

# ASSESSMENT OF COMPETITIVE STRATEGY PLANNING ON PERFORMANCE OF MICRO, SMALL AND MEDIUM SCALE ENTERPRISES (MSMEs) IN ANAMBRA STATE, NIGERIA

**Onyedibe, Chukwudi Francis; Ogbu, Kenneth O.; Udedi, Collins Uche; Onwe, Martha Chinasa;**

Department of Economics, Faculty of Social Sciences, Nnamdi Azikiwe University, Anambra, Nigeria

Email of corresponding Author: francischukwudi44@gmail.com

## **Abstract**

The main objective of this study is the assessment of competitive strategy planning on the performance of SMEs in Anambra State. Given the capacity of under-utilization of resources of MSMEs, the selected MSMEs from major commercial area such as Onitsha and Nnewi were purposefully observed from the people within Anambra Nigeria, using the sample frame. The data obtained were analyzed using descriptive statistics for demographic aspect of the study and logistic regression analysis to test the formulated hypotheses. The findings show that competitive strategy contributed immensely to the growth of MSMEs in Anambra State. The study thereby recommends that for greater productivity, MSMEs should aim to tailor their products, or develop products with a variety of styles and features to fit the needs of each customer. They should also conduct marketing research in order to identify and appropriately meet the needs of their customers.

**Keywords:** *Anambra State, Competitive, Performance, Strategies, MSMEs.*

**JEL Codes:** L21, L22, L25, L26

## **Introduction**

Micro, Small and Medium Enterprises (MSMEs) are considered the life wire of many economies, including Nigeria's. In most economies, including Nigeria's, MSMEs are critical since they contribute significantly to GDP and jobs. In the manufacturing industry, a company is considered tiny if it employs fewer than 100 people. However, medium-sized corporations, companies with 100 to 199 employees are often considered medium-sized. The MSMEs sector of the economy cannot be disregarded because it plays a critical role in the economy of both developed and developing countries. They also form a high proportion of business activities and engender more employment opportunities than the large corporations in recent years. However due to globalization, competition amongst firms is on the rise and MSMEs in Nigeria are struggling under this intense competitive environment both at the domestic and international terrain. Despite the notable economic significance some of the MSMEs, it is yet to play the expected role in the economic growth and development of Anambra State.

Strategy is a terminology used in various ways by various people in various fields including business, sports, politics, entertainments and military among others. Also, even among business academics and practitioners including business leaders, diver viewpoints exist on this subject matter. Hence, defining such term becomes a herculean task. However, from the context of business and in light of this study, an attempt is made to describe the meaning of strategy. According to De Wit and Meyer (2005), strategy is a plan of action for achieving a company

goal. One of the most important aspects in strategic management is that a successful firm must strive to connect its business strategies and attributes with the external issues it faces. Strategy has been defined as the long-term direction and scope of an organization that achieves competitive advantage in a changing environment by organizing resources and competencies with the goal of satisfying stakeholder expectations (Johnson *et al.*, 2009). It is the unifying theme that provides coherence and direction to the activities and decisions of a person or a business organisation and serves as a connection between the business goals and objections of the company and its external environment (Grant, 2010).

Organizations have been given special attention when it comes to strategic planning. It is defined as the science and art of formulating, implementing, and evaluating cross-functional decisions that help a company achieve its goals. To achieve organizational performance, strategic planning integrates all functional areas in the business, including marketing, finance and accounting, operations and production, and management. Strategic planning is an organizational activity that tries to redirect human and other organizational resources toward meeting the demands of consumers and other key stakeholders in a profitable manner. The implementation of strategic planning is guided by the stated policies, mission statement and strategic goals and objectives and the behavior of top management and other key managers in the organization. Strategic management necessitates the definition of strategic goals and objectives in light of internal and external resources. It identifies the target clients to be served with the appropriate product and services by allocating resources effectively and efficiently (Bowale, 2014).

