

Strategic Positioning and Competitive Advantage of Manufacturing Firms in South-South Nigeria

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Abstract

This study investigates strategic positioning impact on competitive advantage of manufacturing firms in South-South Nigeria. The study used a survey research design. The population was made up of managerial staff from six selected manufacturing firms. The sample size was 186 participants. The data was analysed using multiple linear regression at a 5% significance level. To validate the instrument and establish the link between the research variables, construct validity was performed. Findings revealed positive and significant impacts: cost leadership increased market share, while quality focus improved brand reputation. The study concluded that strategic positioning, through cost leadership and quality focus, plays a central role in strengthening the market share, customer retention, brand reputation, and customer loyalty of manufacturing firms in South-South Nigeria. Recommendations urged manufacturing firms to focus on cost leadership, and quality focus to strengthen firms' competitive advantage.

Keywords: Strategic Positioning, Competitive Advantage, Cost Leadership, Quality Focus, Market Share, And Brand Reputation.

Introduction

Competition has been an important feature of economic activities since the early development of human societies. In early communities, trade was mainly concerned with obtaining essential goods and meeting survival needs. However, the limited availability of resources meant that individuals and groups had to compete for access to goods and productive resources. Edwards and Baker (2020) observed that primitive societies engaged in competitive trade practices, while Townsend et al. (2023) linked early competition to the scarcity of resources among hunter-gatherer communities. As societies developed agricultural systems, economic activities became more organised, and marketplaces and trade routes emerged to support the exchange of goods. These developments increased interaction among producers and traders and created greater opportunities for competition based on access to resources, markets, and customers (Reinartz et al., 2019).

The development of long-distance trade further increased the importance of competitive positioning. Historical trading systems, including the Silk Road, created opportunities for traders to compete for access to profitable markets and favourable trading locations (Anderson, 2020).

Maritime trade later expanded these competitive activities across continents. During the Age of Discovery, European powers competed for control of trade routes and access to commercially valuable resources and markets (Mahan, 2020; Shovlin, 2021). Competition also encouraged traders to improve transportation, navigation, financial arrangements, and risk-management practices. The development of more efficient ships and navigation techniques enabled merchants to reach markets more effectively, while financial instruments such as bills of exchange and early forms of insurance helped reduce some of the risks associated with long-distance trade (Accominotti, & Ugolini, 2024; Irigoien, 2025). These developments demonstrate that competition has historically encouraged economic actors to improve efficiency and develop strategies for securing and maintaining advantageous market positions.

The Industrial Revolution significantly changed the nature of competition by transforming production from relatively small-scale activities into large-scale manufacturing. The introduction of steam power and mechanised production increased productive capacity and created new industries (Doyle-Kent & Kopacek, 2019; Koc & Teker, 2019; Kurt, 2019). The growth of factories also encouraged the concentration of labour and the development of economies of scale, allowing firms to produce goods in larger quantities and at lower unit costs (Cohen et al., 2019; Rawski, 2025). Pettigrew et al. (2019) and Clapp (2019) noted that the expansion of large-scale enterprises encouraged firms to invest in specialised facilities and organisational structures. Improvements in railway and steamship transportation further expanded the geographical reach of manufacturing firms by making it easier to move raw materials and finished products across wider markets (Lee, & Shen, 2020; Liu et al., 2021).

The expansion of manufacturing capacity in recent decades has increased the importance of production efficiency and responsiveness to market demand. Manufacturing firms that reconfigure their internal processes and capabilities tend to respond more quickly to shifts in the competitive environment (Witschel, Baumann, & Voigt, 2022). As competition increases, firms have to consider not only how much they can produce but also how efficiently they can produce it and whether their products meet the expectations of consumers. Ghofar, Kundarto, Sugandini, Amallia, and Adisti (2024) noted that aligning cost leadership with market conditions is an important means of sustaining competitiveness, particularly for small and medium manufacturing enterprises recovering from periods of economic disruption. Thus, the development of modern manufacturing competition increasingly places emphasis on production efficiency, cost management, product quality, market responsiveness, and the ability of firms to distinguish themselves from competitors. These developments provide the basis for understanding strategic positioning as an important component of competitive advantage. Strategic positioning concerns the deliberate choices firms make about how they will compete and create value within a particular market. Karahan and Gümüş (2023) observed that cost leadership and differentiation remain the two most widely applied sources of competitive advantage in strategic management scholarship. Cost leadership emphasises the ability of a firm to achieve and maintain a relatively low cost structure, while differentiation focuses on creating attributes that customers perceive as valuable and distinct. Cegliński (2020) further emphasised the importance of developing organisational capabilities that enable firms to compete effectively and sustain their position within changing markets.

