EFFECT OF PRODUCT MARKET MATRIX ON THE PERFORMANCE OF MEDIUM ENTERPRISES IN NORTH CENTRAL, NIGERIA

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ABSTRACT

This research work examined the effect of product market matrix on the performance of medium enterprises in North Central, Nigeria. The researcher used primary data source from a sample of three hundred and eighty four (384) respondents obtained by the use of a structured questionnaire. The data collected was analyzed using descriptive statistics such as frequency, simple percentage and the relationship between the variables of the model were tested using multiple linear regression analysis. The hypotheses of the study were tested using the probability value of the regression estimates. The result of the regression analysis indicates that Market penetration strategy's regression coefficient is 0.401 and significant (p<0.05). Product development strategy is -0.059 and negligible (p>0.05). A one-unit increase in product development decreases medium firm performance by 0.059 units. A one-unit increase in market development strategy increases medium firm performance by 0.196 units (p>0.05). Product diversification approach has a strong coefficient of 0.319. This means a one-unit improvement in product diversification strategy increases medium firm performance by 0.319 units. It was concluded that businesses must consider the region's market conditions, competitive hurdles, and client behaviors to flourish. It was recommended among others that Market Penetration and Product Diversification Strategies are advised for medium enterprises in North Central Nigeria due to their benefits. Expanding market share and targeting existing clients can increase performance. Diversifying products to fulfill client needs can enhance revenue and performance. Firms should use both methods to optimize profits.

Keywords: Product Market Matrix, Performance, Product Strategy, Market Penetration, Market Development.

INTRODUCTION

Today Medium Enterprises have become the backbone of industrial development in many parts of the world. Medium Enterprises (MEs) play a significant role in both developed and developing economies. A more robust Medium Enterprises sector will help to build a nation's wealth, income generation, reduction of unemployment and sustainable innovation. One of the main issues that concern most of the policymakers at the helm of affairs is how to improve the economy through the support of Medium Enterprises in order to enhance sustainable economic development. In realization of the centrality of Medium Enterprises as drivers of economic growth in Nigeria through ensuring a shift from crude oil export as a major source of government revenue to an industrial and service-driven economy. For Medium Enterprises to grow, certain managerial strategies need to be deployed. One of the strategies often used by management is the market penetration strategy. Penetration as a business strategy concentrates on a firm's efforts toward the expansion of a firm's product. Using this strategy, a firm relies heavily on the manipulation of marketing variables to influence the customer's choice of brand and create a brand name reputation for its product (Uko, 2014). It is on this basis that a firm attracts customers and increases its market share. Penetration Strategy is known to be one of the main sources, if not the only source of sustainable competitive advantage. For this reason, businesses highly depend on it to improve their present and future outlook with regard to their respective pursuits. Penetration Strategy is believed to offer impressive results for any firm be it in the private or public sector and compete favourably. This study is specifically examining Ansoff's product-market matrix for a new product, existing product, new market and existing market using market penetration, product development, market development and product diversification strategies in order to increase its share of the market and sales growth.

Organizational performance provides the strongest linkage to the strategic goal, customer satisfaction and economic contribution of the organization. The drivers of organizational performance include strategic focus, leadership, knowledge management and others which are all key considerations in the growth of businesses. Maintaining sustainable performance and competitiveness is one of the main challenges that medium-scale enterprises have to address in order to attain success, especially in light of the highly dynamic nature of contemporary business environments. Achieving sustainable performance is important for achieving organizational success. It is related to the achievement of profitability, growth in market share, sales growth, customer patronage and customer loyalty. However, improving performance is a considerable challenge as it requires the organization to modify its strategies in order to adapt to changing conditions (Abdullahi et al. 2021). One of the key areas of organizational management that play a significant role in improving the sustainability of performance is the penetration strategy.

Statement of the Problem

In order for Small and Medium Enterprises to succeed, there have to be measures put in place to ensure that their growth is constant (Njofor & Jang, 2017). These measures are in the form of strategies formulated and implemented to attain set goals and objectives. Small and Medium Enterprises in Nigeria have been characterized by competition for market share, lack of knowledge and skills and financial constraints (National Bureau of Statistics, 2017). Statistics indicates that majority of medium enterprises in Nigeria die within their first five (5) years of existence, a smaller percentage goes into extinction between the sixth to ten (10) years while only about five (5) to ten (10) percent survive, thrive and grow to maturity stage. This business failure rate is alarming as economic growth in the country depends on the sustainable growth of such firms.

Little has been carried out to assess the influence of product market matrix strategies on the performance of the MEs sector in Nigeria. Formulating and implementing the best strategy that enables MEs to survive in a competitive environment as well as perform better is very important for the economy as a whole. Therefore, there is a need for a study that provides Medium Enterprises owners with information on the best strategy to adopt so to grow their businesses effectively which would in turn lead to an increase in their market share and revenue. The purpose of this study is to examine the effect of product market matrix on the performance of medium enterprises in North Central, Nigeria.

Objectives of the Study

The main objective of the study is to examine the effect of product market matrix on the performance of medium enterprises in North Central, Nigeria. The specific objectives of the study are to:

i. Determine the effect of Market Penetration Strategy on Performance of Medium Enterprises in North Central, Nigeria.
ii. Ascertain the effect of Product Development Strategy on Performance of Medium Enterprises in North Central, Nigeria.
iii. Investigate the effect of Market Development Strategy on Performance of Medium Enterprises in North Central, Nigeria.
iv. Examine the effect of Product Diversification Strategy on Performance of Medium Enterprises in North Central, Nigeria.

