding activities through processing and packaging for agricultural commodities have not been exploited to increase farm incomes and off-farm employment (Kimenyi, 2002). This signifies that Kenyan products are exported as commodities thus affecting the competitiveness of the products in the global markets. Nyangito (2001) informed that value adding to a crop like tea can fetch up to six times more revenue than unpacked tea. Kenyan tea is sold in semi-processed 29 form to exporters who use it to blend lower quality tea from other countries. To ascertain sustainability and retention of the market share in the global market, Kenyan tea processors should diversify from production of only black CTC tea to variety of branded tea products. This would make the country regain its position in the world market and consequently improve farmers' income and ultimately reduce poverty levels (Tea Board of Kenya, 2009).

Methodology

Research Design: The study adopted a descriptive research design. The researcher used a cross sectional research design with both qualitative and quantitative methods. The design was appropriate in investigating the empirical and theoretical relationship between the variables.

Target Population

Population is define as the large collection of all subjects from where a sample is drawn. Kumar (2018) define the target population as a group of individuals, objects or items from which samples are taken for measurement. The target population for this study will be the 5362 registered SMEs enterprises registered in Nigeria by December 2017.

Sample Size and Population

187 members of staff and 20 members of customers constitute the respondents for this research work. A total of 150 questionnaires were sent out and 67 were fully answered and returned and used for the analysis.

Methods of Data Collection

Data needed for this work was collected through the use of primary and secondary source.

Primary Sources of Data

The research uses personal interviews amongst staff of the company and few customers, all selected at random. Also, questionnaires were used to collect necessary information to avoid bias.

Method of Data Analysis:. Regression Analysis was used to test the hypotheses.

Descriptive Results

Section C: Product development and SMEs growth

Kindly indicate the level of agreement relating to the following statements on product development Use a scale of 1-5, where 1- strongly disagree, 2- disagree, 3- uncertain, 4- agree, 5- strongly agree.

Statement	1	2	3	4	5
Low Value addition on Ashaka cement affect North east competitiveness					
Up scaling of value addition would enhance north east Competitiveness					
Product differentiation would enhance consumer loyalty thus influencing competitiveness of Nigeria					
Product diversification promotes consumer preference enhancing competitiveness of Kenyan Teas					
Product standardization and certification would enhance competitiveness Nigeria					
Government tax policies reduces competitiveness of the north east					

From the findings 54% of the respondents disagree while 37.2% strongly disagree that selective procedure is a reliable source of employee performance. This yields a cumulative 72.23% of the respondents disagreeing to the statement, 31.4% of the respondents were neutral about the statement, while 7.3% cumulatively agreed.

Regression Model

SMEs survival = $\alpha + \beta 1_{x1} + \mu$

Where the variables are defined as:

Y –SMEs- small and medium scale enterprises

X_1 – product development

α - regression output(constant)

μ - Error term.

Results and Discussion

Correlation Analysis Results

4.21: correlation results for product development and SMEs growth

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.626[a]	.392	.384	.0211957

a. Predictors: (Constant), product development

According to the regression study for product development and SMEs growth in Nigeria, product development accounted for 39.2% of the variation in growth as evaluated by ROC (R2=0.392), with other variables accounting for the other 60.8% of the variation..

4.2: ANOVA Results for product development and SMEs growth

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	.020	1	.020	43.933	.000[b]
1	Residual	.031	68	.000		
	Total	.050	69			

Predictors: (Constant), product development strategy

The null hypothesis, according to which there is no connection between product development and SMEs growth, was tested using the F-test. The results of the analysis of variance test in Table 4.2, which show that the significance of the F-statistic =43.933 and p=0.000 is less than the significance level of 0.05 adopted in this study, show that the null hypothesis was rejected and it was determined that there was a significant relationship between product development and SMEs growth. It was also demonstrated that the model ROC=0.04+0.027 (product development) + substantially fit the data.

Conclusion and Recommendation

The general objective of this study was to determine the effect of competitive strategies on growth of small and medium enterprises in east-Nigeria. Considering its conclusions, the study draws the conclusion that market penetration, product development and market development are importance for SMEs' growth. Moreover, the findings show that there is a positive and significant relationship between competitive strategies and the growth of small and medium enterprises in north east Nigeria.

Recommendations of the Study

For the partners (Owners) and managers of SMEs firms operating in Nigeria, there is need to develop and adopt strategies that will ensure that they survive in the industry. Partners should cultivate a culture of scanning the business environment and adopting the appropriate competitive strategies applicable. The firms should know that customer satisfaction always comes first. Also the study recommends that SMEs firms should adopt strategies such as diversification of products to include consultancy & accountancy, charging reasonable fees, expansion to new market & ethical considerations, and efficient and timely service to client.

Entrepreneurs should relook on their competitive advantage strategies in terms of business branches and assets in order to reach the consumer to their door step while they increase customer base as well as creating awareness of the service or product they deal with.

SMEs firms should realize the growth effectively to ensure that large SMEs firms do not outdo small ones in the market. This will ensure survival of small firms as they contribute to job creation, economic development as well as encouraging creativity hence competitive competition.

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