For manufacturing firms, cost leadership is particularly important because production costs directly affect pricing decisions and the firm's ability to compete for customers (Rounaghi, Jarrar,

& Dana, 2021). Manufacturing firms incur costs in areas such as raw materials, labour, energy, transportation, production, storage, and distribution. Effective management of these costs can enable firms to improve production efficiency and offer products at competitive prices (Adigbole et al., 2022). Where firms are able to maintain lower operating and production costs, they may have greater flexibility in pricing and may be better positioned to attract and retain customers. Consequently, cost leadership can have implications for the extent to which a firm is able to expand its customer base and increase its share of the market.

Market share is an important indicator of a firm's position within its market because it reflects the proportion of market demand captured by the firm relative to its competitors (Bhattacharya et al., 2022). In highly competitive manufacturing environments, firms must continuously seek ways to attract customers and protect their existing market positions. Price is one factor that may influence consumers' purchasing decisions, particularly where products are similar in function and quality. Therefore, the ability to control costs may provide firms with greater flexibility to compete on price without undermining their operations (Bhattacharya et al., 2022). This provides a basis for examining whether cost leadership affects the market share of manufacturing firms in South-South Nigeria.

However, competitive advantage in manufacturing cannot be explained by cost considerations alone. Product quality is also important because consumers evaluate products based on their reliability, performance, durability, safety, and ability to meet expected standards (Adebayo, 2024). Quality focus therefore represents another strategic approach through which manufacturing firms can position themselves in the market. A firm that consistently delivers products that meet or exceed customer expectations may develop stronger customer confidence and a more favourable perception of its products (Adebayo, 2024). Over time, these perceptions can contribute to the development and maintenance of a strong brand reputation. Brand reputation reflects how customers and other stakeholders perceive the credibility, reliability, and value associated with a firm's brand (Ali, 2022). In competitive markets, a positive reputation can help distinguish one firm from its competitors and influence customers' willingness to purchase its products (Ali, 2022). Manufacturing firms therefore need to pay attention not only to the volume and cost of production but also to the quality of the products they place in the market. A persistent failure to meet quality expectations may damage customer confidence and weaken the reputation of the brand. Conversely, consistent attention to quality may strengthen perceptions of reliability and contribute to a more favourable brand reputation.

The importance of strategic positioning has become more pronounced with the increasing integration of markets. The reduction of trade barriers has enabled firms to access larger consumer markets while also exposing domestic producers to greater competition from firms operating outside their immediate geographical locations (Osakede & Adenikinju, 2022). Globalisation has therefore increased the need for firms to improve efficiency, control costs, differentiate their products, and develop capabilities that can support sustained competition. Karahan and Gümüş (2023) argued that firms need to make clear strategic choices concerning how they will compete, while Cegliński (2020) emphasised the role of internal capabilities in developing competitive advantage.

Technological developments in transportation and communication have further increased the intensity of competition. Firms can now coordinate production and distribution activities across wider geographical areas, obtain market information more quickly, and respond to changes in

consumer preferences with greater speed (Skare & Soriano, 2021). These changes have reduced some of the traditional barriers between markets and have increased the pressure on manufacturing firms to improve their production processes and respond effectively to customer requirements. Innovation, collaboration, and continuous improvement have consequently become important elements of competitive strategy (Witschel et al., 2022).

The relevance of these developments is evident in the manufacturing environment of South-South Nigeria. The region has a long history of production, trade, resource utilisation, and commercial activity. Studies of pre-colonial and early colonial craft production in Nigeria show that communities developed particular productive capabilities, such as textile weaving, that enabled them to participate in local and wider markets, and that these capabilities were sustained through specialised, itinerant trade networks (Travieso & Westland, 2024). The development of trade networks also encouraged regional specialisation, as communities built productive capacities suited to the resources available to them (Travieso & Westland, 2024). These early activities provide historical evidence of the relationship between productive capabilities, market participation, and competitive positioning.