LITERATURE REVIEW

Conceptual Framework

Figure 1: Product Market Matrix

The Independent Variables

- Market Penetration Strategy
- Product Development Strategy
- Product Diversification Strategy
- Market Development Strategy

The Dependent Variable

Performance of Medium Enterprises
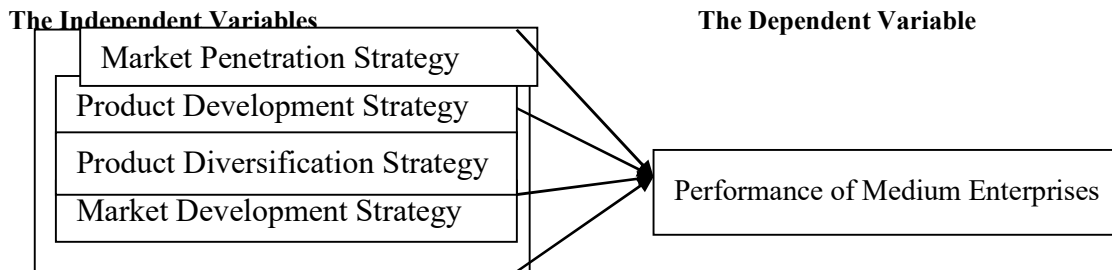
Source: Adopted and Modified from (Sheth & Sisodia, 2002)

Concept of Product Market Matrix

Ansoff matrix is one of the well-known frameworks for decision making about strategies for expansion. It was presented by Igor Ansoff in 1957 in his article 'Strategies for Diversification' and he gave four (4) market growth strategies. Ansoff (1957) concluded a business firm must continuously grow and change. The growth matrix is market penetration, market development, product development and diversification (Hall & Lobina, 2017). This matrix is used by marketers, who have valor to grow in market and create competitive advantage. Ansoff matrix offers strategic alternatives to accomplish these objectives (Lee, 2016). Ansoff (1965) explained the concept of strategy as the common thread among the organizations' activities and product markets that defines the essential nature of business that the organization was or planned to be in future. The definition stressed on the commonality of approach that exists in diverse organizational behavior. Firms and businesses are built around products and services that define their value offerings.

Figure 2: Ansoff's Matrix of Genetic Growth Strategies

		Product	
		Present	New
Market	Present	Market Penetration	Product Development
	New	Market Development	Product Diversification

Source: Ansoff, H. I. (1957). *Corporate strategy: An analytic approach to business policy for Penetration and expansion,* New York: McGraw Hill.

Ansoff product and market grid explores two (2) key dimensions, the Product and the Market while combinations of these two (2) Dimensions result in four (4) Growth Strategies. These includes: Market Penetration, Market Development, Product Development and Product Diversification Strategies.

The product-market matrix is aimed at winning larger market share, even at the expense of short-term earnings. This approach could potentially secure larger market share for the firm. Strategy is linked with the effective usage of development potentials and results of organizations that reacts to adopt itself to the environmental changes. Each firm should consider opportunities and threats coming from external environment and using them to better themselves by empowering their internal strengths and reducing internal weaknesses (Kotler, 2015). Market Penetration includes increasing the number of sales persons, increasing advertising expenditures, offering extensive sales promotion items or increasing publicity. Market Penetration is the simplest and first option for growth in most of firms. They are already in the market with a present or on hand product. It is clear that a successful new product development process is essential for firms to be able to successfully compete in the global market. An increasing number of firms are devoting major project initiatives and significant resources to develop better processes and to benchmark the best new Product Development (PD) practices of firm leaders.

For market development, when firms get maturity in current markets they find new markets for their ongoing products. Therefore, this is a marketing strategy to enhance firm's current level of income by increasing sales in new explored products. Porac *et al*. (2014) argued that product extension and Market Development notably and significantly affects firm's growth, and more assets are required for above purposes. Markets can be explored outside the current markets or unexplored needs and wants (Johns & Pineb, 2012). The Product Diversification Strategy involves creating a new

customer base product which expands the market potential of the original product, and that is why it is quite different from, Product Development. Product Diversification Strategy includes brand extensions or new brands and, in sometimes product modification can create a new market by introducing new uses for the product.

Concept of Performance of Medium Enterprises

The performance of medium enterprises refers to the overall effectiveness and success of these businesses in achieving their objectives and goals. It involves evaluating their financial, operational, and strategic performance in relation to their industry and market conditions. Elements and standards of performance should be able to be measured, understood, checked and reachable. Medium enterprises success is based on their marketing and entrepreneurship skills, their work environment, and the materials and infrastructure they have access to. Hofer (2013) indicated that performance is a context-based term that is related to the thing being studied. In the context of an organization's financial performance, performance is a way to measure the change in the firm's financial state or the financial results that come from choices made by management and carried out by company members. Since how these results are seen depends on the context, the measures used to show success are chosen based on the situations of the firms being looked at. The measures chosen show the results, whether they were good or bad (Robert, 2014).

