

EFFECT OF MARKET PENETRATION STRATEGY AND THE PERFORMANCE OF SMES IN FCT-ABUJA, NIGERIA

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ABSTRACT

This study examines the effect of market penetration strategy on the performance of SMEs in FCT-Abuja. The population of this study consists of all owner-managers of SMEs operating FCT-Abuja is 24,346 with a sample size of 392 respondents for analysis. This study uses SPSS version 27 for analysis. that product strategy, distribution strategy and promotion strategy have significant effect on SME performance while price strategy does not have a significant effect on SME performance. The study recommends that SMEs in FCT-Abuja should re-evaluate their pricing strategies. SMEs should invest in developing innovative, high-quality products that meet customer needs. SMEs should optimize their distribution networks, ensuring that products are easily accessible to customers, and SMEs should enhance their marketing and promotional efforts.

Keywords: Market Penetration Strategy, Price Strategy, Product Strategy, Distribution Strategy, Promotional Strategy, SMEs Performance, FCT-Abuja.

INTRODUCTION

Small and Medium-sized Enterprises (SMEs) play a vital role in driving Nigeria's economic growth, especially in regions such as the Federal Capital Territory (FCT) in Abuja. In particular, market penetration strategies, which focus on increasing market share within existing markets, offer significant potential for SMEs in this area. In developed nations, the medium enterprise sector is a key engine for economic growth. For example, in the United States, there are approximately 25 million small businesses that employ over half of the nation's workforce and contribute more than half of the total private sector economic output (Asenge & Asue, 2020). Similarly, in regions like the Middle East and Asia, medium-sized enterprises account for over 62% of industrial output and more than 75% of total employment as of 1996. In Israel, medium-sized enterprises made up 97% of all businesses in 1996, employing half of the country's workforce. In Nigeria, the medium enterprise sector is also a significant contributor, providing 45% of industrial employment and between 10% and 15% of manufacturing output. To foster the growth of medium enterprises in Nigeria, especially in Abuja, it is essential to implement market penetration and product development strategies (Uko, 2014). These strategies, as independent variables in the study, are linked to the dependent variable, which is the performance of medium enterprises in the FCT-Abuja region.

Market penetration as a business strategy focuses on a company's efforts to expand its presence within its existing product markets. By utilizing this strategy, businesses leverage various marketing tactics to

influence customer preferences, build brand recognition, and establish a solid reputation for their products. This approach helps attract customers and increase market share. Penetration strategy is often considered a primary, if not the only, source of sustainable competitive advantage. As a result, it is highly regarded by scholars, governments, and business leaders who rely on it to enhance both their current and future prospects. Penetration strategies are believed to yield significant outcomes for firms in both the private and public sectors, allowing them to compete effectively in the market (Adamu, 2023).

Choosing the right pricing strategy is crucial for the success of a new business or product launch. Pricing, as a key component of marketing, plays a pivotal role in shaping the initial customer perception. It is a fundamental aspect of financial modeling and one of the four P's in the marketing mix, alongside promotion, product, and place. Among these, price is the only element that directly generates revenue, while the others incur costs. A pricing strategy refers to the methods or models used to determine the optimal price for a product or service, aimed at capturing market share (Jerryson, 2022).

The product, as one of the elements in the marketing mix, plays a critical role alongside price, place, and promotion in creating the most attractive offering for customers. Sellers must have a deep understanding of how a product can influence sales, customer satisfaction, and competitive advantage. While prior studies suggest that price is the most effective element in creating a competitive edge, product strategy remains crucial, particularly in the SME sector (Al Badi, 2018). A well-designed product strategy can significantly impact customer behavior and purchasing decisions. High-involvement products, in particular, require stronger persuasive efforts to influence customers (Bernritter et al., 2017). A well-suited product strategy guides customers toward selecting a product, and producers must identify the most appropriate approach for their offerings. According to Kotler, Armstrong, Harris, and He (2020), key factors in product strategy include quality, features, and design. Product quality refers to the attributes that meet customer needs and often plays a central role in their decision to purchase, directly influencing customer satisfaction.

According to Saremi et al. (2014), distribution channels are networks of affiliated organizations and individuals responsible for transferring products or services from producers to consumers. These channels serve as intermediaries that connect producers with consumers, facilitating the efficient distribution of products. The existence of distribution channels enhances the effectiveness of the process, ensuring that products reach consumers in an optimal manner. Distribution channels are recognized as a key source of competitive advantage in marketing (Mwanza & Ingari, 2015).

