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BRAND QUALITY POSITIONING STRATEGY AND SALES PERFORMANCE OF FOOD AND BEVERAGE MANUFACTURING ENTREPRENEURS IN SMALL AND MEDIUM ENTERPRISES SECTOR IN RIVERS STATE, NIGERIA

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ABSTRACT

The study investigated the relationship between brand quality positioning strategy and sales performance of food and beverage manufacturing entrepreneurs in the Small and Medium Enterprises (SMEs) sector in Rivers State, Nigeria. The descriptive and quantitative survey research gathered data from 490 entrepreneurs and customers who patronise SMEs in Port Harcourt. A well-structured questionnaire containing 16 items, with five demographic items was used to elicit data from the respondents. After data editing and reliability analysis of the instrument, inferential statistics were conducted to determine the relationship between brand quality positioning strategy and sales performance with the help of SPSS. The result of the inferential statistical analysis revealed a moderate and positive relationship between brand quality positioning strategy and sales performance. The empirical study concluded that brand quality has a significant predictive capability on sales performance. The study, therefore, recommended that food and beverage manufacturing companies should focus on the improvement of the quality of their products to enable them to attract more patronage.

KEYWORDS

Brand Quality, Sales Growth, Repeat Purchase, Sales Turnover.

Introduction

Innovative approach in terms of adopting proper positioning strategies may boost sales performance of Small and Medium Enterprises (SMEs) and likely position them better to play the role expected of them in economic transformation and national development. Given the intensity of competition in the world of business, a disposition towards brand positioning has become imperative for SMEs operators, especially those in food and beverage sector. Such disposition may help improve the productivity of SMEs. Without sales, companies will find it difficult to survive. Putting more efforts to increase sales requires adopting strategies that are capable of capturing the minds of customers. To this end, companies need to adopt brand positioning strategies since it appears to have the potentials of capturing the minds of customers.

Brand positioning involves establishing key brand associations in the minds of consumers and other important constituents to differentiate the brand and establish competitive superiority (Shivashankar & Uma, 2017). Essentially, brand positioning involves frantic efforts made by entrepreneurs or business operators to influence the consumer's perception of a brand relative to the perception of the competing brand. The goal of brand positioning is to keep the brand on a top position in the minds of customers when they are considering a purchase. To be successful, a brand positioning strategy must differentiate the brand from competitors.

In a competitive industry like the food and beverage manufacturing sector where there are many companies offering different brands, it becomes imperative for SMEs in this sector to make adequate efforts to satisfy their customers by offering high quality brands with unique features. As Shahroudi and Naimi (2014) stated, any company that fails to satisfy its customers by offering quality brands with distinct features in the market is prone to fail in business. Hence companies need to ensure that customers are highly satisfied with their brands since customers who are highly satisfied with a company's brand patronize the brand repeatedly thereby boosting the sales level of such companies. Besides, they promote and recommend the company's brand to their friends and relatives; resist other brands offered by competitors; and remain loyal to the company's brand.

From the foregoing, one is inclined to argue that without adopting proper positioning strategies, a business venture may not maximize its sales performance. Probably, SMEs operators, particularly those with the most remarkable sales records are likely those that hold better position in the minds and eyes of their customers. It, therefore, follows those SMEs operators in Nigerian food and beverages manufacturing sector may attain competitive advantage by positioning their brands in line with the expectations of their customers. To this end, this study investigated the predictive capability of brand quality as a positioning strategy on sales performance of food and beverages manufacturing companies in SMEs sector in Rivers State.

REVIEW OF RELATED LITERATURE

To achieve the objective of this study, consideration was given to conceptual, theoretical, and empirical reviews.

Conceptual Review

Here a conceptual review of brand quality positioning strategy and sales performance is made in line with extant literature.