The Dimensions of Medium Enterprises Performance used in this study are Sales Growth, Market Shares, Customers Patronage and Customer Loyalty. Sales growth refers to the amount a firm derives from sales compared to a previous corresponding period of time in which the later sales exceed the former. It is usually given as a percentage. Sales growth is considered positive for a firm's survival and profitability. It is an important measure of performance. Sales growth targets play a major role in the perceptions of business managers. Market shares mean shares of the actual sales (either in quantity sold or naira volume) for a product in a given period and in a given geographical area. It is a percentage of a market (defined in terms of either units or revenue) accounted for by a specific entity. Customer patronage is the approval or support provided by customers with respect to a particular brand. Patronage delivers the foundation for an established and growing market share. Perutkova and Parsa (2010) advocated that customers have unpredictable degree of patronage to particular services, stores and other entities. Customer loyalty means customers' willingness to buy a brand frequently over all others. It is both an attitudinal and behavioural experience with one brand that satisfies the customers' needs and desires. If the customers are familiar and satisfied with one product having other options, then it is customer loyalty.

Empirical Review
Market Penetration and Performance

Adamu (2020) examined the effects of market penetration on the performance of small and medium-scale enterprises in Makurdi Metropolis, Benue State, Nigeria. A population of 512 and a sample of 225 and were randomly selected. Multiple regression analysis was used as a method of data analysis. Market segmentation, product packaging and product pricing all had a positive effect on the performance of small and medium enterprises in Makurdi Metropolis, Benue State and the effect is statistically significant (p<0.05). Sales Promotion was negatively related to the performance of small and medium enterprises in Makurdi Metropolis.

Auma and Waithaka (2020) employed a cross-sectional survey design involving the total population (census) of the 33 public universities in Kenya. The cross-sectional survey design was used because of the comparative analysis across the public universities in Kenya. The study findings were presented through frequency distribution tables. The study found that market penetration growth strategy has a positive influence on the performance of public universities. The study was done in Kenya as such its findings cannot be used for effective decision the Nigerian context due to problems of external validity in knowledge.

Adamu (2020) carried out the effect of marketing strategies on the performance of small and medium scale enterprises in Benue State, Nigeria. The researcher used primary data for the study from population of 490 registered small and medium scale enterprises. A sample of 220 respondents used for the study and information from the respondents were obtained by the use of a structured questionnaire and analyzed using Ordinary Least Square Regression analysis. The result of the regression analysis indicates that a pricing (PRI) has a positive effect on Performance of Small and Medium Scale Enterprises in Benue State (PFM) and the relationship is statistically significant (p<0.05) and in line with a priori expectation. Promotion (PRO) was negatively related with Performance of Small and Medium Scale Enterprises in Benue State (PFM) and the relationship is not statistically significant (p<0.05) and in line with a priori expectation. Promotion (PRO) was negatively related with Performance of Small and Medium Scale Enterprises in Benue State (PFM) and the relationship is not statistically significant (p>0.05) and not in line with a priori expectation. Branding (BRD) is positively related to with Performance of Small and Medium Scale Enterprises in Benue State (PFM) and the relationship is statistically significant (p<0.05) and in line with a priori expectation. This means that a unit increase in branding will lead to a corresponding increase in Performance of Small and Medium Scale Enterprises in Benue State (PFM) by a margin of 7.0 percent.

Mohammed (2020) evaluated the influence of market penetration strategies on the performance of Telkom Kenya Limited. The study employed questionnaires to collect primary data. The data collected was analyzed using both

descriptive statistics and presented in tables, charts and figures. Regression analysis was used to how the relationship between variables. The study established that pricing strategy, distribution channel strategy, diversification strategy and differentiation strategy had positive significant influence on organizational performance.

Luvusi and Murigi (2019) aimed at investigating the influence of market penetration strategy on the performance of Telkom Kenya Limited in Nairobi City County. The study adopted a descriptive research design. Quantitative data was analyzed using descriptive statistics such as mean and standard deviation and presented using tables, figures and charts. Inferential statistics were analyzed using correlation analysis and multiple regression analysis. The study found that market penetration strategy had a significant influence on the performance of Telkom Kenya Limited.

Muga and Santamaría (2018) examined market penetration strategies and the fee-performance relationship: The case of Spanish Money Mutual Funds. The findings shows that there is no relationship between fees and performance because this strategy is optimal. In order to analyse this relationship during the other stages of the product life cycle, funds under three (3) years old were omitted from the analysis. Among the remaining funds, those with the highest fees are found to present a higher gross return than the low-fee funds, although the difference is not statistically significant. Nevertheless, in terms of net returns, low-fee funds are observed to stochastically dominate high-fee funds for any risk-averse investor.

Alkasim (2017) examined the relationship of market penetration strategy, market development strategy and the competitive advantage (cost leadership) of manufacturing-based SMEs in Nigeria. The study finding shows that market penetration strategy has a significant positive impact on cost leadership. Similarly, the result found that market development strategy had a significant positive influence on cost leadership strategy of manufacturing-based SMEs of Nigeria. This current study focuses on north central Nigeria given a dearth of empirical studies in this region.

Ooga *et al*. (2016) studied Market Penetration Strategy and Competitiveness of Mobile Telecommunication Service Providers. Multiple regression analysis was used to establish the relationship between the dependent and independent variables of the study. The findings of the study revealed Market Penetration Strategy also correlates positively with organizational competitiveness. There were positive correlations between Market Penetration Strategy implementation on the one hand, and customer experience management ($r=0.680$, $p<0.005$), and organizational competitiveness ($r=0.579$, $p<0.005$) on the other.

Akintoye (2015) examined Market Penetration Strategy as a Growth Strategy for Improving Market Share of Multi-choice Nigeria. The findings suggest that Penetration Strategy which has the highest pay off with the lowest risk be adopted to improve market share of Multi Choice Nigeria. The study also indicates that loyalty programs, free preview and discount pricing strategy have a significant influence in attracting competitors' customers.