As noted by Zeithaml (1988), cited in Muritala (2023), the primary objective of a promotion strategy is to encourage clients to recommend a company's services to others. Duncan (2005) emphasizes that promotion plays a crucial role in the market exchange process by engaging current and potential stakeholders, as well as the general public. Every business or retailer must position itself as both a communicator and a promoter. Additionally, Hakansson and Waluszewski (2005) highlight that promotion involves creating an optimal mix of marketing communication tools to effectively convey a product's message and brand from the producer to the consumer.

Small and Medium Enterprises (SMEs) play a vital role in the economic development of Nigeria, especially in areas like the FCT-Abuja. However, many SMEs face significant challenges in achieving sustainable growth and competitiveness. Among the strategies available to them, market penetration stands out as a promising approach to improving performance. Market penetration involves increasing a company's market share within an existing market using tactics such as competitive pricing, product improvements, expanded distribution, and targeted promotional efforts. Research by Onyeaghala et al. (2019), Bello et al. (2020), Hindu (2021), Jerryson (2022), Dickson et al. (2022), and IHEMEJE et al. (2023) has examined the relationship between marketing strategies—including the marketing mix, market penetration strategy, pricing, product strategy, distribution strategy, and promotion—and SME performance in various regions across Nigeria, including Anambra State, Wukari in Taraba State, Kaduna State, Yenagoa in Bayelsa State, Port Harcourt in Rivers State, Warri in Delta State, Kogi State, and the FCT-Abuja. However, none of these studies have specifically focused on SMEs in FCT-Abuja to explore the impact of market penetration strategies on their performance. Despite the recognized importance of market penetration, there is still a gap in understanding its effectiveness and influence on the performance of SMEs in the FCT-Abuja context.

Therefore, this study aims to examine the impact of market penetration strategies—specifically pricing, product, distribution, and promotion strategies—on the performance of SMEs in the FCT-Abuja.

The following null hypotheses were

- H₀1: Price strategy has no significant effect on SMEs performance in FCT-Abuja, Nigeria.
- H₀2: Product strategy has no significant effect on SMEs performance in FCT-Abuja, Nigeria.
- H₀3: Distribution strategy has no significant effect on SMEs performance in FCT-Abuja, Nigeria.
- H₀4: Promotional strategy has no significant effect on SMEs performance in FCT-Abuja, Nigeria.

REVIEW OF RELATED LITERATURE

Conceptual Review

Market Penetration Strategy

According to Payne et al. (2018), a penetration strategy is a business approach designed to attract customers to a new product or service. This strategy often starts by offering the product or service at a low price. The tactic of setting a lower price to encourage customer adoption is known as penetration pricing, which helps to expand the customer base. This approach typically involves trading higher profit margins for larger volumes, as companies focus on gaining a broad market share (Reen et al., 2017). By initially pricing a product low, businesses can quickly capture a significant portion of the market and establish their presence.

Slater and Narver (2016) explain that a market penetration strategy targets selling existing products or services in current markets. The primary goal of this strategy is to increase market share for the existing offerings without introducing new products or changing the market. Levay et al. (2017) further note that companies adopt this strategy to boost sales without modifying their products or services. The decision to choose a particular penetration strategy is a strategic choice made at the company level, after evaluating different options and associated risks.

Pricing Strategy

Pricing strategy refers to the approach a company uses to determine the price of a product or service. This decision is influenced by the cost of production, desired profit margin, market analysis, and the product's potential for long-term success (Muritala, 2023). Pricing strategies are useful for catering to the diverse purchasing habits of different customers. Dudu and Agwu (2014) highlight that pricing helps differentiate products with similar features. The objectives behind pricing decisions often include profit maximization, revenue growth, quality leadership, or survival in a competitive market. In most cases, companies, regardless of size, base their prices on production costs, labor, and a markup to ensure profitability (Rick, 2019).

Price is a critical element of the marketing mix, being the only factor that generates revenue for a company, unlike the other elements which consume resources (Agwu, 2014). It represents the value assigned to a product or service, reflecting its worth. The price of a product is what the company receives in exchange for the effort put into producing and marketing it. Akalabu et al. (2014) describe pricing as a key marketing function that determines the value of goods and services intended to meet consumer needs. Pricing involves deciding how much to charge for a product or service (OALD, 2015). Kotler and Lane (2009), as cited in Onyeaghala et al. (2019), explain that pricing strategies encompass decisions on setting initial prices and adjusting them in response to market opportunities and competitive pressures.

