Replacement Strategy and Business Success of Quoted Food and Beverages Firms in Nigeria

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Abstract

This study examined the relationship between replacement strategy and business success of quoted food and beverages firms in Nigeria. Both primary and secondary sources were used to gather data on the independent and dependent variables. The population of the study consists of 14 quoted food and beverages firms on the Nigerian Stock exchange with consistent and accessible annual reports on the stock exchange for the period covered by the study. This population forms the sample size since it is finite gathered were analysed using EXCEL and SPSS software package. Exploratory and confirmatory factor analyses were conducted on the independent variables using SPSS and LISREL software packages. The empirical models were estimated using E-views. The student t-test, our findings reveal that replacement strategy can be used to reverse a turnaround situation caused by declining market share and sales growth but cannot be used to reverse a turnaround situation caused by declining profitability. Based on our findings it is concluded that replacement strategy has some levels of influence on business success of quoted food and beverages firms in Nigeria. The study recommends that quoted food and beverages firms should consider cost efficient strategies when their profits show a declining trend. In this regard, considering a new and pragmatic leadership and other cost cutting activities would be the right course of action.

Keywords: Replacement Strategy, Business Success, Market Share, Sales Growth, Profitability

Introduction

There is a pressing need for companies competing in these challenging economic times to prepare for and achieve turnarounds. In light of turmoil in the stock markets, volatility in commodities markets and the overall state of the global economy, turnaround marketing management has become a central focus for most executives (Day & Moorman, 2013). Most managers recognize the need to execute turnarounds when profitability takes a major dive. One of the more common sources of downturns is volatility of the market and changes in the general level of market demand for a product category (Boyd, 2011). However, other forces may also cause volatility in markets, such as changes in the general level of economic activity, technological changes, government regulations, and shifts in consumer tastes. In many of these cases, downturns can be anticipated well before markets exhibit negative growth rates. While downturns can appear to render a company helpless, there are proven strategies and marketing practices to help plan for them and to combat their effects. Knowledge of the intricate dynamics of marketing turnarounds is a fundamental requirement for business survival and growth today. The intense desire to survive in a slow market and find new avenues for growth has become a pressing goal for companies (Schoenberg, Collier & Bowman, 2013). The science of marketing turnarounds is based on an accurate understanding of how consumers respond to their changing environment. No company can survive in the long term unless it has the skills to execute turnarounds (Abebe, 2012). While the experience can be extremely painful, a downturn can (and should) trigger some consciousness in top management and encourage the organization to recognize and eliminate sources of weakness in its operations (Abebe, 2010). Downturns can serve as a mechanism for companies to identify what specific aspects of their business need to be improved. It is often (at times) when sales growth is inhibited or profitability is challenged that the urgent need to improve becomes evident (Abebe, 2012). The likelihood of a downturn offers yet an opportunity for the entire organization to improve. This is true at both the corporate level, where the focus is on overall business turnaround, and at the micro level, where the focus is on retaining and growing business with individual customers.

Developing a constant stream of new products is essential to a firm's long-term survival and profitability. Over the years, the literature on new product development (NPD) has grown to enormous proportions (Hart 1996). However, firms that only focus on developing new products quickly find themselves trying to manage a large, unwieldy and ineffective range of products, thus emphasizing the need for regular and systematic product deletion as a complement to product development. The introduction of a new product and deletion of an existing product coincide when an obsolete product gets replaced by an updated, restyled or otherwise improved new product. Recently, firms such as Unilever and Procter & Gamble expressed the need to restructure their product portfolios and use product/brand replacements to reduce the number of products and brands to a more manageable level. In addition, the accelerating pace of technological change reduces the useful lifetimes of many products and thus emphasize the need for effective product replacements (Von Braun 1990). Product replacements do more than just add a product deletion to a product launch and create their own set of management issues, such as: should we synchronize product launch and product deletion or sell both products simultaneously for a period of time? and how do we manage the period of transition from old product to new one? This study is expected to contribute to the existing literature on market replacement strategy t by developing a frame of understanding on how turnaround can be managed effectively in the context of sharp recoveries in business performance. The researcher shall draw on organizational decline, strategic reorientation and strategic change literatures to build a conceptual model with a view to understanding how companies typically manage their turnaround processes when faced with declining performance.

Furthermore**,** this study was guided by the following research questions:

i. What is the relationship between replacement strategy and market share of beverages firms in Rivers State?
ii. What is the relationship between replacement strategy and profitability of beverages firms in Rivers State?
iii. What is the relationship between replacement strategy and sales growth of beverages firms in Rivers State?