Sije and Oloko (2013) examined the relationship between penetration pricing strategy and the Performance of the Small Medium Enterprises in Kenya. The data collected was then analyzed using descriptive and inferential statistical tools and the information generated was presented in form of figures and tables. The Researcher found out that there was strong positive correlation between Penetration Pricing Strategy and Performance.

Product Development and Performance

Iheanachor *et al.* (2020) investigated the impact of product development practices on the performance of new financial products and services through the analysis of ten in-depth case. The study argues that weak product development practices negatively affect product performance. This study further showed that when poor execution follows inadequate product development practices, the likelihood of product failure increases, as evidenced by poor product performance and low adoption. This study adopted a quantitative approach based on the nature of objective to be achieved.

Afolaran *et al.* (2019) investigated the relationship between new product development and competitive advantage in the food and beverages industry. A survey research design was adopted for the study and sample size of 364 was selected. A structured questionnaire was used. Data generated were analyzed using correlation analysis. Results revealed a significant relationship between new product development and competitive advantage.

Maldonado *et al.* (2018) undertook a study in order to examine the consequence of technology capabilities on the quality of small businesses (SMEs) in Mexico's regional development and emerging economy. The methodology used was quantitative and hypotheses were tested by Modeling of formal equations (SEM). Data were collected and collected by surveying questionnaires answered through 308 firms situated across the Mexican State of Aguascalientes. The outcomes from the study stated that product, marketing development and leadership innovation affect a favourable and substantial impact on Mexican SMEs ' firm return.

Njofor and Ajang (2017) carried out an assessment of market growth strategies in a multinational company: The Case of Komatsu Forest, Ghana. The analysis of the empirical findings showed that this company implements acquisition, partnership/networks and diversification at the corporate level and high pricing, differentiation at the business level as its market growth strategies.

Orji et al. (2017) assessed the impact of new products development on the profitability of Nigerian deposit money banks. The study is a survey research and Primary and secondary data were applied and formulated hypotheses tested using kendal co-efficient of concordance. The findings of the study revealed that there is a relationship between new product development and profitability in Nigerian deposit money banks, and poor knowledge of the benefits derived from new product innovation is responsible for low rate of profit maximization in banks.

Mbithi et al. (2015) examined empirically the effects of new product development strategy on company performance. Consistent with the study's hypothesis, this study's results show that introduction of other new products other than sugar has largely been minimal while improvement of existing products has adopted through packaging and branding. Resultant performance was positive in total output turnover, sugar sales quantities, capacity utilization was moderate while profitability after tax gave fluctuating results. Performance was fairly responsive to improvement of product processes procedures but poor in introduction of new products since actualization is yet to be realized.

Udegbe (2014) proposed a new model that incorporates many factors that are found to positively influence the new product development (NPD) process and business performance and many other important parameters, which negatively affect the application of a new product development model and business performance, are also discussed. The research sample consists of 180 Nigerian manufacturing industries. Based on the data analysis, the findings observed that although some of the results correspond to the previous findings. However, it is found that culture, strategy and the ability of the personnel affect not only the NPD business plan but also the business performance.

Market Development and Performance

Asenge and Asue (2020) examined the effect of market growth strategies on the performance of small and medium-scale enterprises in Benue State, Nigeria. The findings of the study indicated that product development strategy and market penetration strategy have a significant effect on the performance of small and medium-scale enterprises in Benue State, Nigeria. The study also revealed that quality customer service strategy has a significant effect on the performance of small and medium-scale enterprises in Benue State, Nigeria.

Alkasim et al. (2018) examined the mediating effect of competitive strategy on the relationship between growth-level strategies, and firm performance. The study found that competitive strategy empirically mediates the relationship between the strategic growth of manufacturing-based SMEs and performance.

Omar and Omundi (2017) carried out An Analysis of Competitive Strategies and Performance of Small and Medium Enterprises in Kenya: A case of Nairobi Central Business District. Data was analyzed using quantitative techniques. Descriptive statistics were used to describe the characteristics of the collected data. Pearson's Correlation, Analysis of Variance (ANOVA), and Multiple Regression Analysis were used to establish the relationships among the study variables. The result of the findings indicates that Cost leadership, differentiation, market focus and strategic alliance were all found to have a positive and significant influence on SME performance. Unique contribution to theory, practice and policy:

Product Diversification and Performance

Wakwoma (2017) carried out a survey of the product diversification strategies adopted by firms in the banking industry in Kenya. Data was analyzed using frequency tables, standard deviation and results presented in tables. The research findings revealed that product diversification is adopted by commercial banks to a large extent. They widely pursued related diversification with relative variation across banks. The main benefits cited for product diversification strategy was increase in profitability, stability of earnings and customer loyalty while the main challenges faced was increased cost of coordination among various new products.

Idehen (2021) ascertained the impact of diversification on the performance of Small and Medium Enterprises (SMEs) in Nigeria. By using dynamic panel data models, the results provide statistical support for the existence of a horizontal S-shaped relationship between geographical diversification and performance. The findings also indicated that while related product diversification positively enhances the performance of those SMEs engaged in geographical diversification (albeit not indefinitely), unrelated product diversification may significantly impair it, especially for SMEs opting for low and high levels of international diversification.

Mehmood et al. (2019) examined the impact of corporate diversification and financial structure on the financial performance: Evidence from South Asian Countries. A sample of 520 manufacturing firms from Pakistan, India, Sri Lanka and Bangladesh was used. Panel data of 14 years from 2004-2017 was used to analyze the results. It was found that product diversification and geographic diversification significantly affect the firm financial performance.