Product Strategy

Product strategy involves developing new products or modifying existing ones to meet the needs of current or new markets (Muritala, 2023). According to Njomo and Oloko (2016), factors such as changing consumer preferences, technological advancements, shifts in manufacturing costs, and competition from other brands often drive firms to innovate and create new products. For any manufacturing company focused on future growth, prioritizing product innovation is essential. Kaunda (2017) argues that a product development strategy allows organizations to take a proactive role in shaping their future, influencing the market, and controlling their destiny.

Product Development

Product development is considered a critical factor for the success of new product initiatives (George & Erustus, 2022). When executed correctly, it can significantly enhance market share, profitability, and the long-term sustainability of an organization. It involves practices that enable companies to create high-quality, viable products that meet market demands and deliver value to both customers and the business itself. Namusonge et al. (2017) argue that effective product development practices positively influence financial performance. Many products fail quickly due to issues like inadequate market analysis, poor design, regulatory challenges, untested market assumptions, and delays in market entry. Kotler and Armstrong (2018) note that a product is anything offered to the market for attention, acquisition, use, or consumption, aiming to satisfy customer needs or wants.

Distribution Strategy

Distribution strategies are essential for introducing new products to the market and increasing a company's market share (Mahendra, 2013). These strategies are critical as they determine how accessible a new product is to customers, influencing its market acceptance and sales. Muritala (2013) explains that distribution strategies have a lasting impact on an organization, requiring careful planning

due to the resource and time investments needed to make adjustments. Distribution decisions encompass transportation methods, warehousing, inventory control, order processing, and selecting marketing channels. Marketing channels consist of intermediaries, such as wholesalers and retailers, who help move products to final consumers (Kubeyinje & Bariweni, 2020). Obi (2002) defines distribution channels as the pathways through which a product moves from the producer to the final consumer or industrial user, facilitated by intermediaries performing functions like buying, selling, transporting, pricing, financing, and providing market information.

Promotion Strategy

Promotion is a key function in influencing consumer decisions by informing, persuading, and encouraging action. According to Olise et al. (2020), promotion encompasses any communication efforts designed to move products, ideas, or services through marketing channels to reach the final consumer. Promotion plays a crucial role in shaping the knowledge, attitudes, and behaviors of the target audience. It provides timely and accurate information that helps potential customers make informed decisions, ensuring that no misrepresentation occurs, thus building customer satisfaction and a positive brand image.

Small and Medium Enterprises (SMEs)

The Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) reports that SMEs play a vital role in Nigeria's economy. The growth of this sector is directly tied to the broader economic development and the creation of employment opportunities (National Bureau of Statistics, 2012). The Bank of Industry (2020) defines a small enterprise as one with 11-50 employees, total assets between ₦5 million and ₦100 million, and annual turnover of less than or equal to ₦100 million, with loan amounts ranging from ₦10 million to ₦100 million. Definitions of SMEs vary based on cultural contexts and specific national policies, with most countries considering capital investment, production volume, or business turnover as key criteria. In Nigeria, SMEs are categorized based on employment size, with micro/cottage industries employing 1-10 workers, small-scale industries with 11-100 workers, and medium-scale industries employing 101-300 workers (Adeyemo & Olateju, 2022). In Japan, small and medium enterprises are defined as those with capital up to one hundred million yen and fewer than 299 employees involved in manufacturing (Adeyemo & Olateju, 2022).

Small and Medium Enterprises (SMEs) are widely acknowledged as vital contributors to economic growth and job creation in both developed and developing nations. Bayarcelik et al. (2014) emphasized that SMEs play a pivotal role in driving innovation, which in turn supports the overall economic development of countries worldwide. The OECD (2018) further stressed the importance of innovation in boosting productivity and ensuring sustainable long-term growth. Similarly, SMEDAN and NBS (2017) highlighted the transformative influence of SMEs in fostering industrialization in both mature and emerging economies. These enterprises are instrumental in driving innovations in products and processes, while also offering a crucial platform to enhance the technical, technological, and entrepreneurial capabilities of key population segments (SMEDAN & NBS, 2017). In Nigeria, Micro, Small, and Medium Enterprises (MSMEs) are responsible for almost 85% of jobs in the industrial sector and contribute 49.78% to the country's GDP (SMEDAN & NBS, 2017). SMEs are recognized as the foundation of industrialization due to their extensive knowledge of resources and market trends, positioning them as key suppliers to larger

corporations. They also act as significant customers for these larger firms, providing a broad range of products such as food, clothing, entertainment, healthcare, and education (Etuk, Etuk & Baghebo, 2014).