Brand Positioning Strategy

Chelumbrun (2014) defined brand positioning strategies as the incorporation of certain attributes, qualities, benefits etc into a product with a view to changing the perception of customers towards the product. Porter (as cited in Dickson& Ginter, 2016) viewed brand positioning strategies as depending on both physical product characteristics and other elements such as price, promotion, packaging, etc. Similarly, Chamberlin, (as cited in Dickson and Ginter (2016) reported that brand positioning can be based on perceived values as well as actual physical and non-physical product differences such as distinct product, packaging, or distribution differences (delivery performance/speed), or the prestige value of a trademark and trade name. Brand positioning strategy can be a tool of competitive advantage which is adopted by organizations in order to provide products that satisfy individual customer's needs (Dirisu, Iyiola&Ibiduni, 2013). A brand positioning strategy that focuses on the quality and design of the product may create the perception that there is no substitute available in the market. Although competitors may have a similar product the strategy focuses on the quality or design differences that other products do not have. For this current study the emphasis is brand quality position strategy and how it relates with sales performance of food and beverage firms in Rivers State of Nigeria.

Brand Quality Positioning Strategy: Companies generally attempt to position their brands on the basis of quality. Lauga (2011) defined quality as the degree to which a product or brand meets customers' needs and expectations. According to him, if a brand meets customer's needs and expectations, such brand is described as a quality brand compared to others in the same industry; and if the brand surpasses customer expectations, the brand is judged to be of high quality. Komaromi (2016) stated that quality is a crucial element of positioning a brand in the market. It sets the brand apart from other competing brands in the market. Kamau and Wafula (2015) observed that most successful companies use quality as a strategy for positioning their brand in the market. Gibson (2013) noted that companies that use quality as a strategy for positioning their brand often say that they are committed to quality and they try to incorporate quality in their brand label. Such companies make customers to believe that it is the quality of their brands that set them apart from other competing brands in the market. Janiszewska and Insch (2012) argued that building the right perception of quality in the minds of the consumers helps a brand to succeed in a competitive market.

Brand quality is considered as a strategic tool for competition. In a competitive market, when a brand does not maintain quality, customers may turn to competing brands (Kelchner, 2014). Customers want quality whether they are buying consumer goods or receiving a service (Osotimehin, Hassan & Abass, 2015). In satisfying customers' needs, quality has become a major positioning factor among brands (Dirisu, Iyiola&Ibiduni, 2013). Dirisu, Iyiola and Ibiduni (2013) also submitted that quality is considered to be a key positioning factor, resulting in many organizations. Quality is seen as one of the positioning strategies which business firms can use to compete successfully in the marketplace. A firm can position its brands on the basis of quality in order to capture a large portion of the market, gain competitive advantage and increase customer patronage (Kelchner, 2014; Hawks, 2015). Brand quality has significant effect on the sales performance of a firm. According to Thomas and Alex (2011), a commitment to quality is central to the sales process. They argued that customers will continue to purchase a brand when they believe that the brand is consistent in quality, regardless of which outlet they visit and this will fasten the sales process as well as shorten the sales cycle of the company.

On the contrary, if customers are not satisfied with the quality of a brand, they will switch to other competing brands and this will negatively affect the company's sales performance (Stuyck, 2003). Reibstein (2010) posited that successful companies tend to attract more customers to their products by improving the quality of the products through innovation. They believe that continuous improvement in the quality of their products will help to sustain their customer base and attract new customers which will consequently increase the market share of the company. Companies that use quality parameter to position themselves in the market often emphasize quality in their transactions with customers (Lauga, 2011). They often say that their company is committed to quality and that it is the quality which customers know them for that distinguish them from their rivals. Hartmann, Apaolaza and Sainz (2002) posited that most companies that position their product on the basis of quality usually narrow their focus to certain area of expertise. They focus their energy in one area which makes them to be branded as a trusted specialist in that area.

In a highly competitive industry like the food and beverage industry, companies tend to position their brands to be unique and distinct from other competing brands in the market on the basis of quality. They believe that customers would search for quality brands and this would give them a competitive advantage over their rivals. Companies that position their brands on the basis of quality promote themselves using slogan such as "Great Value Everyday" (Hickey, 2017). Patibandla and Sanyal (2001) posited that a company that uses quality to position its brand from other competing brands in the market does so to improve its competitiveness. Hashmi, Khalid, Akram and Saeed (2014) stated that brand quality has the potentials of building customer trust and increasing the market share of the company. Some companies in the food and beverage industry make adequate efforts to fulfil their promise of producing high quality products all the time. They know that customers make special efforts to search for quality brands in the market. Paliszkiewicz and Klepacki (2013) stated that a company that consistently delivers high quality brand will sustain its customer base, build customer trust, increase repeat patronage and at the long run, improve its sales.