It has also been suggested that MSMEs boost the Nigerian economy by making room for employment, skill acquisition, means of livelihood and entrepreneurial quality (National Planning Commission 2009). Aremu and Adeyemi (2011) also put forward that Nigerian MSMEs play a vital role in the growth prospect of the economy and a very critical role in the manufacturing sector and value chains through their widespread presence and the multiplier effects they created on the rest of the economy (Kadiri, 2012 and Obokoh *et al.*, 2009). This assertion is also accepted to be true for several countries and regions of the world, including the developed economies. Furthermore, several other academics suggest that MSMEs are the bedrock of industrialization, wealth distribution, empowerment and entrepreneurial development (Masarira & Msweli, 2013).

However, Nigerian MSMEs operate in a very volatile and difficult economic climate owing to external factors such as lack of access to financial credit and capital, serious infrastructural deficits, lack of or inadequate policy direction, policy volatility, civil unrest and the like (Dugguh, 2015). For this reason, there has been substantial research on the various factors responsible for MSME failures and success, including poor financial management, lack of or difficulty accessing capital, frequent government policy changes and bureaucracy, adverse business environment, lack of infrastructure and other basic amenities. (Karadag, 2015). Nigeria's business environment is situated in the challenging economic landscape and intense competition. Therefore, managers increasingly seeking for strategic approaches to accomplish, improve, sustain, organizational performance and competitive advantage Porters (1989). Design and implementation of strategies must be perceived as important components in the firm's management process. This is because strategy gives the direction that business managers have in mind and which way they want to achieve their goals (Gbolagade, et al. 2013).

These issues may arise as a result of a perceived poor competitive strategy that has a negative impact on client base, sales growth, returns on investment, and revenue. Competitive advantage provides a company with an advantage over its competitors and the opportunity to generate more value for the company and its stakeholders. To ensure survival in a highly competitive environment like Anambra, MSMEs must learn to weather the storms of competition and overcome today's ferocious market forces and volatility by providing quality products, distinct product features, and well packaged value-adding products that satisfy customer needs at affordable prices through an effective promotional strategy. Every firm possesses certain unique capabilities and competences that distinguish it from other firms and these features greatly influence its performance in the market and determine to what extent a firm survives the pressure from global market competition.

Since the country's return to democratic governance in 1999 (after multiple military administrations), successive Nigerian governments have made a concentrated effort to support the MSMEs. Despite the unsophisticated consumer market, most MSMEs in Nigeria fail before their first anniversary, indicating that this endeavor did not deliver the much-needed boost that the numerous interventions had hoped for. Furthermore, Nigeria's MSMEs sector is awash in capacity under-utilisation, with businesses closing their doors while clients wait in line for purchases, due to stock outages, capital flight, and a lack of human capital development, among other factors (Obokoh and Goldman, 2016). While the government effort was notably intended to solve some of the external challenges like access to credit and providing a conducive business climate, the owners and managers of these small businesses need to have workable plans and strategies to grow their businesses and stay in business with the help of these interventions.

The problem of many MSMEs in Anambra and Nigeria generally as demonstrated in this research shows that MSMEs have fallen behind in terms of market growth due to an inadequate competitive strategy in terms of resource utilization, a lack of implementation of specific policies, strategies, and actions designed to achieve market growth in firms, and a lack of specific policies, strategies, and actions designed to achieve market growth in firms. Academics, consultants, and practitioners are all interested in the study and explanation of corporate competitiveness. Internalization of the economy, the dynamic nature of the environment, more competitive enterprises, the need for continual innovation, product customisation, and the expansion in the use of ICT all compel businesses to face the challenges of strengthening their competitiveness. These difficulties are greater for MSMEs because their economy of scale and their resources are less than those of large firms. (Oke, 2015). Base on this reasons this research is been carried out to identify competitive strategies that can improve the performance of small scale enterprises in Anambra State.