Oladimeji and Udosen (2019) examined the effect of a diversification strategy on an organizational performance in the manufacturing sector. The study revealed that diversified organizations outperform undiversified ones in terms of Return on Assets (ROA) and Return on Investment (ROI). While related diversified organizations were discovered to be positive in terms of ROA (26.8%), unrelated and hybrid diversified organizations were positive in Return on Equity

(ROE) (81.7% and 20.5%). A diversified strategy leads to growth and profitability (20%) and a strong capital structure to cover liabilities (20%).

Njuguna (2018) investigation is on the influence of product diversification strategy on the performance of non-financial firms listed at the Nairobi Securities Exchange in Kenya. Data analysis was carried out using SPSS in the form of descriptive and inferential statistics. To exhibit the relevant relationships regression model was used. The study established that there was a significant positive relationship between product diversification and firm performance. Regression analysis revealed that 15.2% of changes in firm performance were attributed to use of this strategy.

Theoretical Framework
Market Based View Theory
This study was guided by the Market-Based View Theory (MBVT) as propounded by Bain (1968) who argued that industry factors and external market orientation are the primary determinants of firm's growth. The Market-Based View (MBVT) of the firm focuses on the link between organizations" strategies and their external environments. According to Grant (1991) its first basic assumption is that strategically relevant resources are distributed homogeneously among the firms within an industry. The second assumption refers to the mobility of these resources, which in the MBVT are highly mobile (Barney, 1991). Accordingly, for a firm to grow it must depend on its ability to take advantage of imperfectness on the market in which it sells its goods or services. This is to say, an organization has to identify a position in the industry where the company can best defend it against and the competitive forces or can influence them in its favor.

In the MBVT, a competitive advantage can be achieved by performing strategically relevant activities at lower costs than competitors or in a unique way that is valuable to customers (Porter, 2008). Therefore, the MBVT shows that the market expansion strategies under study (pricing strategy, distribution strategy, diversification strategy and differentiation strategy) can be pursued separately or in combination and have the long-term objectives to create a defendable position within the industry and to outperform competing actors within that industry.

Game Theory
The Game Theory was propounded by John Forbes Nash in 1950. Game Theory assume that firms are hyper rational utility maximizes, where rationality implies that they strive to achieve the most preferred of outcomes subject to the constraint that their rivals also behave in a similar fashion (Zagare, 2018). While there may be uncertainty regarding the expectations and actions of its rivals, a rational firm is expected to overcome uncertainty by forming competitive conjectures, subjective probability estimates of rivals' expectations and behaviour. In effect, Game Theory assume intelligent companies that can put themselves into the "shoes" of their rivals and reason from their perspective by putting forward best penetration strategies that will ensure their survival in the market place.

Ansoff Matrix Theory
Ansoff Igor is an applied Mathematician, Business Manager and is regarded as the father of Strategic Management. In the 1950s his work was developed and eventually published providing managers and the marketing world with a simple, practical tool that is in use fifty (50) years later. In essence the Ansoff product market matrix is a tool that helps firms decides their Product and Market Penetration Strategy. Ansoff product and market matrix suggests that a firm's attempts to grow depend on whether it markets new or existing products in new or existing markets. The traditional four (4) box grid or Ansoff matrix created the Ansoff product market matrix diagram in 1957 as a method to classify options for firm expansion. The simplicity of this model is that the four (4) strategic options defined can be generically applied to any firm. It is used by marketers who have objectives for Penetration (Ansoff, 1965). Ansoff product market matrix offers strategic choices to achieve the objectives.

Resource-Based View Theory (RBVT)
This study was based on Resource Based Theory by Grant (1991). According to Grant (1991) the Resource Based Theory (RBVT) approach to competitive advantage contends that internal resources are more important for a firm than external factors in achieving and sustaining competitive advantage. In this view, organizational performance is primarily determined by internal resources including physical resources, human resources and organizational resources. Grant (2010) observed that the resource-based view of organizations present different perspectives on how best to capture and keep competitive advantage. A firm must strive to achieve sustained competitive advantage by continually adopting to changes in external trends and events and internal capabilities, competences and resources and by effectively formulating, implementing and evaluating strategies that capitalize upon those factors. This theory is relevant to the study because RBV sees resources as key to superior firm performance. If a resource exhibits Value, rarity, immutability and organization (VRIO) attributes, the resource enables the firm to gain and sustain competitive advantage. Organizations should look inside the company to find the sources of competitive advantage instead of looking at competitive environment for it. Sustained competitive advantage can be achieved more easily by exploiting internal rather than external factors as compared to organization input-output view.

Open Systems Theory

Open system theory was developed by Ludwig von Bertanlanffy (1956), a biologist, but it was immediately applicable across all disciplines. Open system perspectives see organizations both as hierarchical systems and as loosely coupled systems. Open systems tend to have some semblance of clustering and levels. Gortner et al. (2012) the Open-Systems Theory assumes that all large organizations are comprised of multiple subsystems, each of which receives inputs from other subsystems and turns them into outputs for use by other subsystems. The subsystems are not necessarily represented by departments in an organization, but might instead resemble patterns of activity. Interdependencies and connections within a subsystem tend to be tighter than between subsystems. These "stable sub-assemblies" give a distinct survival advantage to the entire system. Open systems reflect the belief that all organizations are unique in part because of the unique environment in which they operate and that they should be structured to accommodate unique problems and opportunities (Hatch, 1997).