Sales Performance

Sales performance has to do with the outcome of sales activities of firms (Servais & Jensen, 2012). This outcome manifests in the firm's sales growth, market share and profits (Okpara & Kumbiadis, 2009). Sales performance can as well be considered as a measure of contributions of a company's sales activities to its objectives. A sale is the act of selling a product or service in return for money or other compensations (Kotler & Armstrong, 2004). Sales may also be seen as the process of transferring ownership of goods to consumers in exchange for money (Servais & Jensen, 2012).Sales performance in a nut shell is the measurement of the number of sales in monetary terms that a firm makes in a given period of time. This implies that sales performance involves the evaluation of the amount of goods sold in a given period of time as compared to the expected or budgeted figure set out by a firm. Increasing sales performance can at the same time improve firm growth in terms of revenue generation. Every firm sets its sales target for a specific period of time such as monthly, quarterly or yearly.

When a firm meets its monthly, quarterly or yearly sales quotas, it implies that the firm has a good sales performance. In this study, we shall use sales growth, sales turnover and repeat purchase to measure sales performance. These measures are discussed briefly below:

Sales Growth: Sales growth describes the increase in the amount of goods sold by a company over a specific period of time (Bertuzzi, 2015). Nelson (2015) posited that the determination of sales growth is achieved by comparing the sales of a company on a monthly, quarterly or yearly basis. Sales growth is said to occur If the sales for the present month are greater than the sales of the previous month.

Sales Turnover: Sales turnover refers to how often a company sells its inventory (Kennan, 2015). Besides, sales turnover is defined as the amount of goods sold by a company at a given period of time (Roberge, 2014). Different timeframes can be used to measure the sales turnover of a company.

Repeat Purchase: Repeat purchase is the decision of a customer to patronize a brand repeatedly. In other words, repeat purchase is the willingness of a customer to make repeat purchase from a particular firm. Servais and Jensen (2012) defined repeat purchase as a behaviour whereby a customer patronizes a company's product or services repeatedly. The issue of repeat purchase is beneficial to both the customer and the company.

Empirical Review and Hypothesis Development

Quality positioning is regarded as a crucial strategy for enhancing a company's sales performance in terms of sales growth, sales turnover and repeat purchase. According to Janiszewska and Insch (2012), a company that positions its brand on the basis of quality will experience massive growth in sales and profit margin. Gibson (2013) agreed with this opinion stating that quality is the major factor which consumers consider when making their purchase decision, He further stated that companies that embrace quality positioning strategy stand the chance of achieving sales growth within the shortest possible time.

Ndinda (2005) contributed to this argument when he posited that quality parameter is the most important basis for positioning a brand because it has the potentials of achieving sales growth. Some empirical studies have also supported the relationship between quality positioning strategy and sales. Blankson (2008) stated that quality positioning strategy significantly enhance sales growth of firms. In another study on the effectiveness of positioning strategies, it was reported that quality positioning strategy positively and significantly correlated to customer loyalty and sales growth (Musau, 2012). Heide (2017) reported that quality positioning strategy significantly increase the sales of Asian companies by 21.8%. There have been several arguments that support quality positioning as a tool for increasing sales performance of firms. For instance, Blankson (2008) argued that a company can increased its sales level if it adopts quality positioning strategy.

According to Blanson(2008), quality is the major criteria consumers consider when making choice regarding brands of similar functions. He added that when a company positions itself in the market on the basis of quality, it will increase the sales of the brand. Mulei (2005) supported this view stating that quality positioning has the capacity of increasing sales of a company. Kamau and Wafula (2015) argued that a company that positions its brand on the basis of quality will experience massive increase in sales and this will enhance the profit margin of the firm. Hartmann, Apaolaza and Sainz (2002) believed that quality positioning is the most effective approach to boost brand loyalty and sales turnover. According to them, when a company adopts quality positioning strategy, customers will be impressed with its brand and they will remain loyal to the brand which will in turn increase the company's sales. Begum and Sarala (2016) agreed that quality positioning has the capacity of increasing sales of business firms.