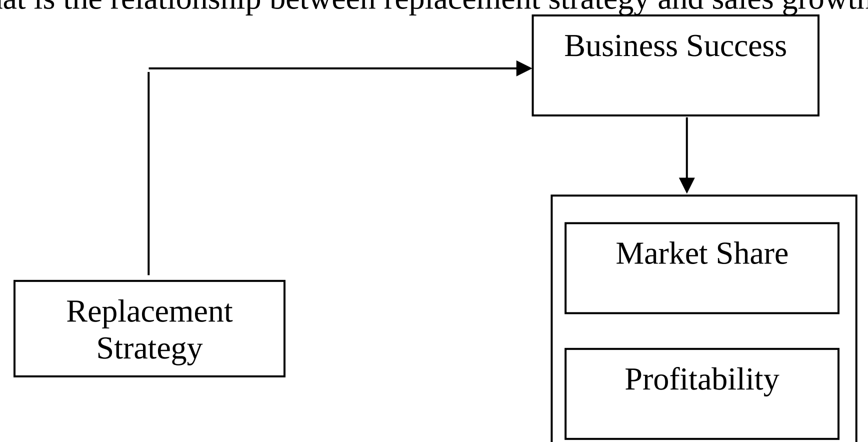

Figure 1: Conceptual Framework for the relationship between replacement strategy and business success

Source: Author's Desk Research, 2020

Theoretical Foundation

Schendel, Patton and Riggs Theory

Schendel, Patton and Riggs in (1976) focused on analysing the original causes of decline, categorizing them according to "whether they resulted from a failure to adapt to changing situations (poor strategies), from inefficient, costly or disrupted operations or from overall ineffective implementation of apparently sound strategies." They developed a 'turnaround' model which emphasized the importance of correctly identifying and assessing the cause/causes of failure so that both operating and strategic components should be included, and noted that turnaround efforts were most usually accompanied by changes in top management. Further studies by Schendel, Pattonand Riggs (1976) demonstrated that there were strong differences in certain variables describing companies achieving success in turnaround. Here increased cash flow, inventory turnover and new equipment and plant reflected an increased rate of investment, while market share also grew. Conversely cost-to-sales and value-added decreased.

Concept of Replacement Strategy

Replacement and adjustment strategies are the used interchangeably in this study. Replacement strategies are defined as instrumental behaviors through which resources such as time and money are reallocated to obtain the goods and services needed to maintain satisfactory levels of living under normal or unusual conditions; these strategies are typically repeated if they are successful (Lee, Fitzgerald, Bartkus& Lee, 2015). *Replacement* is the process of altering business strategies on the basis of sensed outcomes (Day & Moorman, 2013). In this phase, which is done in tandem with sensing, business unit or department heads assess the data to determine possible resource and capability trade-offs (Abebe, 2010). They explore the impact on people, processes, and technology, and then develop a consensus on the plan that is most appropriate for building or maintaining competitive position (Tenkasi&Kamel, 2016). In the case of an unexplained drop in unit prices, the adjustment may be an emphasis on marketing, innovation, or layoffs. As adjustments are made, the sensing capability picks up and continues the cycle, both scanning the horizon for market shifts and monitoring the execution of these strategic responses. Sensing does little good in the absence of adjusting, and vice versa. The success of a strategy depends upon the efficacy of implementation. It involves adjustments in structure; systems, skills, culture, resources etc needed and demands matching them all. These organizational adjustments are a must to manage change. Implementation includes -Resource allocation, Organization structure design, Planning framework, Leading and staffing, Change and communication and Evaluation. The importance of strategic evaluation lies in its ability to coordinate the tasks performed by individual managers, and also groups, division or SBUs, through the control of performance. Controls can be broadly classified into two categories. : Strategic and operational control. Strategic control is aimed at monitoring the course of progress in the predetermined direction, and operational control with the allocation of organizational resources and evaluation of the performance of organizational units, such as, divisions, SBUs, and so on, to assess their contribution to the achievement of organizational objectives. The sense-and-adjust approach to change is not the traditional stutter-step strategic planning process in which business units are summoned every six or 12 months to present their take on the market and their performance expectations. The sense-and-adjust process is continuous, incorporating new information and forecasting outcomes and expectations constantly. Companies that have mastered the skills to handle the programmatic approach and have an organization that is reasonably resilient — flexible and anticipatory — are the best candidates for this sustainable strategy. This is the most long-term and sustainable strategy, but only a few companies have successfully implemented it. Unlike the first two approaches, sense-and-adjust is dynamic, constantly and consistently smoothing out volatility in areas of business subject to swift and dramatic change, such as research and development or frontline operations like manufacturing and logistics.