RESEARCH METHODOLOGY

Research Design

This study adopted survey design which follows quantitative methodology. Quantitative data in this study mean a measurement where numbers are used to represent the phenomenon being studied. Survey method provides a fast, cheap, efficient and accurate assessment and information about a given population (Zikmund *et al.,* 2013).

Population, Sample and Sampling Techniques

The target population of the study is Nine thousand, five hundred and eighty-six (9,586) Medium Enterprises in the North Central States and FCT. The population comprised; Benue, Federal Capital Territory (FCT), Kwara, Kogi, Nasarawa, Niger and Plateau State.

Two (2) sampling techniques was adopted and variously applied for the study. These are purposive and simple random sampling technique. Purposive and simple random sampling techniques were used to select the required one geopolitical zone (north central) and six (6) states and the FCT to be studied. In the choice of the sample for this study, the Researcher used simple random sampling technique. The technique provided each member of the entire target population equal and independent chance of being selected or included in the sample. The sample size for this research was determined quantitatively, using Taro Yamane's formula (1967) and to calculate the sample size. In a finite population, when the original sample collected is more than 5 percent of the population size, the corrected sample size is determined by using the Taro Yamane's formula.

$n = N/1 + N*(e)^2$

Where:

n is the sample size,

1 is constant,

N is the population size, and

e is the level precision (sample error) or the tolerable error in judging the population (Chukwuemeka, 2019 and Agburu, 2015).

For the purpose of this study 5 percent tolerable error will be allowed. Therefore, using the above formula we have;

$n = 9586/1 + 9586*(0.05)^2$

= 9586/1 + 23.97

= 9586/24.97

= 384

Therefore the sample size for the study is 384 (approximately), the sample size was selected randomly. The Bowley's formula of 1964 which talks about proportional population allocation will be used in calculating the individual size of the respondents according to States and Federal Capital Territory (FCT). Bowley's formula is used to allocate sample to various strata for proportion. It applies where the study area is sub-divided into other sub-units.

The Bowley's formula is:

$$nh = \frac{nNh}{N}$$

Where;

nh = the number of units allocated to each strata.

Nh = the number of participants in each strata (zone, ward, sector, state and so on)

n = the total sample size,

N = the population size

Applying this formula, we have;

Benue State

Nh = 1168*384/9586 = 47

Kwara State

Nh = 226*384/9586 = 9

Kogi State
Nh = 844*384/9586 = 34
Nasarawa State
Nh = 1120*384/9586 = 45
Niger State
Nh = 1358*384/9586 = 54
Plateau State
Nh = 2180*384/9586 = 87
Federal Capital Territory (FCT)
Nh = 2690*384/9586 = 108
The Questionnaire was distributed to the respondents across the selected states and Federal Capital Territory, Abuja.

Methods of Data Collection

In this study, data was collected from two (2) sources: primary and secondary data. The primary data was collected using the questionnaire method as the fundamental instrument to obtain the required data while the source of secondary data obtained by review of textbooks, magazines, lecture notes, newspapers, and materials from the internet which formed the literature background for this study.

Validation of the Instrument

Both content and construct validity were employed. While content validity was tested through the expert contributions from my supervisors and other experts in the field, construct validity was tested with the use of factor analytical tool that considered Kaiser-Meyer-Olkin (KMO) and Bartlett's Test of Sphericity. To establish the validity of the instrument, a pre-test study was carried out with thirty percent of the total sample of the study and the result of the pre-test study was subjected to confirmatory factor analysis as presented in the following tables. Thirty percent of the study sample i.e., 1/3 of three hundred and eighty four (384) which is one hundred and fifteen (115) respondents from the selected Medium Enterprises in the study area was used for the pilot study. One hundred and fifteen (115) copies of the questionnaire were administered to respondents in the study areas.

Table 1: Kaiser-Meyer-Olkin and Bartlett's test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.977
Bartlett's Test of Sphericity	Approx. Chi-Square	13.292
	df	10
	Sig.	.008

Source: Author's Computation using SPSS Version 26.0

A pilot study was conducted. The input variable factors used for this study were subjected to exploratory factor analysis to investigate whether the constructs as described in the literature fits the factors derived from the factor analysis. From Table 1, factor analysis indicates that the Kaiser-Meyer-Olkin (KMO) measure for the study's variable items is 0.977 with Barlett's Test of Sphericity (BTS) value to be 10 at a level of significance $p = 0.008$. The Kaiser-Meyer-Olkin measure result in this analysis surpasses the threshold value of 0.50 as recommended by Hair, Anderson, Tatham, and Black (1995). Therefore, we are confident that our sample and data are adequate for this study.

Table 2: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.761	35.221	35.221	1.761	35.221	35.221	1.446	28.928	28.928
2	1.346	26.912	62.133	1.346	26.912	62.133	1.407	28.140	57.068
3	1.022	20.437	82.569	1.022	20.437	82.569	1.275	25.501	82.569
4	.509	10.178	92.748						
5	.363	7.252	100.000						
Extraction Method: Principal Component Analysis.									

Source: Author's Computation using SPSS Version 26.0

The eigenvalues represent the amount of variance that each principal component explains. The first eigenvalue, 1.761, explains the most variance in the data, followed by the second eigenvalue, 1.346. The third and fourth eigenvalues, 1.022 and 0.509, explain less variance, and the fifth eigenvalue, 0.363, explains the least variance. In total, the five eigenvalues explain 99.02% of the variance in the data. This means that the first five principal components can be used

to represent the data very well. The first principal component alone can explain 35.21% of the variance, which is a significant amount. The second principal component can explain another 26.91% of the variance, and so on. The eigenvalues can be used to decide how many principal components to keep. A common rule of thumb is to keep the principal components that explain at least 95% of the variance. In this case, we would keep the first five principal components as the eigenvalues explains 99.02% of the variance in the data.