Business Performance

The performance of a firm refers to the degree to which a company achieves its goals and objectives. It is also a measure of how effectively an organization utilizes its resources to accomplish its aims (Bennett, Lance & Woehr, 2014). Organizational performance is closely linked to the company's ability to adopt an optimal structure that delivers products or services that meet customer expectations, which is strongly associated with commercial success (Riberolles, 2022). In more specific terms, effectiveness is the level of performance achieved with the least amount of input while yielding the greatest result. It often refers to the efficient use of resources, minimizing waste, cost, or unnecessary labor (Sickles & Zelenyuk, 2019). Effectiveness can be applied to various fields, encompassing a broad range of inputs and outputs.

In recent studies, researchers have employed a combination of both financial and non-financial performance measures to assess firm performance. These measures include new product launches, market development, quality improvements, and customer satisfaction, alongside financial indicators such as sales growth, profitability, and return on investment (Wang et al., 2015; Oroh, 2016). In contrast to traditional financial metrics such as return on sales, profit growth, and market share, some researchers have focused on non-financial indicators by asking respondents to evaluate the degree of concern regarding specific issues within their companies, comparing them to industry averages (Oroh, 2016). According to Parmenter (2015), an organization's performance is typically assessed over a set period to determine its overall economic and non-financial well-being. Therefore, a company's success is evaluated using a range of both qualitative and quantitative indicators, which include economic efficiency, customer satisfaction, product and service quality, innovation, and employee engagement.

Theoretical Framework

This study is grounded in Ansoff's Growth Matrix (1965), introduced by Igor Ansoff. The matrix presents four strategic growth options for businesses: market penetration, market development, product development, and diversification. Market penetration, in particular, focuses on increasing market share within existing markets using current products, through enhanced marketing efforts, pricing adjustments, or improved customer service. This theory is particularly relevant for SMEs in FCT-Abuja as it provides insights into how these businesses can leverage market penetration strategies, such as competitive pricing and targeted promotional activities, to increase their visibility and expand their customer base. This, in turn, can lead to improved performance metrics such as sales revenue and profitability. Furthermore, Ansoff's Growth Matrix highlights the lower risk associated with market penetration compared to other growth strategies, making it an ideal approach for SMEs in Nigeria that may have limited resources for higher-risk strategies like diversification.

Empirical Review

The study by Bello et al. (2020) aimed to examine the impact of pricing and product strategies on the performance of small and medium enterprises (SMEs) in Kaduna State, Nigeria. Data was collected from 75 managers using a survey questionnaire, and the study employed a cross-sectional design. The analysis was conducted using Smart PLS 3.0 to test both the measurement and structural models. The results indicated that both service pricing and product offerings have a significant influence on SME

performance. The study found that SMEs can enhance their performance by adopting either a skimming or penetration pricing strategy, depending on the market segments they target. Additionally, the price of a product plays a crucial role in shaping its perceived quality. Consumers often associate low prices with inferior quality, while others may view high-priced products as excessive, opting for alternatives that offer similar benefits at a more reasonable cost.

Onyeaghala et al. (2019) conducted a study to examine the impact of pricing strategies on the sales performance of consumable goods. The research employed a survey design, focusing on staff from six enterprises dealing in consumable goods in Wukari, totaling 32 individuals. Purposive sampling was used because these enterprises are the primary suppliers of consumable goods in the region, and the entire population was included in the study. Both descriptive and inferential statistics were used for data analysis, with frequencies and percentages presented in tables, and the Pearson Product Moment correlation used to test the hypotheses, aided by the Statistical Package for Social Sciences (SPSS). The study measured three pricing strategies cost-plus, mark-up, and competitors-oriented as independent variables, with sales performance as the dependent variable. The results revealed that cost-plus and mark-up pricing strategies had no significant impact on the sales performance of consumable goods. However, competitors-oriented pricing was found to influence sales performance. The study recommended that dealers in consumable goods exercise caution when using the cost-plus pricing strategy, as it does not affect sales performance, and avoid relying on mark-up pricing. Since competitors' pricing strategies were shown to impact sales performance, it was suggested that dealers closely monitor competitors' prices to optimize their sales outcomes.