Sensing is an ongoing effort to gather and analyze data on current and future business conditions and, more important, translate it into likely outcomes. The sensing process should leverage baseline planning information — what's captured in strategic and operating plans — and synthesize it with key performance data to form a single "dashboard" of actionable information that can be used by business unit heads or corporate leaders in functions like IT, HR, or marketing. Adjustment strategies are defined as instrumental behaviors through which resources such as time and money are reallocated to obtain the goods and ser-vices needed to maintain satisfactory levels of living under normal or unusual conditions; these strategies are typically repeated if they are successful (Winter & Morris, 1998). Once adjustment strategies have been deemed as useful or productive in helping to meet family and/or business needs and/or goals, they become patterned responses to cope with disruptions in family firms. When business owners are under pressure, the usual ways of running the business may not suffice, so they develop coping strategies to return to homeostasis, often by using re-sources from either the family or the business system (Paul, Winter, Miller, & Fitzgerald, 2003). These strategies are important to small family business owners to balance the complex demands of both work and family. Adjustment strategies are a means of restoring or maintaining an acceptable level of well-being for family firms during hectic times—periods when in-creased demands on time and human resources in either the family or the business necessitate some type of adjustment from the normal or typical way of meeting family or business needs (Miller, Fitzgerald, Winter & Paul, 1999; Fitzgerald, Winter, Miller & Paul, 2001). Some adjustment strategies allow for more time or resource allocation from the family, whereas other strategies allow for more time or re-source allocation from the business (Distelberg& Sorenson, 2009).

According to the SFB model, adjustment strategies are based on the idea that resources can be drawn from either the family or the firm to facilitate a higher level of functioning when the demands from either system are unusually high. In the present study, reallocation of business or family resources, incorporating additional resources in the family/business, and engaging in interpersonal transactions are assessed to see whether these adjustment strategies can facilitate or hinder the sustainability of family firms. Task accomplishment can be constrained if business-owning families lack critical resources, are unable to use existing resources, or are unable to conduct purposeful transactions, all of which may affect business success and consequent sustainability (Kim, Sharpe, & Kim, 2002). The SFB model posits that systematic responses to competing work and family demands, such as those assessed in this study, create resilience capacity and help family-owned businesses remain "healthy" during such times (Danes, Zuiker, Kean, & Arbuthnot, 1999; Danes, Reuter, Kwon, & Doherty, 2002). As noted by Danes (2013), family business owners can change the processes that they use to deal with change (e.g., through the use of adjustment strategies) more easily than they can change other aspects of their family such as structures, roles, and rules; thus, a process-oriented theory is appropriate for this study. Culture, Ethnicity, and Adjustment Strategy Use Ethnic differences might be associated with differences in ways of responding to the increased or competing demands of business or family systems in family-owned firms. Ethnicity has been defined as a framework of identifying a group of people through the components of race, religion, and cultural history. A group's ethnicity is often associated with a com-mon ancestry, and it helps the group to develop a sense of collective identity through shared values and attitudes (McGoldrick & Troast, 1993). Such shared values might be associated with notable differences in the ways that certain minority groups run family businesses. Further, because culture and values are often transmitted through family relationships (Landau, 2007), family structure and relationships contribute in important ways to the understanding of management processes used in minority-owned small family businesses. Ethnic differences are often manifested in culture. The literature distinguishes between collectivist and individualistic cultures.

Concept of Business Success

Critical success factors are variables or conditions that are essential for an organization's success. Details to consider when identifying these factors include the type of industry or product, the business model or strategy of the company, and outside influences, such as the environment or economic climate. Businesses should periodically evaluate and adjust factors as necessary to account for changes in identifiers that might affect future performance. Critical success factors vary by organization, but basic commonalities do emerge. No business can expect to be successful without effective leadership. A good leader inspires, guides and motivates a group of people while directing them toward a common goal. Without someone to monitor and keep the group focused, most groups will flounder and fail to achieve success. Successful businesses must have clearly defined goals. All employees should know where the company is going and how it is going to get there. The goals should be specific, attainable and attached to a timetable. The environment of the business should be such that attaining the goals is always the focus. Revisit and redefine goals as necessary when outside factors change in a way that might affect the desired outcome or attainment of the goals. Once leadership and goals are in place, it is important to define the roles and responsibilities necessary to achieve those goals. Make sure that all necessary resources are available to those responsible for working toward a specific goal. Before assigning roles, leadership should ensure that those tasked with certain responsibilities have the necessary training and resources to effectively work toward and achieve their designated goals. Successful businesses encourage cooperation and teamwork. Because all employees are working toward a common goal, the sharing of information and cooperation across departments should be encouraged. The technology and infrastructure should be in place to ensure that information sharing and teamwork are possible, and all barriers that might interfere with information dissemination should be removed. Business success in this work is measured using three parameters which include market share, profitability and sales growth.