## **Literature Review**

### **Theory of Blue ocean strategy**

The blue versus red ocean plan established and popularized by two academics (Kim and Mauborgne, 2015) in what they dubbed the "blue ocean strategy" is another more recent development in the idea of strategic management worth mentioning in this section. Most existing strategic models on competition only help businesses compete with each other in the available but dwindling markets, opportunities, and profits; however, superior continued performance and success can be achieved by creating new and unexploited markets that are free of congestion and competition, and where growth is possible. They referred to the old market as the "red ocean," while referring to the newly created untapped market as the "blue ocean." The highlight of their work are: that strategic thinkers should not be preoccupied with competition alone; strategy can shape the structure of any business and hence, the industry structure is not known and established fact but can be influenced; that strategic imagination can be attained methodically. Also, that implementation should be part and parcel of strategy formation.

Given that strategic planning activities for any business is in part the essence of attaining superior performance in the face of competition, and owners of any business would evidently aspire to attain better over competitors, this model is relevant to this study as it identifies strategic alternatives for businesses tired of old fashion competition and willing to innovate and make room for success. This theory was relevant to this study because it geared towards sustainability of MSMEs in terms of different measures to conduct their businesses socially and in a responsible manner with regard to the way they relate to local and global social, environmental and economic issues.

### **Resource Base View Theory (RBV)**

The resource based view (RBV) is a management tool that is used to assess the firm's resources. In essence, the resource-based perspective assumes that an organization's competitive advantage is determined by the effective and

efficient deployment of all available resources. It aims to explain the internal sources of a company's competitive advantage over time. Its core premise is that in order to achieve a condition of sustainable competitive advantage, a company must acquire and control valuable, rare, inimitable, and non-substitutable (VRIN) resources and capabilities, as well as the enterprises that can absorb and apply them. The resource base view as a foundation for the competitive advantage of a firm is rooted primarily in the application of a bunch of valuable tangible or intangible resources at the organization's disposal.

In his work *A resource based view of the firm*, Wernerfelt (1984) stated that a firm's success in its product market is a result of its advantages in the factor market (or resources), and called them the "core competence of the corporation." They also stated that in order to provide value to the company, resources must be unique. Barney proposed four criteria of resources that would be required to provide organizations with a long-term competitive advantage: resources must be valued, scarce, inimitable, and non-replaceable (VRIN). The company's strategy is an important aspect of the organization's organizational system that will help improve business performance.

The production of goods and services as well as wealth creation is dependent on the resources available to the organization especially the intangible assets. Intangible asset and effective management are sources of competitive advantage. This has pushed most firms to improve the performance of its nonmonetary assets because the strategy influences the overall performance of the company significantly. It's been argued by experts that intangible resources are able to generate sustainable competitive advantage. Intangible resources are strategic assets to achieve SCA (sustainable competitive advantage) because it meets the criteria of Valuable, Rare, Imperfectly Imitable, and non-substitutable (VRIN).

The focus of the argument is that gaining a competitive edge requires implementing the correct competitive strategy. The following perspectives are based on intangible assets that commonly mediated selecting approach to achieve MSMEs success. The principle of Resource Based Value is applied to intangible assets (RBV). Every firm is assumed to be a collection of distinct resources and competencies that serve as the foundation for determining strategy and the primary source of revenue in creating returns. The theory asserts that organizations get a competitive edge by utilizing their distinct resources and tactics. Intangible assets, resource qualification, and the appropriate choice of competitive strategy all influence financial performance. In the globalization phenomena, particularly in the MSMEs sector, the integration of intangible resources, competitive strategy, and firm performance has become one answer. This theory is relevant to this work on the fact that it will be of more important to MSMEs to identify and protect important resources and capabilities, able to focus on sustainable performance improvement through the development of resources and capabilities.

### **Empirical Literature Review**

Many studies have looked into the relationship between strategic planning and business performance, with varying results. There has been a lot of research and several evaluations of literature on the impact of strategic planning on the success of all types of businesses during the last ten decades, whether they are micro, small, medium, large, or conglomerate. This section will seek to examine literature that covers all business sizes, because the breadth of such a review can aid in raising awareness of the different challenges that affect all firms, even if the study's focus was reduced to a certain size.