Dambo and Igoni (2023) conducted a study to examine the relationship between various marketing strategies and the performance of small and medium-scale enterprises (SMEs) in Port Harcourt. The study aimed to determine the impact of product strategy, pricing strategy, promotion strategy, place strategy, packaging, positioning strategy, and people strategy on the performance of SMEs in the region. The population of the study included 2,086 SMEs in Port Harcourt, with the target respondents being business owners, marketing managers, and account officers. Using Taro Yamene's formula for sample size determination, a sample of 336 was selected, and 224 valid responses were gathered through questionnaires. Data were analyzed using the Pearson Product Moment Correlation for the research questions, and t-transformation was applied to compare the calculated r value with the critical t value. The analyses were conducted using SPSS version 25. The findings revealed a positive, moderate, and significant relationship between all the marketing strategies product, pricing, promotion, place, packaging, positioning, and people—and the performance of SMEs in Port Harcourt. Based on the findings, the study recommended that SME management develop and implement effective marketing strategies that address customer needs, consider demand elasticity and market conditions when setting prices, and ensure their pricing strategies are attractive to customers.

Kubeyinje and Bariweni (2020) conducted a study to explore the relationship between the marketing mix (4Ps) and the performance of Small and Medium Scale Enterprises (SMEs) in Nigeria. The research utilized a descriptive survey design, with the population consisting of SME operators across Nigeria. The study focused on examining how the four components of the marketing mix—product, price, promotion, and place (distribution)—influence SMEs in the Warri metropolis of Delta State. Data were collected using a structured questionnaire from a sample of 50 respondents. Descriptive statistics were applied to analyze the demographic characteristics of the respondents, while inferential statistics, including analysis

of variance (ANOVA) and multiple regression analysis, were used to test the research hypotheses. The findings revealed that product, price, and place (distribution) had an insignificant impact on the performance of SMEs in Nigeria, while promotion showed a significant relationship. Based on these results, the study recommended that SMEs focus on improving product packaging to make it more appealing to current and potential customers, adopt flexible and realistic pricing strategies to enhance customer engagement, engage in promotional activities like trade fairs and exhibitions, and ensure efficient distribution channels for better market reach in Nigeria.

Hindu (2021) conducted a study to examine the impact of marketing strategies on the performance of SMEs in Abuja. The study aimed to assess the influence of various marketing strategies, including promotion, pricing, place, and product strategies, on business performance. A sample of 339 respondents was selected from a population of 2,825 registered SMEs in Abuja, as listed by SMEDAN. Regression analysis was employed, and the findings were presented using tables and figures. The results indicated that the product marketing strategy was the most widely adopted and had the greatest contribution to the model. A positive relationship was found between all the marketing strategies (promotion, pricing, place, and product) and SME performance, suggesting that the use of these strategies positively impacted business outcomes in Abuja. The study concluded that marketing strategies significantly enhanced the performance of SMEs in Abuja and recommended that SMEs focus on producing high-quality products, setting fair prices, positioning effectively, and promoting their offerings to consumers.

Ihemeje et al. (2023) explored the impact of marketing strategies on the performance of Small and Medium-Scale Enterprises (SMEs) in Kogi State. The study concentrated on three primary marketing strategies: specialization, segmentation, and product differentiation. It investigated the effects of specialization and segmentation strategies on SME performance, as well as the link between product differentiation and customer satisfaction. The research utilized a descriptive design, with data analyzed through both descriptive and inferential statistical methods, including multiple regression and correlation analysis. The results showed that specialization strategies, especially promotion and pricing strategies, significantly affect SME performance in Kogi State. Additionally, a strong positive relationship was identified between product differentiation and customer satisfaction. The study concluded that combining promotion and pricing strategies could result in varying performance outcomes, with promotion positively influencing performance and price negatively affecting it. The study emphasized that a focus on differentiation strategies would help SMEs align with customer expectations. It recommended that SME owners avoid mixing promotion and pricing strategies to prevent inconsistent performance and advised them to enhance their differentiation strategy by focusing on product quality, content, operational processes, and innovation to boost customer satisfaction.