Market Share

Market share represents the percentage of an industry, or a market's total sales that is earned by a particular company over a specified time period. Market share is calculated by taking the company's sales over the period and dividing it by the total sales of the industry over the same period (Göllü, 2017). This metric is used to give a general idea of the size of a company in relation to its market and its competitors. A company's market share is its portion of total sales in relation to the market or industry in which it operates. To calculate a company's market share, first a firm can determine a period it want to examine. It can be a fiscal quarter, year or multiple years (Fadel, 2013). Next, is to calculate the company's total sales over that period. Then, the total sales of the company's industry is found out. Finally, the company's total revenues is divided by its industry's total sales (Daneshgari., & Moore, 2016). For example, if a company sold 100 million naira in tractors last year domestically, and the total amount of tractors sold in the Nigeria was 200 million naira, the company's Nigeria market share for tractors would be 50%.The calculation for market share is usually done for specific countries, such as a Nigeria-only market share or Ghana-only market share. Investors can obtain market share data from various independent sources, such as trade groups and regulatory bodies, and often from the company itself. However, some industries are harder to measure with accuracy than others. Investors and analysts monitor increases and decreases in market share carefully as this can be a sign of the relative competitiveness of the company's products or services. As the total market for a product or service grows, a company that is maintaining its market share is growing revenue at the same rate as the total market. A company that is growing its market share will be growing its revenues faster than its competitors.

Market share increases can allow a company to achieve greater scale with its operations and improve profitability. A company can try to expand its share of the market, either by lowering prices, using advertising or introducing new or different products. In addition, it can also grow the size of its market size by appealing to other audiences or demography. Changes in market share have a larger impact on the performance of companies in mature or cyclical industries where there is low growth. In contrast, changes in market share have less impact on companies in growth industries. In these industries, the total pie is growing, so companies can still be growing sales even if they are losing market share. For companies in this situation, the stock performance is more affected by sales growth and margins than other factors. In cyclical industries, competition for market share is brutal. Economic factors play a larger role in the variance of sales, earnings, and margins, more than other factors. Margins tend to be low and operations run at maximum efficiency due to competition. Since sales come at the expense of other companies, they invest heavily in marketing efforts or even loss leaders to attract sales. In these industries, companies may be willing to lose money on products temporarily to force competitors to give up or declare bankruptcy. Once they gain greater market share and competitors are ousted, they attempt to raise prices. This strategy can work, or it can backfire, compounding their losses. However, this is the reason why many industries are dominated by a few big players, such as discount wholesale retail with stores including Sam's Club, BJ's Wholesale Club, and Costco.

Profitability

Profitability is ability of a company to use its resources to generate revenues in excess of its expenses. In other words, this is a company's capability of generating profits from its operations. According to Strifler (2018) profitability is the primary goal of all business ventures. Without profitability the business will not survive in the long run. So, measuring current and past profitability and projecting future profitability is very important. Profitability is measured with income and expenses. Income is money generated from the activities of the business (Maiga, 2015). For example, if crops and livestock are produced and sold, income is generated. However, money coming into the business from activities like borrowing money do not create income. This is simply a cash transaction between the business and the lender to generate cash for operating the business or buying assets. Expenses are the cost of resources used up or consumed by the activities of the business. For example, seed corn is an expense of a farm business because it is used up in the production process. Resources such as a machine whose useful life is more than one year is used up over a period of years. Repayment of a loan is not an expense, it is merely a cash transfer between the business and the lender (Keramidou, et al, 2013). Profitability is measured with an "income statement". This is essentially a listing of income and expenses during a period of time (usually a year) for the entire business. Information File Statement includes - a simple income statement analysis. An Income Statement is traditionally used to measure profitability of the business for the past accounting period. However, a "pro forma income statement" measures projected profitability of the business for the upcoming accounting period. A budget may be used when firm want to project profitability for a particular project or a portion of a business.

