Market Repositioning Strategy and Business Success of Quoted Food and Beverages Firms in Nigeria.

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Abstract

This study examined the relationship between market repositioning 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. Our findings suggest that repositioning 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. It is therefore concluded that market repositioning strategy has some levels of influence on business success of quoted food and beverages firms in Nigeria. The study recommends that food and beverages firms should consider market-oriented strategies when they are faced with declining sales growth. To this end, strategic reorientation or repositioning or both can be employed. Therefore, to reverse the declining sales growth, turnaround managers need to consider strategic actions such as increasing sales incentives, marketing and advertisement budgets and product quality improvement. Market expansion activities such as rewarding customer loyalty, product innovation and new market penetration would also be helpful.

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

Introduction

Positioning is one of the most crucial strategic decisions made by a business, whose long-term competitive advantage stems, in part, from its positioning activities (Hooley, Greenley, Fahy, &Cadogan, 2001). Positioning is concerned with the management's attempt to modify the tangible characteristics and the intangible perception of a marketable offering in relation to the competition. Empirical research has established that the employment of positioning strategies has a direct association with a firm's performance, that is to say, sales, profits, return on investment, and market share (Blankson& Crawford, 2012; Hooley *et al.*, 2001). Repositioning is required when the operational environment leads to drastic changes in the competitive landscape, such as changes in consumer behavior. Repositioning is not a decision to be made lightly, as consumers have pre-existing attitudes toward a brand (Strategic Direction, 2008). Thus, effective repositioning requires deliberate, proactive, and iterative management of consumers' perceptions to ensure that both the old positioning is weakened and the new positioning is learned (Strategic Direction, 2008). Constant monitoring and measurement of any changes in customer perception and satisfaction with the altered product offerings serve as good indicators of the effectiveness of corporate repositioning strategies.

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

i. What is the relationship between market repositioning strategy and market share of beverages firms in Rivers State?

ii. What is the relationship between market repositioning strategy and profitability of beverages firms in Rivers State?

iii. What is the relationship between market repositioning strategy and sales growth of beverages firms in Rivers State?

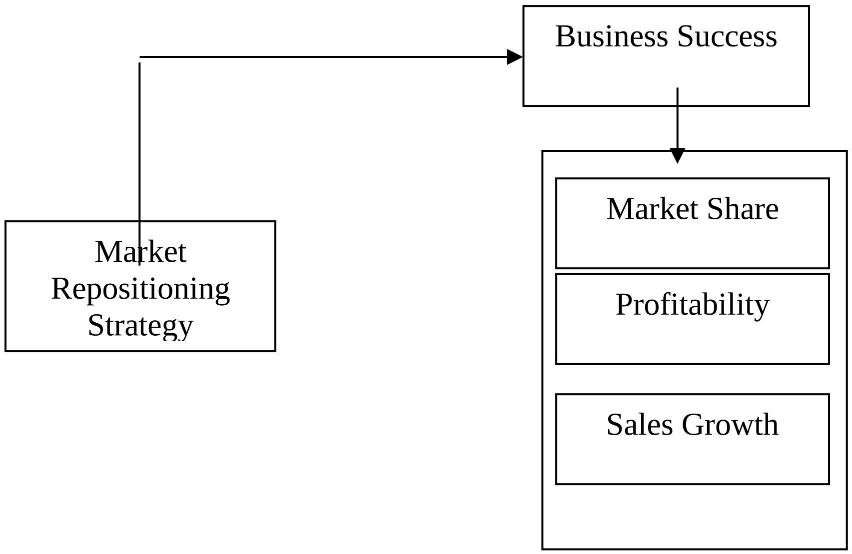

Figure 1: Conceptual Framework for the relationship between market repositioningstrategy and business success

Source: Author's Desk Research, 2020

Literature Review

Theoretical Foundation

Schendel, Patton and Riggs Theory

Schendel, Patton and Riggs (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.

Market Repositioning Strategy

The repositioning strategy, also known as "entrepreneurial strategy", attempts to generate revenue with new innovations and change in product portfolio and market position. This includes development of new products, entering new markets, exploring alternative sources of revenue and modifying the image or the mission of a company to reflect the new direction (Boyne & Meier, 2009). When properly employed, strategic repositioning yields the most spectacular and sustainable turnaround results. Strategic repositioning changes the mission and customer value proposition of the distressed company by changing what products are offered to what markets and in which way. In doing so it changes the revenue - cost - asset structure of the business, yielding improved profitability and return on capital employed. It may do so by either: growing, shrinking, or refocusing the business. Brand repositioning is when a company changes a brand's status in the marketplace. This typically includes changes to the marketing mix, such as product, place, price and promotion. Repositioning is done to keep up with consumer wants and needs

For the single business unit business, strategic repositioning entails a compete rethink of why it is in business and how it is to achieve a sustainable competitive advantage. For the multi-business unit or multi-product line situation, strategic repositioning may additionally entail portfolio disinvestment, to focus on the core business. Conversely, it may entail growing the portfolio to enhance sales and profitability. Growth, however, normally requires investment in new technology and people, and switching costs exist. If the business is in severe distress, lack of turnaround funding often prohibits this line of action. Strategic repositioning is therefore in practice more often employed after cost reduction has been successful, if at all.