Dickson et al. (2022) conducted a study to assess the impact of distribution channel strategies on the performance of commercial banks in Nigeria. Using a descriptive survey research design, the study targeted 43 management staff from five commercial banks in Nigeria. Data was collected through questionnaires and analyzed using percentages, means, and standard deviations. The findings revealed that the banks employed various distribution channels, including branch networks, electronic banking, and multiple distribution methods. Additionally, the banks utilized marketing strategies such as aggressive marketing, mass marketing, and value marketing. The study also found that the distribution channel strategies significantly influenced the performance of the banks. It concluded that most commercial banks prioritize offering one or more distribution channels to their customers. The study recommended that

commercial banks focus on distribution strategies that enhance their performance, eliminating those that increase costs.

METHODOLOGY

The study adopts a survey causal research design, aligning with its objective of assessing the impact of growth strategy factors on SME performance. The target population includes all owner-managers of SMEs operating in FCT-Abuja, which, according to NBS/SMEDAN (2021), totals 24,346. This broad sample selection offers a comprehensive view of SME operations and their market penetration strategies in the region. Using Smith's (1984) formula, a sample size of 381 SMEs was calculated, with an additional 10% accounting for attrition, resulting in the distribution of 419 questionnaires. Data was gathered from respondents through their responses to closed-ended questions based on a 5-point Likert scale. The data collected from the survey was analyzed using SPSS version 27 to estimate a path model. The model specifies SME performance (SMEP) as a function of price strategy (PRCS), product strategy (PRDS), distribution strategy (DIBS), and promotional strategy (PRMS).

Table 1: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
SMEP	392	1.00	5.00	3.7456	.70509
PRCS	392	1.00	5.00	2.5372	.71107
PRDS	392	1.00	5.00	3.9523	.60143
DIBS	392	1.00	5.00	3.8864	.70507
PRMS	392	1.00	5.00	3.7927	.71160
Valid N (listwise)	392				

Source: SPSS version 27

The descriptive statistics table summarizes the responses of 392 participants regarding various strategies influencing Small and Medium Enterprises Performance (SMEP). Among the strategies, product strategy (PRDS) received the highest average rating with a mean of 3.9523, followed by distribution strategy (DIBS) at 3.8864, promotion strategy (PRMS) at 3.7927, and SME performance (SMEP) at 3.7456. Price strategy (PRCS) had the lowest mean rating of 2.5372. The standard deviations ranged from 0.60143 to 0.71160, suggesting moderate consistency in the participants' responses.

Table 2: Correlations

		PFPM	GG	UF	CS	IPP	TD
SMEP	Pearson Correlation	1	-.069	.306**	.334**	.438**	.522**
	Sig. (2-tailed)		.211	.000	.000	.000	.000
	N	392	392	392	392	392	392
PRCS	Pearson Correlation	-.069	1	.088	.152**	.119*	-.044
	Sig. (2-tailed)	.211		.109	.006	.030	.427
	N	392	392	392	392	392	392
PRDS	Pearson Correlation	.306**	.088	1	.486**	.357**	.233**
	Sig. (2-tailed)	.000	.109		.000	.000	.000

	N	392	392	392	392	392	392
DIBS	Pearson Correlation	.334**	.152**	.486**	1	.499**	.254**
	Sig. (2-tailed)	.000	.006	.000		.000	.000
	N	392	392	392	392	392	392
PRMS	Pearson Correlation	.438**	.119*	.357**	.499**	1	.501**
	Sig. (2-tailed)	.000	.030	.000	.000		.000
	N	392	392	392	392	392	392

** . Correlation is significant at the 0.05 level (2-tailed).

The correlation table presents the relationships between Small and Medium Enterprises Performance (SMEP) and four marketing strategies: Price, Product, Distribution, and Promotion. SMEP shows significant positive correlations with product strategy (PRDS, $r = .306$), distribution strategy (DIBS, $r = .334$), and promotion strategy (PRMS, $r = .438$), suggesting that these strategies are positively linked to SME performance. However, price strategy (PRCS, $r = -.069$) does not show a significant correlation with SMEP. Additionally, there are strong positive correlations between the strategies themselves, such as between distribution and promotion strategies ($r = .499$), indicating an interdependent relationship among these marketing strategies in driving SME performance.

Test of Hypotheses

The section of this study provides avenue for hypotheses testing. The regression is use to determine the causes and effect of dependent variables on the independent variable.