Whether firms are recording profitability for the past period or projecting profitability for the coming period, measuring profitability is the most important measure of the success of the business. A business that is not profitable cannot survive. Conversely, a business that is highly profitable has the ability to reward its owners with a large return on their investment. Increasing profitability is one of the most important tasks of the business managers. Managers constantly look for ways to change the business to improve profitability (Lado-Sestayo, &Vivel-Búa, 2019). These potential changes can be analyzed with a pro forma income statement or a Partial Budget. Partial budgeting allows you to assess the impact on profitability of a small or incremental change in the business before it is implemented (Afrifa,&Padachi, 2016). A variety of Profitability Ratios (Decision Tool) can be used to assess the financial health of a business. These ratios, created from the income statement, can be compared with industry benchmarks. Also, Income Statement Trends(Decision Tool) can be tracked over a period of years to identify emerging problems (Yazdanfar&Öhman, 2015). Profitability is one of four building blocks for analyzing financial statements and company performance as a whole. The other three are efficiency, solvency, and market prospects. Investors, creditors, and managers use these key concepts to analyze how well a company is doing and the future potential it could have if operations were managed properly (Alharbi, 2017). The two key aspects of profitability are revenues and expenses. Revenues are the business income. This is the amount of money earned from customers by selling products or providing services. Generating income isn't free, however. Businesses must use their resources in order to produce these products and provide these services (Bhootra, 2018). Resources, like cash, are used to pay for expenses like employee payroll, rent, utilities, and other necessities in the production process. Profitability looks at the relationship between the revenues and expenses to see how well a company is performing and the future potential growth a company might have. There are many reports to use when measuring the profitability of a company, but external users typically use the numbers reported on the income statement. The financial statements list the profitability of the company in two main areas (Leitch, Majerczy&Tian, 2015). The first signs of profit show in the profit margin or gross margin usually calculated and reported on the face of the income statement. These ratios measure how well the company is using its resources to generate profits. The second sign of profit isnot really a sign; it's more like the real thing. The income statement always reports the net income at the bottom of the report. This is often the true sign of profitability because it shows external users the total amount of revenues that exceeded the expenses during the period.It has been argued that profitability is the main pillar for any company to survive in the long run. Although profitability is the primary goal of all business ventures, scant attention has been paid to the factors that affect profitability in developing countries (Alarussi&Alhaderi, 2018).

Sales Growth

Sales Growth is the parameter which is used to measure the performance of the sales team to increase the revenue over a pre-determined period of time. Sales growth is an essential parameter for survival and financial growth of the company (Yazdanfar, &Öhman, 2015). Sales growth analysis is a core part of any business strategy and allows you to set and forecast realistic revenue objectives (Romi, *etal.*, 2018). A good sales growth can always be used for the benefits of the employees and company in terms of providing salary raise, acquiring new assets, an expansion of the company or the product line. A negative growth is an undesirable outcome, hinting a wrong strategy or decisions (Park, & Jang, 2015). When the growth of Sales numbers is more than the compared base, it is termed as positive Sales Growth. Every company always strives for positive sales growth and it is always beneficial for the financial well-being of a company to have positive sales growth (Park, & Jang, 2015). When the current year earnings are lesser than previous years, it is termed as negative sales growth. It is an indicator that somewhere, something went wrong due to which the sales suffer. A continuous negative growth brings tough choices to a company and it often does not end very well. Sales growth is an indicator that the steps taken towards policies are correct and working. A positive sales growth is a green signal which means things are being done right while a negative sales growth is a red signal which means it is time to stop and rethink (Fávero*etal*, 2018). Powell and Sandhotz (2013) argued that a positive sales growth is the objective sought by a company because it means more profits. A positive sale growth also signals that conditions are favourable in the market and the strategy or Technique Company is currently following is working in their favour. While getting a positive sales growth may be easy but maintaining it is a challenging task. A negative sales growth is a signal for company shouting for a change. Surely something is not working right which is getting negative sales growth and it needs to be changed. The company, then, has to rework on its current policies and teams and rework on next year's targets. A positive sales growth also indicates an increase in market share, customer acceptance, and user base. It means the product is being accepted in the market. To maintain a positive growth, the company needs to adapt to the changing market. Thus, a positive sales growth also indicates making necessary changes to the current working of the company, in order to improvise and adapt the market needs and customer demands in long run. Various comparisons of Sales Growth can determine various approaches that a company can take to increase its sales. The type of Sales Growth analysis followed by a company determines their position in the market. A further detailed analysis like analyzing customer

Sales Growth will further determine the reason for the increase or decrease in sales growth ((Yazdanfar&Öhman, 2018). Analyzing sales growth answers the 'Why' for the company. Why is there a growth or why is there a negative growth? Answering that question would determine the strategy to follow.Few metrics have the potency of sales growth. All eyes are focused on sales numbers and achieving monthly, quarterly, and annual growth. What's fascinating about the sales growth metric is that it can act as a rallying call for your entire team. By aiming to achieving an organizational target, like percentage growth in revenue, firm can develop a cascade of interdependent metrics at each level of company's sales team. For example, the revenue and sales executives will be tasked with that high-level objective, but directors and managers will be focused on activities directly under his or her control. While executives may track sales growth, directors may track sales by rep, and reps may track his or her quote-to-close ratio.