Veugelers (2015) studied the impact of organizations' competitive tactics, namely internal and external technology acquisition, on effective process and product innovations. The research was based on data from the World Bank's Investment Climate Survey (ICS), which was conducted in Brazil in 2003. The survey collected data for the years 2000, 2001, and 2005 through in-depth interviews with businesses, with the results analyzed using the Chi square test and bivariate probability for correlation significance. That creative performance, particularly the combination of product customization and process improvements that greatly increases company growth, is a crucial engine for firm growth. Access to capital facilitates both innovation and growth. The study though stated that international openness is important for stimulating firm growth performance, this openness works particularly through competition as an

incentive device for cost improvements, stimulating firm growth not necessarily as a mechanism for technology absorption improving innovative performance.

In their study, O'regan and Ghobadian (2006) used the Miles and Snow strategic orientation categorization paradigm. The Miles and Snow classification is defined as the alignment of a company's strategy with its external operating environment by categorizing companies into four categories: prospectors, analyzers, defenders, and reactors. Their research found that the research's primary strategic orientation categories are linked to a different response to environmental elements. It was pointed out that firms with a prospector's perspective see their surroundings as dynamic, whereas businesses with a defender's orientation regard their environment as stable. In terms of the emphasis of both classification types on leadership, culture, strategy, and performance, a clear distinction was formed.

With the help of an international sample of enterprises, Hoffman (2007) studied whether strategic planning increases firm performance in a cross-cultural setting. Across the three cultures studied, the study discovered a favorable association between strategic planning techniques and firm performance (Anglo-Saxon, Nordic and Germanic). It was stated that culture moderates the planning-performance relationship and that unique cultural values were responsible for some of the cross-cultural disparities in the planning-performance relationship. While this study focuses solely on the developed economies of Europe and America, it adds value to any study conducted in the African or Nigerian environment because the question of culture's impact on the planning-performance link is addressed.

Campbell *et al* (2011) investigated the impact of strategic planning in the turbulent economic climate of the 2008-2009 depression, finding that organizations that placed a high priority on the use of strategic planning tools experienced significant revenue growth and profit growth, whereas organizations that did not embrace the strategic planning process performed poorly in both profit growth and revenue growth. This research is relevant to the situation in Sub-Saharan Africa in general, and Nigeria in particular, where the economy is volatile. However, the research was carried out in a developed economy, with a focus on the United States. Furthermore, only revenue and profit growth data from the 2008-2009 fiscal years were used to calculate the results, limiting the scope of the findings.

In a similar study, Vargo and Seville (2011) suggested that organisations can survive volatile economic climates and manage any unexpected crises through strategic planning. The study indicated that for organisations to be resilient in times of crisis, they need to find their way through a set of obvious contradictions that juxtapose effective planning with adaptability to shifting circumstances. The study suggested that, since crises are a part of and fact of life, businesses in general and small and medium-sized businesses in particular can manage sudden crises through planning and been adaptive; using four identified enablers: leadership, enabling a sense of hope and direction; organisational culture, that should underpin disciplined planning and encourage innovation; decision-making; and finally good awareness of the business environment and an ability to make the requisite response to it.

Also, Asikhia (2011) examined the relationship between strategic flexibility and market performance of MSMEs in Nigeria. The research identified a notable positive relationship between strategic flexibility and market performance variables and suggested that marketing competence and competitive intensity moderate the strategic flexibility and performance of the MSMEs. This study only considered Nigerian MSMEs' capability to adapt to changes in the external environment, but does not cover the internal strategic planning versus performance issues that the author intends to investigate.

In a similar direction, Adobi (2012) examined the strategic focus of MSMEs in Nigeria i.e. whether it is planned or emergent. The study concluded that majority of the MSMEs surveyed (75%) adopted an emergent strategy while 25% were inclined to planned strategies. This study is still at the periphery of the research on strategic planning-business performance relationship as seen from the developed world perspective. Apart from the shallow and narrow

focus in terms of sample and geography, the study also only considered the internal capabilities of MSMEs rather than other external limiting variables.