Spencer, Joiner and Salmon (2009) carried out an empirical study on brand positioning strategy, performance measurement systems and organizational performance using evidence from Australia. They sampled 300 entrepreneurs and managers in Australia and used the data collected to analyze the relationship between brand positioning dimensions (brand quality, brand design, unique product and packaging) and performance indicators (sales volume, sales turnover, sales growth, market share and profit margin). The result of their analysis indicated that brand quality significantly correlated with sales volume. The study also found out that brand design and unique product features are positively and significantly related to sales turnover and profit margin while changes in brand package is significantly correlated to sales growth and sales turnover. In conclusion, it was accepted that differentiation strategy enhances organizational performance. The previous and current studies investigated the relationship between brand positioning strategies and performance using primary data collected through questionnaire. Their area of study differs.

Khan and Kongar (2014) carried out an empirical study on brand quality and customer satisfaction. Their study focused on smart phone industry where some smart phone users in US were studied. The study employed a descriptive survey design where 250 smart phone users were selected from a population of 750 using purposive random sampling method. After analyzing the data collected through the questionnaires using Pearson product moment correlation, the study found out that users of newly introduced smart phone are highly satisfied with new brand. The study however concluded that there is a positive and significant relationship between brand quality and customer satisfaction in the smart phone industry. The previous study differed from our current study with respect to the location and industry. However, they shared some similarities in terms of the research design, data collection instrument and the statistical tool for data analysis.
Dirisu, Iyiola and Ibiduni (2013) empirically examined brand positioning as a tool for attaining competitive advantage and optimal organizational performance. The researchers studied the dimensions of brand positioning strategies (brand quality, brand benefit, brand price etc) and related each of them to the measures of organizational performance (sales growth and customer satisfaction). Data for the study were collected from 323 customers of Unilever Nigeria Plc in Ogun State with the aid of questionnaire. The data collected were analyzed using simple linear regression analysis. The result showed that the dimensions of brand positioning strategies studied were positively and significantly correlated to sales growth and customer satisfaction.

This study had dissimilarities with the current study in the sense that its criterion variable (organizational performance) was broad when compared with sales performance. Besides, the study area for the previous study was Ogun State while the study area of the current study was Rivers State.

Sweeney (2008) investigated the effect of brand positioning on customer loyalty. Data were collected from 126 customers visiting selected supermarkets in Sweden. A structured questionnaire was used to gather data for the study. The data collected were analysed statistically using Pearson correlation and regression analyses. The result revealed that there is significant positive relationship between brand positioning and customer loyalty. The study also found a significant positive relationship between brand quality and customer loyalty. This study had a number of similarities with the current study. For instance, both studies depended on primary data, used questionnaire to collect data, and used Pearson product moment correlation to analyse data generated.

Shakeel (2003) examined influence of brand positioning on purchase intention. The study used brand quality and brand value as the dimensions of brand positioning and related each of them to purchase intention. The researcher employed the quantitative research approach and descriptive survey research where questionnaire was used to collect data for the study. The data collected were analysed using both descriptive and inferential statistics. The findings revealed that brand quality has a positive and significant relationship with purchase intention. The study also found a significant positive relationship between brand value and purchase intention. Both previous and current studies used descriptive research designed, collected data through questionnaire. The data collected were analysed using both descriptive and inferential statistical tools.

Based on the foregoing, we predict that,
H1: Brand quality has significant predictive capability on the sales performance of food and beverage manufacturing entrepreneurs in SMEs sector in Rivers State

Theoretical Review

Resource-Advantage (R-A) theory

This theory was advanced by Hunt (2000). It was first captured in the work of Hunt and Morgan (1995). Thereafter, it began to feature in many scholarly works (Hunt, 2000; Hunt & Morgan 2005). R-A theory places great emphasis on innovation in handling competitive situations in the market. In the business world, competition among firms cannot be ruled out given their quest for survival. It is believed that success in business belongs to organizations that are committed to creating and offering things (goods and service) of great value for customers. This theory is gaining momentum in the world of business as it tends to provide insights into why performance differences exist amongst businesses (Fahy, 2002).