With a Repositioning strategy, a company pursues long-term actions, which are supposed to end in a successful corporate performance. The first step here is to analyze the existing structures within the organization. This examination may end with a closure of some business units/divisions, a development of new markets and some projects, or an expansion in other business areas (Walshe et al., 2004). A Repositioning turnaround strategy may also lead to the removal of efficient routines or resources in which case some innovative core competencies are encouraged to be implemented that will help increase of knowledge and ultimately lead to a stabilization of the company value (Ruiz-Navarro, 1998).

When a company sees a decrease in sales over time and/or major changes coming down the line, they know it is time to implement changes within the company. Brand repositioning is when a company changes a brand's status in the marketplace. This typically includes changes to the marketing mix, such as product, place, price and promotion. Repositioning is done to keep up with consumer wants and needs. To implement brand repositioning the company must choose a strategy. Each strategy determines where the main focus of the new campaign will be. The new campaign may focus on the consumer, other businesses or the general public. Let's review some available strategies.

Consumer engagement - People want to be involved with the brand. They want to feel like they belong. To make this happen, businesses have to work to customize the products to fit consumer needs. How can this be done? You have to get creative and figure out what people want.

Identity - The most important aspect of building a brand is to give the company an identity. The brand is tied together through the logo, slogan, color scheme, marketing materials, employees, etc. Everything about the company should tie together and provide a unified identity that the consumer can understand.

Spirit of giving - The world is starting to expect businesses to be socially responsible and embrace the spirit of giving. Social responsibilityis an organization's obligation to better the welfare of society. To utilize this strategy the company can include its partnership with charities in its advertising.

Once a strategy is chosen, it is time to implement it. The brand repositioning is successful when the business sees steady or increased customer flow. This means the customer base has accepted the changes. Below are some factors that could be included to make a strategy successful.

Complete overhaul - To be successful a brand must confirm all the pieces work together. This includes changes made and any pieces that have remained the same, though there are typically very few pieces of the brand that remain the same. You are providing customers with a new vision and taking them along for the ride.

Investment - A company has to be willing to invest in the change. This involves preparation and an investment in the future of the company. If the planning is not in place, the change will not be effective.

Marketing changes - In addition to changing the look and feel of the company, you must change the strategy. The goal is to reconnect with the current audience and/or reach out to a new audience. Part of the complete overhaul is to adjust the way you reach the new audience. For example, you may need to reposition your marketing strategy from radio and television to social media if you want to reach a younger generation.

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. In this study business success is measured in terms of 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, 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, *et.al.*, 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, 2016). 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*et.al*, 2018).

Powell*etal*, (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.

Market Repositioning Strategy and Business Success

Against a backdrop of continued weak economic conditions and with many firms experiencing declining financial performance, Schoenberg, *et.al.* (2013) studied Strategies for business turnaround and recovery: a review and synthesis. Their study aim was to synthesis the business turnaround literature and identify which turnaround and recovery strategies have been effective historically, based on the evidence provided by previous empirical research. The authors reviewed literature that includes 22 empirical studies, which investigated business turnarounds in previous recessionary environments. This literature was reviewed in its entirety, rather than as individual contributions, to synthesise the lessons available for businesses operating in today's challenging economic environment. The literature review revealed convergence in the findings of the prior studies. In total, six effective turnaround strategies were consistently identified and four of these relate to the content of the turnaround, namely: cost efficiencies, asset retrenchment, a focus on the firm's core activities and building for the future and two relate to accompanying change processes required for implementation: reinvigoration of firm leadership and culture change.