Reliability of Instrument

This is the consistency between independent measurements of the same phenomenon. It is the stability, dependability and predictability of a measuring instrument. It is also the accuracy or precision of a measuring instrument. To determine the reliability of the instrument from the result of the pre-test study carried out in the study area using one third of the sample, the Cronbach Alpha Coefficient test statistics was computed.

Table 3: Reliability Statistics

S/No	Variables	Cronbach's Alpha
1	Performance of Medium Enterprises (PFOM)	0.863
2.	Market Penetration (MKTP)	0.865
3.	Product Development (PDVM)	0.842
4.	Market Development (MKDV)	0.797
5.	Product Diversification (PDIV)	0.867
	Overall Cronbach	**0.851**

Source: Author's Computation, using SPSS Version 26.0

Table 3 shows the reliability statistics for individual variables and the overall reliability for the instrument. The result of the individual variables of the study indicates that the variable Performance of Medium Enterprises (PFOM) has a reliability of 0.863, Market Penetration (MKTP) has a reliability coefficient of 0.865, Product Development (PDVM) 0.842, Market Development (MKDV) 0.797 and Product Diversification (PDIV) 0.867. Table 3 also indicates that the overall Cronbach Alpha coefficient value is 0.851. Reliability Cronbach Alpha statistics of 0.70 is considered adequate and reliable for social science study. Hence, the instrument for data collection of this study falls above the limit of a reliable instrument for social science research.

Techniques for Data Analysis and Model Specification

Given the functional relationship between the variables of the study, the implicit and the explicit modeling for this study are as shown below:
Performance of Medium Enterprises will be measured in this study in terms of Market shares and Medium Enterprises which is collapsed into one concept "Performance" and will be captured in the questionnaire.

$$PFOM = f(MKTP, PDVM, MKDV, PDIV) \quad - \quad - \quad - \quad (1)$$

Where,
$Y = PFOM$ = Performance of Medium Enterprises
$X_1 = MKTP$ = Market Penetration
$X_2 = PDVM$ = Product Development
$X_3 = MKDV$ = Market Development
$X_4 = PDIV$ = Product Diversification
Therefore, the developed explicit from model and its specification is outlined below:

$$PFOM = b_0 + b_1 MKTPi + b_2 PDVMi + b_3 MKDVi + b_4 PDIVi + U_i - \quad - \quad - \quad (2)$$

Where b_0 = Constant or Intercept
$b_1, b_2, b_3 \& b_4$ = Regression Coefficients
U_t = Error terms
A priori expectation is given by
$b_1 > 0, b_2 > 0, b_3 > 0, b_4 > 0$

RESULTS AND DISCUSSION
Regression Results and Discussion

Before the presentation and discussion of the regression analysis, some diagnostic tests such as normality of the data and multicollinearity used for the analysis of this study are examined as shown below. The data normality is graphically presented as shown in figure 2.
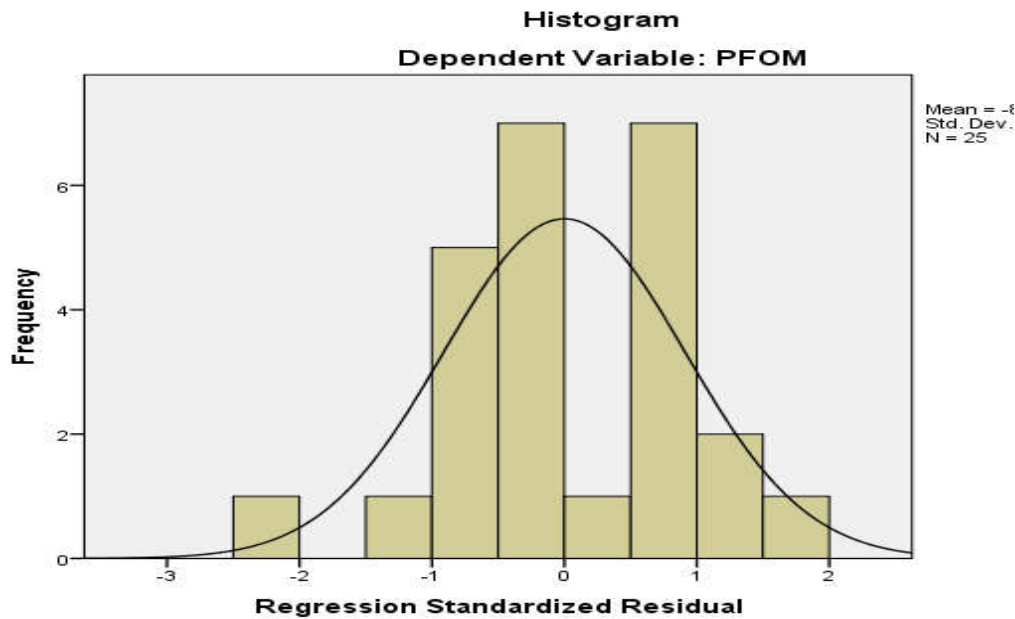
Figure 1: Regression Standardized Residual for Model I and II
Source: Author's Computation, using SPSS 26.0 2023

Figure 1 above shows a histogram of the residuals with a normal curve superimposed. The residuals look close to normal, implying a normal distribution of data. Here is a plot of the residuals versus the two dimensions of the dependent variable of Performance of Medium Enterprise (PFOM) in the study area. The pattern shown above indicates no problems with the assumption that the residuals are normally distributed at each level of the dependent variables and constant in variance across levels of the dependent variable. It is very unlikely that a histogram of sample data will produce a perfectly smooth normal curve like the one displayed over the histogram, especially if the sample size is small. As long as the data is approximately normally distributed, with a peak in the middle and fairly symmetrical, the assumption of normality has been met.