In a related finding, Owolabi and Makinde (2012) confirm that strategic planning and company performance in Nigeria have a significant positive association. The study focused on the relationship between strategic planning and corporate success in the university system and used data from Babcock University. At the university's management level, structured questionnaires were employed to collect data from both teaching and non-teaching staff. The study found a good association between the three hypotheses examined, namely, that there is a significant relationship between the attributes of employees involved in the strategic planning process and the plan's effectiveness. Again, that the extent to which firms comply with strategic plans has a considerable consequence on corporate performance and there is a positive connection between a firm's strategic planning and corporate performance. However, just as pointed out in the study, performance indices in the business environment may not in essence be suitable for application to the higher educational sector and institutions, hence, it may be a weak argument to generalize that strategic planning improves business performance in Nigeria and also just on the basis of analysis of data from one single university in Nigeria.

Earlier study has shown that companies that implement a defined strategy, such as quality differentiation or cost leadership, outperform those who use a hybrid approach. Among the many strategies used by businesses, competitive strategy has been demonstrated to be a crucial tool for any company to stay competitive in the market and achieve superior results Ibidunni and Ogundana (2014). To transmit a distinct mix of value, competitive strategy means intentionally deciding to carry out tasks differently or execute different activities than competitors. Therefore, to possess an edge over rival firms employ innumerable competitive strategies, principally because each company's strategic style entails custom-designed actions to fit its own circumstances and industry environment. As in most national economies Small and Medium Enterprises are an essential mechanism in achieving development and growth of Nigeria's economy.

However, the goal of this research is to see if MSMEs in the Nigerian service-related industry engage in strategic planning activities, such as creating goals, objectives, mission statements, and strategic planning, and if doing so helps the businesses expand and perform better. The flow of research and interest in both corporate and academic circles addressing the relationship between strategic planning and MSMEs' success has mostly been centered on the developed economies of America and Europe, therefore this study fills a vacuum in that there has been much done in line with this research in the Sub-Saharan African continent in general, and Nigeria in particular, until recently. Nonetheless, research on the link between strategic planning and MSMEs success is still in its early stages in Nigeria. A significant amount of study has been done on MSMEs in Nigeria, but solely from the standpoints of developmental concerns and external issues impeding the sector's progress. The majority of inputs have been focused on external challenges and issues that are not related to the business owner's mentality, such as the lack of fundamental infrastructures that are responsible for the MSME sector's slow advancement. Lack of access to capital in the form of loans and credits, a lack of infrastructure and basic utilities, corruption, political instability, and civil unrest were all cited as reasons for the situation of the Nigerian MSME sector in most studies (Adobi, 2012).

## Methodology

This study focused on the contribution of competitive strategy on MSMEs' performance in Anambra State, Nigeria. The selected MSMEs inside Onitsha and Nnewi area were purposefully selected using the sample frame. The data obtained were analyzed using descriptive statistics for demographic measure of the study and logistic regression analysis to test the formulated hypotheses in order to establish a significant relationship between the variables while survey design is used as the research design. The participants in this study were executives from small and medium businesses in Anambra State, namely 150 MSMEs from the Onitsha and Nnewi of Anambra State, Nigeria. 240 MSMEs were chosen for the study and the sample size was derived statistically by the using

Taro Yamane formula as follows:

$$n = \frac{N}{1 + Ne^2}$$

Where: N is total population of the study, e is the error term and n is sample size

$$n = \frac{240}{1 + 240 (0.05)^2}$$

$$n = 150$$

As a result, a sample size of 150 MSMEs was employed for this study and a stratified random sample strategy was used in this investigation.

### Method of Data collection

Questionnaires and interviews were used to gather primary data, while secondary data was gathered through the drafted questionnaire are utilized in this study. 150 questionnaires were delivered to MSMEs in the research areas at random, and 135 were returned, yielding a 90 percent effective response rate. Cronbach's alpha reliability yielded a satisfactory score of 0.862, which is higher than expected. The questionnaire was distributed through a drop-off method. Due to the logic of this method the researchers, within a space of two weeks, hand-delivered the questionnaires to the respondents, explained to them the purpose of the study, stated the required procedures in filling the questionnaire and answered questions regarding the questionnaire statement. The study is limited to MSMEs in Anambra, specifically Onitsha and Nnewi. These two towns were picked because of their high commercial activity levels with a population that is difficult to quantify due to its dual economic status as a commercial and residential town.