Replacement Strategy and Business Success

With data from the 2003 and 2005 National Minority Business Owners Survey, Pertusa-Ortega (2008) examinedthe extent to which minority business owners differ from non-minority business owners in their reported use of adjustment strategies, and the relationship between the use of adjustment strategies and perceived business success. The sample consisted of 193 African American, 200 Mexican American, 200 Korean American, and 210 white business owners. Mexican American and Korean American business owners reported higher levels of adjustment strategy use than African American and white business owners. The ordinary least squares adopted in the study showed that reallocating family resources to meet business needs and reallocating business resources to meet family needs were negatively associated with perceived business success, whereas hiring paid help was positively associated with perceived business success. Previous studies have indicated that firm and owner characteristics influence the use of adjustment strategies in family-owned businesses. For example, Miller et al. (1999) found that in nonminority families, the business often took precedence over family (i.e., family adjustments to fulfil business needs occurred more frequently than business adjustments to meet family needs). In addition to ethnicity, gender is an important characteristic that has been investigated in relation to adjustment strategy use (Fitzgerald et al., 2001). In family-business systems, work–family balance for women is more complex than for men (Lee, Danes, & Shelley, 2006). For example, women experience trade-offs between work and family more frequently than men (Friedman &Greenhaus, 2000). According to another study (Brink & de la Rey, 2001), successful South African business-owning women used coping strategies to deal with work and family interaction strain. Education level, age of the business owner, and size of the business are also important predictors of the use of adjustment strategies. For example, Fitzgerald et al. (2001) suggested that older business owners with higher levels of education were more likely to use volunteer help to run the business than were younger owners or those with less education. Business owners with more employees were also more likely to hire out-side workers when needed, perhaps because such larger businesses had hiring mechanisms and revenue necessary to do so (Fitzgerald et al., 2001). Paul et al. (2003) also noted that owners of businesses with more employees were more likely to use the adjustment strategies of reallocating business resources, reallocating family resources, and hiring outside help than those with fewer employees. Social capital often serves as an important re-source for minority family businesses and is a notable predictor of both adjustment strategy use and family business success. For example, family and kin networks often help to fund start-up businesses for Korean immigrants (Min, 1988). Korean American family business owners also frequently tap into social capital by using family labor (Min, 1988; Yoon, 1991). The extent to which minority family business owners and nonminority family business owners dif-fer in levels of social capital (e.g., according to re-ports of perceived community support) might be associated with corresponding differences in adjustment strategy use and business success. Family business success has been defined in terms of sustainability, productivity, and long-term survival (Danes et al., 2002; Danes et al., 1999; Lee, Jasper, & Fitzgerald, 2010). To operationalize the construct, researchers have used outcome measures such as financial indicators (e.g., sales, profit, growth), subjective assessments of success, and long-term survival rates (Cliff, 1997; Kalleberg&Leicht, 1991; Siegel, Siegel & Macmillan, 1993). Replacement/Adjustment strategies could play a major role in determining business success according to these indicators. For example, Aronoff (2004) noted that multigenerational survival and success of family-owned business required a self-sustaining and self-regulating approach (i.e., through the use of managerial adjustment strategies). Certain adjustment strategies have also been linked to business outcomes. Reallocating time, such as by getting less sleep or hiring temporary help during hectic periods, was associated with increased business revenue, an objective measure of business success (Olson et al., 2003). Similarly, perceived business success, a subjective outcome, was higher, on average, for business owners who slept less and hired temporary help during hectic times. Hiring temporary help was positively associated with in-creased gross business revenue and family business income. In addition, Olson et al. (2003) documented that adjustment strategy use in response to disruption explained more of the variance in business success in white-owned businesses than did family resources, constraints, and processes. Niehm and Miller (2006) observed that small business owners for whom competing demands be-tween work and family were particularly difficult to meet, and business owners who did not experience this degree of strain in work–family balance differed significantly in average reports of perceived business success. To manage these competing demands, business owners could benefit by using certain adjustment strategies to facilitate the process of achieving and maintaining business success (Niehm, Miller, & Fitzgerald, 2005). Niehm, Miller, Shelley, and Fitzgerald (2009) have investigated this relationship between adjustment strategy use and business success. They examined differences in adjustment strategy use be-tween surviving and non-surviving family businesses and found that owners of surviving family businesses brought family responsibilities to the workplace during busy times, whereas owners of non-surviving business brought business tasks home in order to handle stressful times (Niehm et al., 2009). Business characteristics such as business type and business size, and business owner characteristics such as gender, human capital, and social capital may be important variables to measure as predictors of business success. For example, previous literature has indicated that work experience and education level predict business success (Brüderl, Preisendörfer, & Ziegler, 1992; Fairlie& Robb, 2007). In addition, in an investigation of the association of gender with business success, Lee et al. (2010) found that female business owners perceived greater levels of success than male business owners. Previous findings have also indicated that the level of satisfaction with community support increased with the level of perceived business success among family business owners (Kilkenny, Nalbarte, & Bes-ser, 1999).