Panicker and Manimala (2015) study on Successful turnarounds: the role of appropriate entrepreneurial strategies, was aimed at comparing the causes of organisational decline and turnaroundstrategies involved in cases of successful and unsuccessful turnarounds, with a view to identifying the differences, if any, between the two groups, which in turn is expected to provide useful information to academics, practitioners and policy makers. Since turnaround is a business phenomenon of general interest, their stories are often published in business periodicals, which are a rich source of data on them. In order to tap this data source, their paper employed a method of content analysis for the proposed investigation on the cause of organisational decline and turnaroundstrategies used. In order to quantify the data, a three-point scale was developed, where the presence of a cause/strategy is rated as “3”, its ambivalence as “2” and its absence as “1”, whose validity was assessed through the inter-rater agreement indices. The data thus generated are amenable to statistical analyses, using which the more commonly prevalent causes of organisational decline and the strategies commonly employed for turnaround by the successful and unsuccessful companies are identified. The findings of their study have generated a few useful insights. First, the primary causes for organisational decline are the internal weaknesses of the organisation; in fact the external changes can adversely affect the organisation only if it is internally weak. Second, organisational decline caused by multiple factors (which is usually the case) can be managed effectively by adopting a variety of strategies; hence a single-pronged strategy is often found to be ineffective. Third, the more successful turnarounds had a diverse portfolio of strategies including those of institution-building, often employed in a phased manner, consistent with the stage theories of turnaround. Their study highlighted the need for addressing the internal causes of organisational decline on a priority-basis rather than blaming the external factors, besides pointing to the need for adopting a variety of strategies for dealing with the diversity of causes affecting the organisation’s health, particularly the need for institutionalising the changes. Based on the foregoing, this study hypothesizes thus:

H_{01}: There is no significant influence of market repositioning turnaround marketing management strategy on market shareof quoted food and beverages firms in Nigeria.

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

H_{03}: There is no significant influence of market repositioning 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

Testing of Hypothesis 1: Repositioning Strategy and firm Market Share

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

$Ho4$: There is no significant influence of repositioning strategy on the market share of quoted food and beverages firms in Nigeria.

In the above analysis, the influence of market repositioning strategy on firm market share is captured by β_3 which is the coefficient on *REPOS*. Therefore, hypothesis 1 would be tested based on the reported *p*-value corresponding to *REPOS* in Panel A of Table 1. As stated in chapter 3, the elected significance level for hypothesis testing is 5%.

Decision Rule: $Ho1$ would be rejected if the reported *p*-value corresponding to *REPOS* is not up to 0.05 and the conclusion would be that repositioning strategy has a significant influence on market share. Otherwise, 1 would be supported.

From Panel A of Table 1, the reported p-value corresponding to *REPOS* is 0.0435, which is not up to 0.05. Therefore, there is evidence against $Ho1$ and our conclusion is thatrepositioning strategy has a statistically 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 repositioning 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 repositioning 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: Market Repositioning Strategy and firm Profitability

Ho2 : There is no significant influence of market repositioning strategy on the profitability of quoted food and beverages firms in Nigeria.

In the above analysis, the influence of repositioning strategy on firm profitability is captured by λ_3 which is the coefficient on *REPOS*. Therefore, hypothesis 6 would be tested based on the reported *p*-value corresponding to *REPOS* in Panel A of Table 2. As stated earlier, the elected significance level for hypothesis testing is 5%.

Decision Rule: Ho2would be rejected if the reported *p*-value corresponding to *REPOS* is not up to 0.05 and the conclusion would be that repositioning strategy has a significant influence on firm profitability. Otherwise, H_{06} would be supported.

From Panel A of Table 2, the reported p-value corresponding to *REPOS* is 0.0242, which is lower than 0.05. Therefore, there is sufficient evidence to reject **Ho2**and our conclusion is that repositioning strategy has a significant negative influence on profitability for quoted firms in the food and beverages industry.

Table 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 repositioning 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 repositioning 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 growththat 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 repositioning 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: Market Repositioning Strategy and Sales Growth

$Ho_{3:}$ There is no significant influence of market repositioning strategy on the sales growth of quoted food and beverages firms in Nigeria.

In the above analysis, the influence of repositioning strategy on sales growth is captured by ϕ_3 which is the coefficient on *REPOS*. Therefore, hypothesis 2 would be tested based on the reported *p*-value corresponding to *REPOS* in Panel A of Table 3. As stated earlier, the elected significance level for hypothesis testing is 5%.

Decision Rule: H_{09} would be rejected if the reported *p*-value corresponding to *REPOS* is not up to 0.05 and the conclusion would be that repositioning strategy has a significant influence on sales growth. Otherwise, $Ho_{3:}$would be supported.

From Panel A of Table 3, the reported p-value corresponding to *REPOS* is 0.0388 which is less than 0.05. Therefore, there is evidence to reject $Ho_{3:}$and our conclusion is that repositioning strategy has a significant positive influence 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 market repositioning 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 consider market-oriented strategies when they are faced with declining sales growth. To this end, strategic reorientation or repositioning or both can be employed. Therefore, to reverse the declining sales growth, turnaround managers need to consider strategic actions such as increasing sales incentives, marketing and advertisement budgets and product quality improvement. Market expansion activities such as rewarding customer loyalty, product innovation and new market penetration would also be helpful.

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