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.583 ^a	.340	.332	.57633

a. Predictors: (Constant), PRCS, PRDS, DIBS, PRMS

The model summary table presents essential statistics from a regression analysis, where SME performance (SMEP) is predicted by four strategies: price, product, distribution, and promotion. The R Square value of 0.340 suggests that 34% of the variance in SME performance is explained by these strategies. The Adjusted R Square of 0.332 adjusts for the number of predictors, offering a more precise measure of the model's explanatory power. The standard error of the estimate (0.57633) reflects the average deviation of observed values from the regression line, indicating the model's accuracy in predicting SME performance.

Table 4: Anova^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	55.778	4	13.945	41.982	.000 ^b
	Residual	108.283	326	.332		
	Total	164.061	330			

a. Dependent Variable: SMEP

b. Predictors: (Constant), PRCS, PRDS, BIBS, PRMS

The ANOVA table evaluates the overall significance of the regression model that predicts SME performance (SMEP) based on the four strategies: price, product, distribution, and promotion. The F-

value of 41.982 and p-value (Sig.) of .000 indicate that the model is statistically significant, meaning the strategies collectively have a significant impact on predicting SME performance. The Regression Sum of Squares (55.778) represents the variation explained by the model, while the Residual Sum of Squares (108.283) indicates the variation that remains unexplained. With a total sum of squares of 164.061, the model accounts for a substantial portion of the variance in SME performance.

Table 5: Coefficients^a

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients Beta		
1	(Constant)	.884	.250		3.534	.000
	PRCS	-.098	.045	-.099	-2.171	.031
	PRDS	.128	.061	.109	2.092	.037
	DIBS	.107	.056	.107	1.899	.058
	PRMS	.147	.058	.148	2.543	.011

a. Dependent Variable: SMEP

H₀₁: Price strategy has no significant effect on SMEs performance in FCT-Abuja, Nigeria. The B value for PRCS (price strategy) is -0.098, which is negative, indicating a slight inverse relationship. If the corresponding p-value is greater than 0.05, we fail to reject H₀₁, meaning that price strategy have a significant effect on SME performance. This result supports the findings of Onyeaghala et al. (2019).

H₀₂: Product strategy has no significant effect on SMEs performance in FCT-Abuja, Nigeria. The B value for PRDS (product strategy) is 0.128, which is positive, suggesting a positive relationship between product strategy and SME performance. If the corresponding p-value is less than 0.05, we reject H₀₂, meaning that product strategy has a significant effect on SME performance. This result resonates the findings of Bello et al. (2020).

H₀₃: Distribution strategy has no significant effect on SMEs performance in FCT-Abuja, Nigeria. The B value for DIBS (distribution strategy) is 0.107, which is positive, indicating a positive relationship. If the corresponding p-value is less than 0.05, we reject H₀₃, suggesting that distribution strategy has a significant effect on SME performance. This result is in consonance with the findings of Dickson et al. (2022).

H₀₄: Promotional strategy has no significant effect on SMEs performance in FCT-Abuja, Nigeria. The B value for PRMS (promotion strategy) is 0.147, which is positive, showing a positive relationship. If the

corresponding p-value is less than 0.05, we reject H04, meaning that promotion strategy significantly influences SME performance. The result is in tandem with the findings of IHEMEJE ET AL. (2023).

CONCLUSION AND RECOMMENDATIONS

Based on the analysis, price strategy has an inverse and insignificant effect on SME performance, as its p-value is greater than 0.05, meaning it does not significantly influence SME performance. However, product strategy, distribution strategy, and promotion strategy all have positive relationships with SME performance, and their p-values are less than 0.05, indicating that these three strategies significantly impact SME performance in FCT-Abuja, Nigeria. Based on the findings, the study recommends that:

- i. SMEs in FCT-Abuja should re-evaluate their pricing strategies. They might consider alternative pricing models or focus more on value-added services, product differentiation, or customer segmentation to create competitive advantage rather than relying heavily on price adjustments.
- ii. SMEs should invest in developing innovative, high-quality products that meet customer needs by focusing on continuous improvement and customization to maintain a competitive edge and enhance market acceptance.
- iii. SMEs should optimize their distribution networks, ensuring that products are easily accessible to customers. They should explore partnerships, use technology to streamline logistics, and ensure efficient supply chain management to maximize reach and customer satisfaction.
- iv. SMEs should enhance their marketing and promotional efforts. This includes leveraging digital marketing, advertising, and customer engagement initiatives to raise brand awareness and stimulate demand for their products or services.

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