The colonial period introduced further changes to the economic structure of the region. The development of commercial production, particularly in commodities such as palm oil, changed existing patterns of economic activity and created new market opportunities under British colonial trade policy (Ahizechukwu, 2023). The emergence of urban centres such as Port Harcourt also contributed to the development of commercial and industrial activities. The location of economic activities around transportation networks, markets, and sources of resources has continued to shape land use and industrial growth patterns in the Greater Port Harcourt area to the present day (Dan-Jumbo, Metzger, & Clark, 2018). These developments contributed to the gradual formation of an economic environment in which firms increasingly had to consider production efficiency, access to markets, resource availability, and competition.

The contemporary manufacturing environment in South-South Nigeria is therefore shaped by both historical and current competitive pressures. Manufacturing firms operate in markets where they must manage production costs while also satisfying consumers who have increasing access to alternative products. The ability to control costs can influence the prices at which products are offered and, consequently, the firm's ability to attract and retain customers. At the same time, the quality of products can influence customer perceptions and the reputation associated with a firm's brand. This suggests that cost leadership and quality focus may represent important strategic positioning approaches for manufacturing firms seeking to strengthen their competitive position.

Despite the importance of these strategic approaches, the relationship between specific positioning strategies and measurable competitive outcomes requires empirical examination within particular contexts. Cost leadership may provide manufacturing firms with greater capacity to compete for customers and expand their market share, but the extent to which this relationship exists among manufacturing firms in South-South Nigeria requires investigation. Similarly, quality focus may contribute to positive perceptions of a firm's products, but its effect on brand reputation within the manufacturing environment of South-South Nigeria also requires empirical assessment. The regional business environment, resource conditions, market structure, consumer preferences, and competitive pressures may influence these relationships.

It is against this background that this study focuses on strategic positioning and competitive advantage among manufacturing firms in South-South Nigeria. The study specifically examines cost leadership as a strategic positioning approach and market share as an indicator of competitive position. It also examines quality focus and its relationship with brand reputation. By investigating these relationships, the study seeks to provide empirical evidence on how specific strategic positioning practices relate to important competitive outcomes among manufacturing firms in the region. The specific objectives are therefore to determine the effect of cost leadership on the market share and customer retention of manufacturing firms and to ascertain the effect of quality focus on the brand reputation and customer loyalty of manufacturing firms in South-South Nigeria.

Literature Review

Theoretical Underpinning

The Market-Based View (MBV) provides a theoretical foundation for understanding strategic positioning and competitive advantage from the perspective of the external market environment. The theory holds that firm performance is influenced by industry structure, competitive conditions, market demand, and the position a firm occupies relative to its competitors (Porter, 1980, 1985, 1996; Peteraf & Bergen, 2003). Its foundation can be traced to Bain's (1968) Structure-Conduct-Performance framework, which explains how industry structure influences firm behaviour and performance, and Porter's (1980, 1985) five-forces framework, which identifies rivalry among competitors, the threat of new entrants and substitutes, and the bargaining power of buyers and suppliers as major influences on competition. Within this perspective, firms seek strategic positions that allow them to respond effectively to market pressures and create value relative to competitors. Porter (1996) explains strategic positioning in terms of performing different activities from competitors or performing similar activities in different ways. This reasoning is relevant to the present study because cost leadership and quality focus represent deliberate strategic choices through which manufacturing firms can establish their positions in competitive markets. Cost leadership enables firms to pursue efficiency and cost control, which may strengthen their ability to compete for customers and increase market share. Similarly, quality focus provides a basis for product differentiation and may influence customers' perceptions of reliability and value, thereby contributing to brand reputation. Although the MBV has been criticised for giving greater attention to industry conditions than firm-specific factors (Rumelt, 1991; Prahalad & Hamel, 1990), it remains relevant to this study because manufacturing firms operate within market environments where competitive rivalry, customer expectations, supplier conditions, and substitute products influence strategic choices and performance.