This theory holds the view that if the assets (resources) of a firm are properly mobilized and managed, they can build and sustain a firm's competitive advantage and improvement in performance. To a large extent, positioning strategies rely on firm's key resources and the role of management in converting these resources into positions leading to success and competitive advantage in the marketplace. It is pertinent to acknowledge that firm's resources need to be managed efficiently in order to obtain superior performance (Etemad, 1999). R-A supporters argue that resources at the disposal of organizations can be a great source of superior performance and attainment of competitive position in the market. According to Barney, (1991), the concept of resources includes all assets, capabilities, organizational processes, firm attributes, brands, and knowledge etc that enable the firm to conceive and implement strategies that improve its efficiency and effectiveness and at long run create value for customers and enhance performance. It could therefore be argued that, brand quality associated with SMEs manufacturing food and beverages will serve as a credible resource for such a firm.

RESEARCH METHODOLOGY

Research Design: The research design employed in this study was the descriptive survey research design. This design was chosen because it helped to survey the opinion of the study subjects so as to establish and describe the extent to which brand quality positioning strategy could influence sales performance of food and beverages manufacturing entrepreneurs in SMEs sector in Rivers State.

Area of the Study: The geographical area of the research effort Rivers State, South-South geopolitical zone of Nigeria.

Population of the Study: The target population of this study comprised of food and beverages manufacturing entrepreneurs in SMEs sector in Rivers State, registered with Rivers State Ministry of commerce and industry as at the time of the study, as well as the customers of these SMEs. The records at the Rivers State Ministry of commerce and industry revealed that as of March, 2019, there were125 registered food and beverages manufacturing entrepreneurs in SMEs sector (Small Scale operators (80) and Medium Scale Operators (45) respectively) in Rivers State which constituted the study accessible population.

Sample and Sampling Techniques: With the population that is known**,** the sample size was determined based on the application of Krejice and Morgan's (1970) table for determining the sample size of a given population as adopted by Sekaran (2003). Accordingly, adopting Krejice and Morgan's table which is only feasible when the population is known, the sample size was determined to be66 for small scale operators and 40 for medium scale operators, making a total sample size of 106 for the entire food and beverage manufacturing entrepreneurs in the SMEs sector in Rivers State. Since the study also involved a cross section of the customers of the food and beverage manufacturing entrepreneurs in SMEs sector, Krejice and Morgan's table holds that for a population that is estimated to be up to 1,000,000 and above, the appropriate sample size is 384. Consequently, purposive sampling technique was adopted to draw the sample for the study both from the food and beverage manufacturing entrepreneurs in the SMEs sector in Rivers State and their customers.

Instrument for Data Collection: This study employed the use of two sets of structured questionnaire as its research instrument for data collection. The questionnaire for this study was divided into two: questionnaire for owners/managers) and questionnaire for customers). Section A dealt with the demographics of the respondents, while section B dealt with the study variables. The questions were designed in a simple format to ease response. Section of the questionnaire contained a total of 5-items designed to elicit response regarding the demographics of the study subjects. The questions in section B were structured in a closed-ended format using five-point rating scale which were rated 1 to 5 respectively. Section B contained a total of 4 items which addressed the predictor variable (brand quality), while Section B2a total of 12-items which addressed the criterion variables where sales growth, sales turnover and repeat purchase had 4-items respectively

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Validation of the Research Instrument: Validity relates to the ability of an instrument to measure what it is supposed to measure. In this study, to ascertain the validity, the instrument was subjected to the scrutiny of three validators who were carefully selected. Specifically, the three validating experts were chosen from Entrepreneurship, Marketing and Statistics, particularly those with expertise in Entrepreneurship, brand management and research statistical analysis from three Universities- Michael Okpara University of Agriculture, Umudike; University of Port Harcourt and Ignatius Ajuru University of Education, Rivers State respectively. The validators read the initial draft of the instrument and made their comments. They confirmed that the instrument was appropriate for the study. However, there were suggested corrections and necessary modifications. Based on their comments and suggestions, the instrument was modified to suit the study, hence the attainment of the validity for the instrument.

Reliability of the Instrument: In research, reliability test measures the empiricism of results. That is, it measures the extent to which the same set of items generates same result when replicated in similar setting. To achieve the reliability of this study, Cronbach's Alpha test was conducted after a test-retest on the measurement items to determine the reliability of the study instrument with a value 0f 0.84. This was considered appropriate based on the threshold value of .7 as suggested by Nunnally and Bernstein (1994).