Based on the following, the study hypothesizes thus:

$\mathbf{H_{01}}$**:** There is no significant influence of replacement turnaround marketing management strategy on market share of quoted food and beverages firms in Nigeria.

$\mathbf{H_{02}}$: There is no significant influence of replacement turnaround marketing management strategy on profitability of quoted food and beverages firms in Nigeria.

$\mathbf{H_{03}}$: There is no significant influence of replacement turnaround marketing management strategy on sales growth of quoted food and beverages firms in Nigeria.

METHODOLOGY

Both primary and secondary sources were used to gather data on the independent and dependent variables. The acceptable population for the study consists of 14 quoted for and beverages firms in Nigeria with consistent and accessible annual reports for the period covered by the study. All the collected quantitative data were described using EXCEL and SPSS software packages. Both exploratory and confirmatory factor analysis were conducted on the independent variables using SPSS and LISREL software packages. The empirical models were estimated using E-Views. The specified hypotheses were tested based on student *t* test. Panel regression was used to empirically examine the main study relationships and the results were used to test all specified hypotheses.

DATA ANALYSIS AND RESULTS

Test of hypotheses

Table 1: Empirical Results for Firm Market Share*(MS)*

Variable	Beta	P-value
Panel B: Model Estimates		
Intercept(β_0)	5.0578	0.0286
REPLS (β_1)	0.0652	0.9064
REOTS (β_2)	1.1480	0.0392
REPOS (β_3)	1.0362	0.0435
Panel B: Model Fit Statistics		
R^2	0.2564	
$\bar{R}^2$	0.2110	
F-Statistic	6.5954	
Prob(F-statistic)	0.0069	

Source: EViews output based on research data

Testing of Hypothesis 1: Replacement Strategy and firm Market Share

H_{01}: There is no significant influence of replacement strategy on the market share of quoted companies in the food and beverages industry.

In the above analysis, the influence of replacement strategy on firm market share is captured by β_1 which is the coefficient on *REPLS*. Therefore, hypothesis 1 would be tested based on the reported *p*-value corresponding to *REPLS* in Panel A of Table 4.19. As stated, the elected significance level for hypothesis testing is 5%.

Decision Rule: H_{01}would be rejected if the reported *p*-value corresponding to *REPLS*is not up to 0.05 and the conclusion would be that replacement strategy has a significant influence on market share. Otherwise, H_{01} would be supported.

From Panel A of Table 1 the reported p-value corresponding to *REPLS* is 0.9064, which is much greater than 0.05. Therefore, there is no evidence against $H_{01}$and our conclusion is that replacement strategy has no significant influence on market share for quoted firms in the food and beverages industry.

Table 2: Empirical Results for firm Profitability (*P*)

Variable	Beta	P-value
Panel B: Model Estimates		
Intercept (λ_0)	2.3202	0.0821
REPLS (λ_1)	0.6826	0.0089
REOTS (λ_2)	-0.3287	0.0154
REPOS (λ_3)	-0.9242	0.0242
Panel B: Model Fit Statistics		
R^2	0.2994	
$\bar{R}^2$	0.2591	
F-Statistic	9.4673	
Prob(F-statistic)	0.0006	

Source: EViews output based on research data

From Panel A of Table 2, we can see that *REPLS*$(\lambda_1 = 0.6826)$has a positive coefficient while *REOTS*$(\lambda_2 = -0.0287)$and *REPOS* $(\lambda_3 = -0.9242)$both have negative coefficients. However, the p-values of 0.0089, 0.0154 and 0.0242 indicate that the three turnaround strategies all enter the profitability model significantly in statistical sense, with the *REPLS*beta being the most significant. Thus, whereas replacement strategy has a highly significant positive effect on firm profitability, the effects of both reorientation and replacement are negative and significant at 5% level. The intercept term ($\lambda_0 = 2.3202, p$-value $= 0.1821$)is positive but statistically significant at 10% level, suggesting that the average profitability would be different from zero for quoted food and beverages firms when the three turnaround strategies are not in place.

From Panel B of Table 2, like the case of market share, the Adjusted R-square ($\bar{R}^2$)of 0.2591 indicates that the estimated profitability model fitted moderately to the data. However, the F-statistic (p-value = 0.0006) shows that the joint influence of replacement, reorientation and replacement on firm profitability is significant at 1% level. The residual plot in Figure 4.19also shows that the estimated errors are stationary or stable, hence, the fitted profitability model is well behaved and can be reliably used for making predictions.