The Resource-Based View (RBV) complements the MBV by explaining how internal resources and capabilities enable firms to implement competitive strategies and achieve superior outcomes. Barney (1991) argues that firms possess heterogeneous resources and that resources that are valuable, rare, difficult to imitate, and non-substitutable can provide a basis for sustained competitive advantage. Such resources may be tangible, including production facilities, equipment, and financial assets, or intangible, including organisational knowledge, managerial expertise, technological capabilities, and brand reputation. The effective deployment of these resources is particularly important because competitive advantage depends not simply on possessing resources but on the firm's capability to combine and utilise them effectively (Makadok, 2001). In the context of this study, the RBV explains how manufacturing firms can develop the capabilities required to achieve cost efficiency and maintain product quality. Efficient production

systems, skilled employees, appropriate technology, supply-chain capabilities, and effective cost-control practices can support cost leadership, while quality-control systems, technical expertise, innovation, and organisational knowledge can support a sustained focus on product quality. Teece, Pisano, and Shuen (1997) further emphasise the importance of dynamic capabilities, particularly the ability of firms to adapt and reconfigure resources as market conditions change. Although the RBV has been criticised for difficulties in clearly identifying and measuring strategic resources and for giving insufficient attention to external market conditions (Priem & Butler, 2001), it provides an important internal perspective for this study. Taken together, the MBV and RBV provide complementary explanations: the MBV accounts for the market and competitive conditions that shape strategic positioning, while the RBV explains the internal resources and capabilities through which manufacturing firms implement cost leadership and quality focus to influence market share and brand reputation.

Hypothesis Development

Cost leadership refers to a firm's strategic effort to achieve a lower cost position than its competitors through efficient production, resource utilisation, cost control, and effective operational processes (Porter, 1985). A lower cost structure can provide firms with greater flexibility in pricing, allowing them to attract price-sensitive customers and serve a wider segment of the market. Too and Makhamara (2025) argue that firms that successfully implement cost leadership can strengthen their competitive position, since prioritising cost efficiency allows them to offer competitive prices, attract a wider customer base, and increase sales volume and market share. In manufacturing, this strategy may involve efficient use of raw materials, labour, technology, energy, inventory, and distribution systems. Tortorella et al. (2021) similarly emphasise operational efficiency, process improvement, and the structured adoption of automation technologies as important means of achieving cost advantages in manufacturing settings. Thus, cost leadership is not limited to reducing selling prices but involves establishing an efficient cost structure that supports competitive market behaviour.

Empirical evidence suggests that cost efficiency can influence a firm's ability to attract and retain customers. Adaji and Njuguna (2024) found that manufacturing firms adopting cost leadership strategies, such as controlling overhead expenses and investing in efficient equipment, experienced improved performance and competitive outcomes. Tortorella et al. (2021) further reported that practices combining lean manufacturing principles with automation can reduce production costs while supporting operational performance, thereby improving a firm's market position. Witschel et al. (2022) also observed that firms that continuously reconfigure their capabilities and cost structures in response to changes in market conditions were better able to sustain competitive advantage. These findings indicate that the relationship between cost leadership and market share may operate through both pricing flexibility and operational efficiency. For manufacturing firms in South-South Nigeria, effective control of production and operating costs may therefore provide an important basis for competing for customers and increasing the proportion of market demand captured by the firm. However, this relationship requires empirical assessment within the regional manufacturing context. Based on this reasoning, the study proposes the following hypothesis:

H₁: Cost leadership has a significant positive effect on the market share of manufacturing firms.

A related issue is whether cost leadership influences customer retention, since retaining existing customers can support a firm's market position over time. Competitive pricing made possible by efficient cost management may encourage repeat purchases, particularly where customers consider price an important factor in their purchasing decisions. At the same time, cost reduction that weakens product quality or customer service may have the opposite effect. Adaji and Njuguna (2024) suggest that combining cost-reduction practices with efficient equipment and controlled overhead expenses can allow firms to sustain performance while controlling costs. This suggests that the effect of cost leadership may extend beyond the immediate attraction of customers to the firm's ability to maintain its existing customer base. Accordingly, the following related hypothesis can be examined:

H₂: Cost leadership has a significant positive effect on customer retention among manufacturing firms.

Quality focus refers to the deliberate emphasis placed by a manufacturing firm on maintaining consistent product standards, meeting customer expectations, and improving product performance. It involves activities such as quality control, product inspection, process improvement, and the continuous correction of production deficiencies. In competitive markets, quality focus enables firms to offer products that customers perceive as reliable and valuable (Islami et al., 2020; Keiningham et al., 2020). Brand reputation, on the other hand, reflects the general perception stakeholders hold about the reliability, credibility, and value of a firm's products and services. A firm that consistently delivers products that meet or exceed customer expectations is more likely to develop a favourable reputation in the market (Agustian et al., 2023; Keller, & Kotler, 2022; Singh et al., 2023).