Method of Data Collection: The instrument was administered to two sets of respondents – owners/managers considering the category of their firms (ie small scale and medium scale) and customers of the various food and beverage manufacturing firms to get first-hand information with the help of research assistants. Specifically, given the size of the target firms, the respondents comprised the firm owners/ managers and a cross section of their customers. A total of 490 copies of questionnaire were administered to the firm owners or managers in the frame of 1 copy per firm and a cross section of their customers (1 copy per customer) within a period of one month and retrieved copies were used for analysis.

Data Analysis Techniques: The researcher adopted a combination of descriptive and inferential statistical tools for data presentation and analysis. Statistical package for social sciences (SPSS) was employed to facilitate the analysis. The descriptive statistical tools mainly applied to data presentation regarding the demographic and univariate data analyses. Specifically, the research questions were addressed using descriptive statistical tools like the mean and standard deviation while the hypotheses were subjected to bivariate data analyses which were carried out through one inferential statistical tool –Pearson Product Moment Correlation.

RESULTS AND DISCUSSION

DATA PRESENTATION AND ANALYSIS

In this section, efforts were made to present and analyse data used for the study

Table 1 Questionnaire Administration and Responses

	Number Involved	Percentage (%)
Distribution	490	100
Copies Returned	476	97.14%
Lost in Transit	14	2.86%

From Table 1, a total of 490 copies of questionnaire were distributed to the food and beverage manufacturing entrepreneurs in the SMEs sector and their customers in Rivers State. Only 476 copies of the questionnaire distributed in this study were returned and all were useful for statistical analysis. This represented 97.14% rate of return.

Questionnaire Distribution

The copies of questionnaire returned by the various study subjects comprised of 66 copies from small scale operators, 40 copies from medium scale operators and 370 copies from customers of the investigated food and beverage manufacturing entrepreneurs operating in the small and medium scale sector in Rivers State.

Demographic Profile

The profile of respondents showed that 48(10%) of the respondents revealed that their companies have been in manufacturing operation for less than 1 year, 103(22%) of the respondents stated that they operated between 1-3years, 207(43%) of them confirmed they operated between 4-6 years, while 118(25%) of them indicated above 6 years. Also, 8(2%) of the respondents were owners, 23(5%) of them were managers, while 445(93%) of the respondents were staff.

Percentage distributions of response on duration of years their company have operated in Rivers State showed that 39(8%) of the respondents claimed that their companies have stayed between 1-5 years, 147(31%) of the respondents claimed between 6-10 years, 179(38%) of the respondents claimed between 11-15 years, while 111(23%) of the respondents claimed 16 years and above. On the number of employees per company, the profile revealed that 4.5, 21(4%) of the respondents claimed that their companies employed between 1-10 persons, 58(12%) of the respondents claimed between 11-20 persons, 167(35%) of them claimed between21-30 persons, while 230(48%) of the respondents claimed 31 persons and above.

UNIVARIATE DATA ANALYSIS

Analysis of Responses to brand quality items

Here, analysis was carried out regarding responses on the items addressing research question which bothered on the predictive capability of brand quality on sales performance using frequency tables, mean scores and standard deviation values as illustrated below.

Table 2: Mean and Standard Deviation of Responses on Brand Quality Items Descriptive Statistics Descriptive Statistics

S/No	Item Description	N	Minimum	Maximum	Mean	Std. Deviation
1	This brand has consistently maintained good hygienic conditions	476	1.00	5.00	3.3306	1.13693
2	The bran quality control procedures results in better quality delivery.	476	1.00	5.00	3.7259	1.02031
3	As a consumer of this brand, I enjoy high satisfaction from the consistent use of this brand.	476	1.00	5.00	3.8222	.99901
4	The manufacturer of this brand is always committed to delivering what it promises	476	1.00	5.00	3.7704	1.09187
	Overall Mean Score				**3.6622**	

Predictive capability of brand quality on sales performance was measured using four questionnaire items which were developed on a five point Likert scale. The mean responses on the four items were calculated and used to obtain the overall mean response on the brand quality construct. The overall mean response on the items (3.6622) showed that the quality customers receive from the food and beverage manufacturing firm is fairly good. This implies that the predictive capability of brand quality is high as quality of the brand influences the sales performance of food and beverage manufacturing entrepreneurs in SME sector in Rivers State

BIVARIATE DATA ANALYSIS

Testing of Hypothesis

H1: Brand quality has significant predictive capability on the sales performance of food and beverage manufacturing entrepreneurs in SMEs sector in Rivers State.