Competitive strategy and performance were the two constructs examined in this study. Product customization, added value, and product quality were used to evaluate competitive strategy. On the other hand, sales volume and revenue growth were used to assess performance. The questionnaire was made up of two sections. Section A contained main questions that reveals the demographical characteristics of the respondents. Section B contained questions measuring the effect of product features on customer base, questions measuring the effect of product customization on sales growth/volume, questions measuring the effect of better quality products on returns on investment and questions measuring the relationship between added value and revenue growth. The responses for section A-B were made using a 5-point, like scale ranging from (strongly disagree) to 5 (strongly agree).

### Model specification:

The logistic regression model was specified below as:

$$PI = \alpha + \beta_1 PC + \beta_2 AV + \beta_3 PQ + \mu \quad 1$$

Where:

SG = Sales growth volume and RG = Revenue growth; both are the proxy for performance Indicators of the firm (PI). PC = product customization (PC), AV = Added value (AV), PQ = Product quality (PQ),  $\alpha$  = Intercept,  $\mu$  = Error terms

**DATA PRESENTATION AND ANALYSIS**

Table 1. Representative of the demographical characteristic of respondent and their firms

ITEMS	FREQUENCY	PERCENT
<b>Gender</b>		
<b>MALE</b>	80	59.3
<b>FEMALE</b>	55	40.7
<b>TOTAL</b>	135	100%
<b>Age bracket</b>		
<b>20 YEARS</b>	28	20.7
<b>21-31 YEARS</b>	80	59.2
<b>31-40YEARS</b>	19	14.0
<b>41 AND ABOVE</b>	8	5.9
<b>TOTAL</b>	135	100%
<b>Marital status</b>		
<b>SINGLE</b>	80	59.2
<b>MARRIED</b>	40	29.6
<b>DIVORCED</b>	9	6.6
<b>WIDOW</b>	2	1.4
<b>OTHERS</b>	4	2.9
<b>TOTAL</b>	135	100%

Source: Author's Field Survey, 2022

Table 2. Representative of the demographical characteristic of respondent and their firms Contd.

<b>Educational Qualification</b>		
<b>W AECO/OLEVEL</b>	<b>28</b>	<b>20.7</b>
<b>OND/HCE</b>	18	13.3
<b>BSC/HND</b>	60	44.4
<b>M.SC/MBA</b>	22	16.2
<b>PHD</b>	3	2.2
<b>ODIER</b>	4	2.9
<b>TOTAL</b>	135	100%
<b>Designation</b>		
<b>SUPERVISOR</b>	32	23.7
<b>MANAGER</b>	43	31.8
<b>MANAGING DIRECTOR</b>	37	27.4
<b>OILIER</b>	23	17.0
<b>TOTAL</b>	135	100%
<b>Specialization</b>		
<b>RETAILERS</b>	47	34.8
<b>WHOLESALEERS</b>	44	32.5
<b>MANUFACTURER</b>	26	19.2
<b>OTHERS</b>	18	13.3
<b>TOTAL</b>	135	100%

Source: Author's Field Survey, 2022

According to the respondent response presented in table 1, the male gender dominates MSMEs in Anambra State, accounting for (80) 59.2 percent of the total respondents. It also revealed that the bulk of the respondents are between the ages of 21 and 30. The majority of respondents (80) were single, accounting for 59.2% of the total. Table 4.2 reveals that the respondents were mostly educated, with the majority having a BSC/HND. The data shows

that managers made up the majority of the respondents (60) (44.4%). Finally, the table 2 above shows that the majority of respondents worked in the state's retailing industry.