The relationship between quality focus and brand reputation can be explained by the role of product experience in shaping customer perceptions. Consistent quality reduces the likelihood of product dissatisfaction and strengthens customers' confidence in the firm (Kosasih et al., 2024; Naini et al., 2022). Over time, such experiences can contribute to positive evaluations of the brand and strengthen its reputation among customers and other market stakeholders. For manufacturing firms, therefore, quality is not limited to the physical characteristics of a product but also forms part of the basis upon which customers judge the credibility and reliability of the brand. Quality focus may also influence customer loyalty. When customers repeatedly receive products that satisfy their expectations, they are more likely to develop confidence in the firm's offerings and continue purchasing from the firm (Arslan, 2020; Sambo et al., 2022). This suggests that maintaining product quality can support repeated patronage and stronger customer relationships. In the context of manufacturing firms in South-South Nigeria, where firms operate in competitive markets and customers have access to alternative products, sustained attention to quality may be particularly relevant to both brand reputation and customer loyalty. Thus, the study proposes the following hypotheses:

H₃: Quality focus has a significant positive effect on the brand reputation of manufacturing firms in South-South Nigeria.

H₄: Quality focus has a significant positive effect on customer loyalty among manufacturing firms in South-South Nigeria.

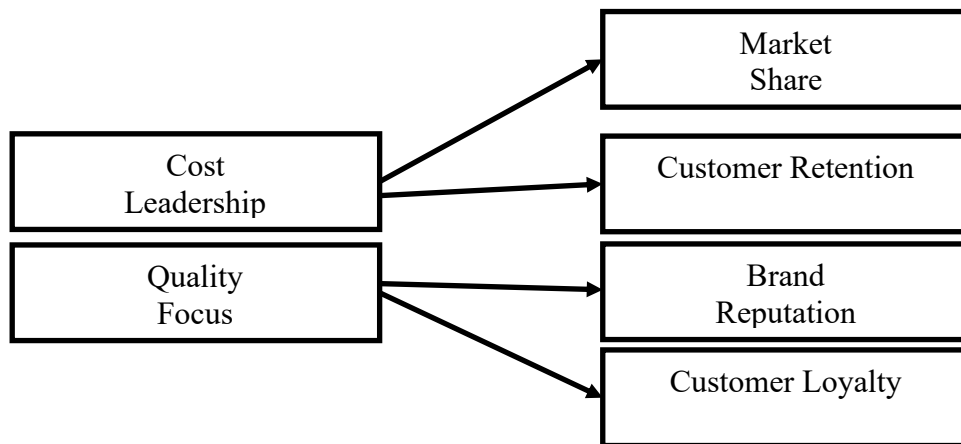


Fig 1. Conceptual Framework

Methodology

The research design in this study was survey research. The survey design was deemed suitable for it allows the researchers to collect data directly from the respondents on their perceptions, attitudes and experiences about the variables investigated. The study used quantitative research approach that is in line with the positivist paradigm that is suitable for objective measurement of research variables. The approach also is deductive in nature, meaning that theory-based arguments are used to formulate testable hypotheses. The data collected from the respondents were then analyzed statistically to establish the relationship among the study variables and the evidence to achieve the research objectives.

245 managerial staff of selected manufacturing companies in the South-South geopolitical zone of Nigeria were the population of the study. The Krejcie and Morgan formula was used to determine the sample size, which came out to be 186 respondents. A random sampling technique was used in selecting the respondents from the target population. The sampling process was done in a staged manner to guarantee the respondents were selected from the relevant managerial categories. The classification took into account managerial cadre, the specialization, the departmental responsibility and the subject knowledge of the person being classified. This enabled the research to receive the responses from managerial staff who have the necessary experience and knowledge regarding the operations and strategic activities of the selected manufacturing firms.

The data were gathered from a structured questionnaire consisting of two parts (A & B), Part A has collected demographic data of the respondents such as gender, age group and work experience. The 40 items used in Section B were items on a five-point Likert scale which aimed to capture the study variables, namely cost leadership, quality focus, market share, customer retention, customer loyalty and brand reputation. Content and construct validity were used to evaluate the validity of the instrument to check if the questionnaire is representative of the concept explored. The reliability of the instrument was done by Cronbach's coefficient alpha to determine the internal consistency of the instrument. Further, the Kaiser-Meyer-Olkin (KMO) tests were applied to check the suitability of data for further statistical analysis.