Table 3: Pearson Product Moment Correlation between brand quality and sales performance of food and beverages manufacturing entrepreneurs in SMEs sector in Rivers State

Correlations

		Brand Quality	Sales Performance
Brand Quality	Pearson Correlation	1	.597**
	Sig. (2-tailed)		.000
	N	476	476

Sales Performance	Pearson Correlation	.597**	1
	Sig. (2-tailed)	.000	
	N	476	476
		$r^2 = 0.356$ (35.6%)	

**. Correlation is significant at the 0.01 level (2-tailed).

From Table 3, the correlation coefficient ($r = 0.597$) between brand quality and sales performance of food and beverages manufacturing entrepreneurs in SMEs sector in Rivers State is moderate and positive. The coefficient of determination ($r^2 = 0.356$) indicates that 35.6% change in sales performance of food and beverages manufacturing entrepreneurs in SMEs sector in the State can be explained (predicted) by brand quality. The significant value of 0.000 ($p< 0.05$) reveals a significant relationship between brand quality and sales performance. Based on the result, the hypothesis was supported. It therefore followed that brand quality has a significant predictive capability on the sales performance of food and beverages manufacturing entrepreneurs in SMEs sector in Rivers State.

DISCUSSION OF FINDINGS

The findings regarding the test of hypothesis one ($r = 0.597$; $r^2 = 0.356$; 0.000 $p< 0.05$) revealed that brand quality has a significant predictive capability on the sales performance of food and beverages manufacturing entrepreneurs in SMEs sector in Rivers State. Hence the respondents agreed that food products offered by entrepreneurs in SMEs sector in Rivers are manufactured under good hygienic conditions, the firms follow strict quality control procedures, they have a system that grants them the opportunity to monitor the suppliers of their raw materials to ensure quality seed planting, they are always committed to delivering what they promise. This position is in tandem with the submission of Khan and Kongar (2014) who carried out an empirical study on brand quality and customer satisfaction and found that there is a positive and significant relationship between brand quality and customer satisfaction in the smart phone industry. This agrees with the findings of the present study.

This finding revealed that when a company positions its brand on the basis of quality, it will experience massive growth in sales and profit margin. Also, when companies embrace quality positioning strategy, they stand the chance of achieving sales growth within the shortest possible time. Besides, this finding is supported by Blankson (2008), Musau (2012) and Heide (2017) as they all reported that brand quality positioning strategy significantly enhances sales growth of firms which means that if food and beverage firms adopt quality positioning strategy, it will go a long way in improving their sales performance. Therefore, any product that is positioned on the basis of quality will attract more customer patronage and increase sales level.

Conclusions and Recommendation

From the findings of the study, the study reveals that when the brand positioning strategy is improved in food and beverage manufacturing companies, it increases sales performance. Also, the research has proven that brand quality, can increase sales performance. Therefore, when companies embrace brand quality positioning strategy and endeavour to position the brands they offer in terms of quality, they stand chances of achieving better sales performance within the shortest possible time. Drawing from the findings above, the study concludes that, brand quality has a significant predictive capability on the sales performance of food and beverages manufacturing entrepreneurs in SMEs sector in Rivers State. This implies that when a company positions its brand on the basis of quality, they indirectly position themselves for customer loyalty which enhances sales turnover, repeat purchase and sales growth. Based on the conclusions of this study, it is the recommended that, food and beverage manufacturing companies should focus on the improvement of their brand quality, in order to attract more patronage.

Limitations and Suggestions for Further Studies

Given that it may not automatically apply to every setting (locale) and facets of firms or industries, it should be kept in mind that the findings of this study are limited to food and beverage manufacturing entrepreneurs operating in the SMEs sector in Rivers State. Therefore, further research should be conducted in other states and regions as well as sectors in order to confirm or contradict our findings.

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