### **Hypothesis Testing and Result Interpretation**

All the hypotheses tested were stated in null forms. The null hypotheses indicate no significant relationship between the dependent variable (performance) and the independent variable (competitive strategy). Specifically, it was stated thus:

1.  $H_{01}$ : Product customization does not have a significant effect on the performance indicators such as sales growth and revenue growth.
2.  $H_{02}$ : Added value does not have a significant effect on the performance indicators such as sales growth and revenue growth.
3.  $H_{03}$ : Product quality does not have a significant effect on the performance indicators such as sales growth and revenue growth.

From the result, product customization had a significant beneficial influence on sales growth (Coefficient: =0.343  $t = 5.407$ ,  $p = 0.01$ ). The results for hypothesis  $H_{02}$  showed that a higher quality product had a substantial positive influence on returns on investment (Coefficient = 0.546,  $t = 6.322$ ,  $p = 0.01$ ). For  $H_{03}$ , this revealed that added value and revenue growth have a substantial positive association (Coefficient = 0.562,  $t = 5.324$ ,  $p = 0.001$ ). The relevance of  $H_{01} - H_{03}$  was determined using linear regression.

### **Discussion of Findings**

The impact of competitive strategy on MSMEs' performance in Anambra State was investigated in this study. Product customization, quality products, and additional value were all used as competitive strategies in this study. The study found that the sampled MSMEs use product customization, product quality, and added value to increase their client base, sales growth, returns on investment, and revenue growth. In order for MSMEs to remain competitive in their chosen market, their product/service offerings must cater to each customer's individual preferences. As a result, top management must be aware of unique customer requests and remain responsive to their tastes and preferences. Customers place a high value on products that meet their needs. As a result, management should ensure that products give value to customers from design to distribution. Better product and service quality are also important indicators of financial performance. According to the findings of this study, MSMEs gain more value for their money when quality is maintained. As a result, management must ensure and enforce product/service quality in all parts of the firm's work operations. Employees should also be encouraged and informed about the importance of quality in customer relationships.

Customers recognize when personnel are dedicated to providing them with excellent service, and consumer trust is frequently established when great relationships are maintained. Product modifications are a way for MSMEs to differentiate their products from competitors and get a competitive advantage in the market by giving clients more value for their money. The findings of this study show that tailoring products to customers' tastes, color preferences, and even social standing increases organizational value.

### **Conclusion and Recommendations**

Survival is the main concern of businesses in a densely competitive business climate like Nigeria, according to research. Because of the high level of competition from larger enterprises, a lack of government assistance, and even adequate cash to run their operations, this has not been an easy feat for most MSMEs in Anambra, Nigeria. As a result, it is critical for MSMEs to develop appropriate strategies because they provide direction for the company's

goals and assist in identifying ways to attain them. MSME's must compete to survive, therefore competitive tactics such as Porter's generic strategies, resource base strategy, and others, as seen in a theoretical framework, are essential. Development of these strategies would enable MSMEs consciously carry out their activities differently or to perform different activities than competitors to convey a unique mix of value. They must bear in mind that they are within a highly competitive business environment and must adopt efficient and effective competitive marketing strategies in order to constantly have an edge over competitors as well as expand it all ramifications.

Based on the findings the following recommendations as how MSMEs can become more competitive and make a difference in the industry were developed. MSMEs should strive to be more creative and original in product creation, as well as ensure customer satisfaction through effective service delivery and adequate response to consumer requests through adequate strategic planning. Product diversification is an excellent technique for MSMEs looking to set themselves apart. To attain these goals, MSMEs should aim to tailor their products, or develop products with a variety of styles and features to fit the needs of each customer. They should also conduct marketing research in order to identify and appropriately meet the needs of their customers. This would allow companies to segment the market and cater to clients' needs using either a niche or cluster strategy. E-business is on the rise; it allows MSMEs to reach out to clients at a lower cost and even sell their products to a broader audience than before. As a result, MSMEs should embrace the online platform to improve their performance.