Table 1. Construct Validity and Reliability Results

Construct	No. of Items	Factor Loading Range	Cronbach's Alpha	KMO
Cost Leadership	7	0.681–0.847	0.891	0.862
Quality Focus	7	0.704–0.873	0.903	0.879
Market Share	6	0.672–0.851	0.884	0.851
Customer Retention	7	0.693–0.846	0.887	0.856
Customer Loyalty	6	0.711–0.858	0.895	0.867
Brand Reputation	7	0.698–0.864	0.897	0.868
Total	40	0.672–0.873	0.893	0.864

Table 2. KMO and Bartlett's Test

Test	Result
Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.864
Bartlett's Test of Sphericity – Approx. Chi-Square	4,512.638
Degrees of Freedom	780
Significance	0.000

Table 1 shows that the instrument of measurement showed good construct validity and reliability in the six constructs. Items of the measurement had factor loadings ranging from 0.672 to 0.873 which showed that the measurement items had good representativeness on their constructs. The Cronbach's alpha coefficients for all the items were between 0.884 and 0.903, which is greater than the 0.70 criterion, indicating good internal consistency. The KMO value obtained was ranging between 0.851 and 0.879, which shows that the sample was adequate for factor analysis with overall value of 0.864. In Table 2, Bartlett's test of sphericity was statistically significant ($\chi^2 = 4,512.638$, $df = 780$, $p < 0.001$) indicating that there were adequate correlations between the items for the factor analysis. Overall, the obtained results indicate that the questionnaire was adequate in terms of validity and reliability to measure the cost leadership, quality focus, market share, customer retention, customer loyalty, and brand reputation.

The data were analysed using both descriptive and inferential statistics. Inferential statistics were applied to test the formulated hypotheses and establish the nature of the relationships among the variables. Specifically, the study employed regression model to test the hypotheses and determine whether the observed relationships between the independent and dependent variables were significant.

Analyses and Results

Table 3. Demographic Characteristics

Demographic Variable	Category	Frequency	Percentage (%)
Gender	Male	115	62.0
	Female	71	38.0
Age	18–25 years	0	0.0
	26–30 years	0	0.0
	31–45 years	63	33.8

Work Experience	46 years and above	123	66.2
	Below 10 years	62	33.2
	11–20 years	67	36.2
	20 years and above	57	30.6
Marital Status	Single	0	0.0
	Married	171	91.7
	Divorced	15	8.3

Source: Field work, 2026

The respondents' demographic data is shown in Table 3. The gender distribution is shows that there are 71 female respondents (38.0%) and 115 male respondents (62.0%). This means that males were overrepresented in the sample. In the age bracket of the respondents, 63 (33.8%) were aged between 31 and 45 years and 123 (66.2%) were aged 46 years and above. There was no one in the age group 18-25 or 26-30 among the respondents. It is therefore evident from the age distribution that the respondents are mainly in the older age group.

Regarding work experience, 62 respondents (33.2%) had less than 10 years, 67 respondents (36.2%) had between 11 and 20 years and 57 respondents (30.6%) had 20 years or more of work experience. This indicates that the respondents experienced a diverse range of professional experiences with the highest number of people in the category of 11–20 years. Distribution of marital status indicates that 171 people (91.7%) were married and 15 people (8.3%) were divorced. None of the respondents were single. The overall demographic profile showed that the study population were mainly male with an average age of 46 years and above, married and with a fair amount of work experience. The characteristics imply that respondents were generally experienced in the workplace and had the potential to have a significant exposure to the organisational and strategic issues discussed in the study.

Table 4. Regression results on cost leadership, market share and customer retention

Regression Statistics	Market Share	Retention
Cost leadership (β)	0.965***	0.739***
Std. Error	0.024	0.050
t-value	40.994	14.831
F-value	1680.535	219.961
p-value	0.000	0.000
R ²	0.901	0.545
Decision	Significant	Significant

Source: Field work, 2026

According to the regression results in Table 4, the cost leadership significantly and positively affects market share. The coefficient of determination ($R^2 = 0.901$) suggests that 90.1% of the variance in market share of manufacturing companies can be accounted for by cost leadership. Positive beta coefficient ($\beta = 0.949$) indicates a strong positive relationship and an increase in cost leadership is linked with an increase in market share. The effect is statistically significant as indicated by t-value of 40.994 and p-value < 0.01 . The model is also statistically significant as it has an F value of 1680.535 and p value < 0.01 . Hence, this result confirms empirically the importance of cost leadership in the market share of manufacturing companies.