Testing of Hypothesis 2: Replacement Strategy and firm Profitability

H_{02}: There is no significant influence of replacement strategy on the profitability of quoted companies in the food and beverages industry.

In the above analysis, the influence of replacement strategy on firm profitability is captured by λ_1 which is the coefficient on *REPLS*. Therefore, hypothesis 4 would be tested based on the reported *p*-value corresponding to *REPLS* in Panel A of Table 2. As stated in chapter 3, the elected significance level for hypothesis testing is 5%.

Decision Rule: H_{04} would be rejected if the reported *p*-value corresponding to *REPLS* is not up to 0.05 and the conclusion would be that replacement strategy has a significant influence on firm profitability. Otherwise, H_{04} would be supported.

From Panel A of Table 2, the reported *p*-value corresponding to *REPLS* is 0.0089, which is less than 0.05. Therefore, there is strong evidence to rejectH_{04} and our conclusion is that replacement strategy has a highly significant positive influence on profitability for quoted firms in the food and beverages industry.

Table 4.3: Empirical Results for Sales Growth (*SG*)

Variable	Beta	P-value
Panel B: Model Estimates		
Intercept (ϕ_0)	6.8168	0.0004
REPLS (ϕ_1)	-0.2793	0.0050
REOTS (ϕ_2)	0.4212	0.0184
REPOS (ϕ_3)	0.8390	0.0388

Panel B: Model Fit Statistics	
R^2	0.4560
$\bar{R}^2$	0.4364
F-Statistic	35.1364
Prob(F-statistic)	0.0000

Source: E-Views output based on research data

From Panel A of Table 3, *REPLS*$(\phi_1 = -0.2793)$, is associated with a negative coefficient, indicating that replacement strategy and sales growth are negatively related. On the contrary,
REOTS$(\phi_2 = 0.4212)$and *REPOS* $(\phi_3 = 0.8390)$both enter our empirical model positively, indicating that sales growth is positively related to both reorientation strategy and replacement strategy. However, the p-values of 0.0050, 0.0184 and 0.0388 indicate that all the coefficients enter the sales growth model significantly, with the coefficient on *REPLS* being highly significant. Thus, replacement strategy has a highly significant impact of replacement on sales growth while the effect of both reorientation and replacement is significantly positive. The intercept term $(\phi_0 = 6.8168, p\text{-value} = 0.0004)$is positive and highly statistically significant; suggesting that on average, companies in the food and beverage industry recorded a positive sales growth that is independent of the three turnaround strategies.

From Panel B of Table 3, like the two previous cases, the Adjusted R-square $(\bar{R}^2)$of 0.4364 indicates that the estimated sales growth model fitted moderately to the data. However, the F-statistic (p-value = 0.0000) suggests that the joint influence of replacement, reorientation and replacement on sales growth is highly statistically significant. The residual plot in Figure 3 also shows that the estimated errors are stationary or stable, hence, the fitted sales growth model is well behaved and can be reliably used for making predictions.

Testing of Hypothesis 3: Replacement Strategy and Sales Growth

H_{03}: There is no significant influence of replacement strategy on sales growth of quoted companies in the food and beverages industry.

In the above analysis, the influence of replacement strategy on sales growth is captured by ϕ_1 which is the coefficient on *REPLS*. Therefore, hypothesis 3 would be tested based on the reported *p*-value corresponding to *REPLS* in Panel A of Table 3 stated earlier, the elected significance level for hypothesis testing is 5%.

Decision Rule: H_{07} would be rejected if the reported *p*-value corresponding to *REPLS* is not up to 0.05 and the conclusion would be that replacement strategy has a significant influence on sales growth. Otherwise, H_{07} would be supported.

From Panel A of Table 3, the reported *p*-value corresponding to *REPLS* is 0.0050, which is much lower than 0.05. Therefore, there is strong evidence to reject H_{03} and our conclusion is that replacement strategy has a highly significant impact on sales growth for quoted firms in the food and beverages industry.

CONCLUSION AND RECOMMENDATIONS

Based on the findings from this study, it is concluded that replacement strategy has some levels of influence on business success of quoted food and beverages firms in Nigeria.

The study recommends that firms in the food and beverages sector should look inward and consider cost efficient strategies when they their profitability shows a declining trend. In this egard, considering a new and pragmatic leadership and other cost-cutting activities would be the right course of action. The cost-reduction actions required may include reducing wastages, production and overhead costs, blocking internal leakages, rewarding employee prudency and encouraging employee participation. These strategies would enhance internal efficiencies and increase profitability.

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