## REFERENCES

- Adobi, T.J., (2012). Strategic focus of Nigerian SMSEs: more of emergent or planned? *Journal of Emerging Trends in Economics and Management Sciences*. 3(3), 229-232.
- Aremu, M. A., & Adeyemi, S. L. (2011). Small and medium scale enterprises as a survival strategy for employment generation in Nigeria. *Journal of Sustainable Development*, 4(1), 200-240.
- Asikhia, O., (2011). Strategic flexibility and market performance of SMEs in Nigeria. *International Journal of Management & Enterprise Development*. 10(1), 72-91,
- Bowale, K.E. & Ilesanmi, A.O., (2014). Determinants of factors influencing capacity of small and medium enterprises (SMEs) in employment creation in Lagos State, Nigeria. *International journal of financial research*. 1 (2), 133.
- Campbell, D.; Edgar, D. & Stonehouse, G. (2011) *Business strategy an introduction*. 3rd ed. Basinstoke, Palgrave Macmillan
- De Wit, B. & Meyer, R., (2005). *Strategy synthesis: Resolving strategy paradox to create competitive advantage, Text and Readings*. Bath: Thomson Learning.
- Dugguh, S.I., (2015). Critical issues in managing small and medium enterprises: The Nigerian experience. *The International Journal of Business and Management*. 3(9), 52-59.
- Gbolagade Adewale, A., & Oyewale, I. O. (2013). Impact of marketing strategy on business performance a study of selected small and medium enterprises (SMEs) In Oluyole Local Government, Ibadan, Nigeria. *IOSR Journal of Business and Management*, 11(4), 59-66.
- Grant, R. M., (2010). *Contemporary strategy analysis*. 7th ed. Chichester: John Wiley and sons.
- Hoffman, R.C., (2007). The strategic planning process and performance relationship: does culture matter? *Journal of Business Strategies*. 24(1), 27-48.
- Johnson, G.; Scholes, K.; & Whittington, R., (2009). *Fundamentals of strategy*. Essex: Pearson Education limited.
- Kadiri, I.B., (2012). Small and Medium Scale Enterprises and Employment Generation in Nigeria: The Role of Finance. *Kuwait Chapter of the Arabian Journal of Business and Management Review*. 1(9), 79-93.
- Karadag, H., (2015). Financial management challenges in small and medium-sized enterprises: a strategic management approach. *Emerging Markets Journal*, 5(1), 26-40.
- Kim, W.C. & Mauborgne, R. (2015) *Blue ocean strategy*. Harvard; Harvard business school publishing corporation.
- Masarira, S. & Msweli, P., (2013). The role of SMEs in national economies: the case of south Africa. 2nd International scientific conference, Varazdin. Development and Entrepreneurship Agency (VADEA), Varazdin, Croatia. Apr 5, 2013, 1484-1495
- Obokoh, L. O., & Goldman, G. (2016). Infrastructure deficiency and the performance of small-and medium-sized enterprises in Nigeria's Liberalised Economy. *Acta Commercii*, 16(1), 1-10.
- Obokoh, L.O., Fuller-Love, N. & Asaolu, T. O., (2009). Financial market liberalisation and the failures of small and medium-sized enterprises in Nigeria: Is there any link? ICSB World Conference Proceedings Washington. International Council for Small business (ICSB), 1-18

- O'regan, N. & Ghobadian, A., (2006). Perceptions of generic strategies of small and medium sized engineering and electronics manufacturers in the UK. *Journal of Manufacturing Technology Management*, 17(5), 603-620.
- Owolabi, S.A. & Makinde, O.G., (2012). The effects of strategic planning on corporate performance in University education: a study of Babcock University. *Kuwait Chapter of the Arabian Journal of Business and Management Review*. 2(4), 27-44.
- Porter, M. E., (1989). *Competitive strategy, techniques for analyzing industries and competition*. New York: The free press.
- Vargo, J. & Seville, E. (2011). Crisis strategic planning for SMEs: finding the silver lining. *International Journal of Production Research*, 49(18), 5619–5635.
- Wernerfelt, B. (1984). A resource-based view of the firm. *Strategic management journal*, 5(2), 171-180.