The results also show that cost leadership has significant positive impact on customer retention. The R^2 value of 0.545 shows that cost leadership explains 54.5% of the variation in customer retention. The positive value of the beta coefficient ($\beta = 0.738$) shows that the higher the cost leadership, the higher the customer retention will be. The effect is statistically significant (t-value= 14.831, p-value < 0.01). Also, overall regression model is significant with F-value (219.961) and p-value < 0.01. Consequently, the results show that cost leadership is positively related to market share and customer retention in the manufacturing companies studied.

Table 5. Regression results on quality focus, brand reputation and customer loyalty

Regression Statistics	Brand Reputation	Customer Loyalty
Quality Focus (β)	0.929***	0.669***
Std. Error	0.027	0.058
t-value	34.120	12.224
F-value	1164.160	149.429
p-value	0.000	0.000
R^2	0.864	0.448
Decision	Significant	Significant

Source: Field work, 2026

Table 5 shows that quality focus has a significant positive effect on brand reputation. The coefficient ($\beta = 0.929$) shows that there is a strong positive relationship between quality focus and brand reputation. That is, the more firms focus on quality, the more the firms' brand is perceived as reputable. The R^2 -value of 0.864 means that quality focus accounts for 86.4% of the variations in brand reputation. The relationship is significant as the t-value is 34.120 and p-value < 0.01. The F-value of 1164.160 also shows that the regression model is significant. So, the result suggests that manufacturing companies that are more concerned with maintaining and enhancing quality will be more likely to have good brand reputations.

As can be seen in the table, quality focus also has a strong positive relationship with customer loyalty. The coefficient ($\beta = 0.669$) shows that there is a positive relationship between the attention to product quality and customer loyalty. The R^2 -value is 0.448; this means that 44.8% of the variability of customer loyalty can be explained by quality focus. The t-value is 12.224 and the p-value < 0.01. The F-value of 149.429 also indicates that the regression model is significant. Hence, it is the result that shows the quality focus is an important factor that affects customers' loyalty among manufacturing companies that have been studied.

Discussions of Findings

Finding revealed that cost leadership has a significant positive effect on the market share of manufacturing firms in South-South Nigeria. This implies that cost leadership offers benefits beyond internal cost savings. It also can influence how companies compete for customers, and how they come across in the market. Companies with efficient production and operating costs have more to play for in pricing out the competition and capturing a larger market share. The finding is consistent with Too and Makhamara (2025) who identified cost leadership strategy as a

strategy that led to enhanced market performance for Unilever Kenya Limited. Likewise, it confirms the findings by Adaji and Njuguna (2024) that cost leadership strategies (controlling overhead costs, using efficient equipment) enhanced the performance of pharmaceutical companies in Nairobi County. This helped companies to consolidate their market position. The result contributes to supporting the MBV. The MBV is used to describe how companies choose certain strategic positions from which they can address the challenges of the market and add value over their competitors (Porter, 1980, 1985, 1996; Peteraf & Bergen, 2003). The present finding is consistent with this view. Cost leadership can reduce a firm's cost structure and allow it to price competitively, thereby capturing a larger share of the market. Islami, Mustafa, and Topuzovska Latkovikj (2020) also showed that Porter's generic strategies, cost leadership included, are linked to firm performance. The finding therefore suggests that cost leadership may help manufacturing firms in South-South Nigeria overcome some of the pricing and competitive pressures that often limit market expansion in resource-constrained environments.

Finding also revealed that cost leadership has a significant positive effect on customer retention among manufacturing firms in South-South Nigeria. This implies that cost leadership offers benefits beyond attracting new customers. It can also influence how firms hold on to the customers they already have. Firms that maintain lower operating and production costs may have more flexibility to sustain competitive pricing, which can encourage customers to keep purchasing from them rather than switch to rivals. This finding is consistent with Arslan (2020) who found that customer loyalty is central to achieving sustainable competitive advantage. Similarly, it agrees with Adaji and Njuguna (2024) that cost efficiency practices supported sustained firm performance, an outcome closely tied to a firm's ability to retain its existing customer base. This enabled firms to build more stable, long-term relationships with their customers. The finding provides stronger support for the RBV. The RBV explains how a firm's internal capabilities, including cost-control practices, can be combined and utilised effectively to sustain competitive outcomes over time (Barney, 1991; Makadok, 2001). The present finding is consistent with this view. Cost leadership can help firms preserve product value while controlling costs, allowing them to retain customer confidence rather than lose it to price-based competition. Rounaghi et al. (2021) also showed that strategic cost management supports corporate sustainability in manufacturing companies. The finding therefore suggests that cost leadership may help manufacturing firms in South-South Nigeria build more durable customer relationships in a market where price sensitivity and access to alternative products are common.

Findings showed that quality focus has a significant positive effect on the brand reputation of manufacturing firms in South-South Nigeria. Having high product standards means manufacturing companies can reinforce their customer and other stakeholder image in a positive way. This finding corroborates reports by Adebayo (2024) and Ali (2022) that product quality also improves corporate reputation and customers trust in products. This is more evidence for the RBV than for the MBV. According to Barney (1991), RBV helps to explain how a company's internal, valuable, and hard-to-replicate resources lead to long-term competitive benefits. This study uses the term quality focus to describe an internal capability that is developed as a result of the quality-control systems, technology, and knowledge of an organization, which firms use to influence the

perception of the market in a positive way. This supports the resource-based reasoning that reputation is built from within the firm rather than imposed by market conditions alone. Makadok (2001) supports this argument, as his work showed that competitive advantage depends on a firm's capability to combine and deploy its resources effectively, not merely on possessing them. The finding also offers some unique contributions. First, it focuses on manufacturing firms in South-South Nigeria, while many previous studies on product quality and reputation have examined retail firms or firms outside the manufacturing sector. Second, the study examines the effect of quality focus specifically on brand reputation rather than on general firm performance. Third, it extends RBV reasoning to a resource-constrained manufacturing context where quality investment competes directly with cost pressures for limited firm resources.

Findings also showed that quality focus has a significant positive effect on customer loyalty among manufacturing firms in South-South Nigeria. This implies that manufacturing firms can retain customers over time by consistently meeting or exceeding product expectations. This finding is consistent with Naini, Santoso, Andriani, Claudia, and Nurfadillah (2022) and Kosasih, Hidayat, Hutahayan, and Sunarti (2024) who found that product quality significantly drives customer loyalty. This finding provides stronger support for the RBV than for the MBV. Barney (1991) posits that RBV explains how valuable and difficult-to-imitate internal resources, quality capabilities included, generate advantages that competitors cannot easily replicate. In this study, quality focus helps firms build repeated positive product experiences, which strengthen customer confidence and discourage switching to rivals. This supports the resource-based view that sustained customer relationships stem from internal capability rather than external market positioning alone. Arslan (2020) supports this argument, as her study found that customer loyalty functions as a genuine source of sustainable competitive advantage rather than a by-product of market conditions. The finding also offers some unique contributions. First, it focuses on manufacturing firms in South-South Nigeria, while many previous studies on quality and loyalty have examined the petrochemical sector or service industries outside Nigeria. Second, the study examines the effect of quality focus specifically on customer loyalty rather than on broader customer satisfaction outcomes. Third, it extends RBV-based loyalty findings to a manufacturing context where locally made products compete directly against imported alternatives for customer retention.

Conclusion

This study examined how strategic positioning can affect competitive advantage. It showed that cost leadership has a significant positive effect on market share and customer retention. Interestingly, this effect reflects firms' ability to respond effectively to competitive market pressures. Quality focus also showed significant positive effects on both brand reputation and customer loyalty. This indicates that internally built product capabilities support manufacturing firms in earning stakeholder trust as well as retaining customers over time. However, the study concludes that strategic positioning, through cost leadership and quality focus, plays a central role in strengthening the market share, customer retention, brand reputation, and customer loyalty of manufacturing firms in South-South Nigeria.

Recommendations

Based on the findings of this study the following recommendations were made:

- i. Manufacturing firms in South-South Nigeria should focus on maintaining and improving cost leadership strategies to enhance their market share.
- ii. Manufacturing firms should sustain competitive pricing through efficient cost management practices in order to retain their existing customer base.
- iii. Manufacturing firms in South-South Nigeria should emphasize and invest in quality control measures to enhance brand reputation.
- iv. Manufacturing firms should intensify continuous efforts to maintain and improve product quality to increase their customer loyalty.

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