Table 4: Correlation Matrix: Test for Multicollinearity

		PFOM	MKTP	PDVM	MKDV	PDIV
Correlation	MKTP	-.351	1.000			
	PDVM	.042	-.284	1.000		
	MKDV	-.143	.049	.353	1.000	
	PDIV	-.424	.081	-.172	-.322	1.000

Source: Author's Computation, using SPSS 26.0 2023

Multicollinearity refers to a situation in which two or more independent variables in a regression model are highly correlated, making it difficult to distinguish the individual effects of each variable on the dependent variable. To determine if multicollinearity exists in the given correlation coefficients, we need to look for high correlations (close to +1 or -1) between pairs of variables. Our analysis of the correlation coefficients in Table 4 reveals no strong multicollinearity concerns. While some variables exhibit moderate correlations (around +/- 0.4), none are close to +1 or -1, suggesting the independent variables in the regression model are likely not highly redundant and their individual effects on the dependent variable can still be distinguished.

Table 5: Statistical Significance of Model I and II

		ANOVA[a]				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	456.750	4	456.750	4.173	.000[b]
	Residual	2189.010	20	109.450		
	Total	2645.760	24			

a. Dependent Variable: PFOM
b. Predictors: (Constant), PDIV, MKTP, PDVM, MKDV

Source: Author's Computation, using SPSS 26.0 2023

The F-ratio in the ANOVA Table 5 tests whether the overall regression model is a good fit for the data. The table shows that the independent variables statistically significantly predicts the dependent variable for the model of the study as the probability value of the F-distribution ($p = 0.000$) is less than the critical value of 0.05. This shows that the regression model is a good fit of the data). This findings means that all the independent variables of the model are significant predictors of the dependent variable of performance of Medium Enterprises in the study area.

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.842[a]	.709	.501	10.46186

a. Predictors: (Constant), PDIV, MKTP, PDVM, MKDV
b. Dependent Variable: PFOM

Source: Author's Computation, using SPSS 26.0 2023

Table 6 shows the coefficient of determination R^2 for the models of the study. The coefficient of determination for is 0.709. These indicate that 70.9% of the variations in the model can be explained by the explanatory variables of the model while 29.1% of the variations can be attributed to unexplained variation captured by the stochastic error term.

Table 7: Collinearity Diagnostics

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions				
				(Constant)	MKTP	PDVM	MKDV	PDIV
	1	4.720	1.000	.00	.00	.01	.00	.00
	2	.166	2.331	.00	.01	.48	.00	.17
1	3	.078	3.799	.01	.06	.29	.09	.51
	4	.024	4.889	.00	.50	.18	.71	.12
	5	.011	5.423	.99	.42	.04	.20	.20

a. Dependent Variable: PFOM

Source: Author's Computation, using SPSS 26.0 2023

The result of the collinearity diagnostics test for model of the study in Table 7 indicates that there are no serious problems with multicollinearity. Several Eigenvalues are close to 0, indicating that the predictors are highly intercorrelated and that small changes in the data values may lead to large changes in the estimates of the coefficients. However, condition indices values, which is a measure of variance inflation factor, greater than 10, indicate a possible problem with collinearity. As shown by the result of the condition indices which indicates that none of the values are larger than 10.00. This suggests that there is no serious problem with collinearity in the dataset used for this study.

Table 8: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
	(Constant)	65.374	17.046		3.835	.001		
	MKTP	.401	.103	.298	3.893	.001	.913	1.095
1	PDVM	-.059	.169	-.080	-.351	.729	.806	1.240
	MKDV	.196	.275	.166	.713	.484	.764	1.309
	PDIV	.319	.128	.232	2.492	.029	.907	1.102

a. Dependent Variable: PFOM

PFOM = Performance of Medium Enterprises, MKTP = Market Penetration, PDVM = Product Development, MKDV = Market Development and PDIV = Product Diversification

Source: Author's Computation, using SPSS 26.0 2023

Market Penetration Strategy (MKTP)
Regression analysis in Table 8 shows that MKTP's coefficient is 0.401, which is statistically significant. The p-value of 0.001 is much lower than the generally accepted 0.05 criterion, suggesting that market penetration strategy has a substantial effect on the performance of SMEs. As a result, we can argue that market penetration strategy significantly improves the performance of medium businesses in North Central Nigeria, thereby rejecting the null hypothesis. Adamu (2020), Auma (2020), Mohammed (2020), Luvusi (2019), and Alkasim (2017) all come to similar conclusions. Market penetration tactics and the fee-performance relationship: the instance of Spanish money mutual funds was also studied by Muga and Santamara (2018), who came to a similar conclusion. Strategies for market penetration and organizational development: a soft drink case was studied by Njomo and Margaret (2016), also discovered a positive and significant

impact. Similar findings were discovered by Ooga et al. (2016), who investigated the relationship between mobile telecommunications service providers' market penetration strategies and their level of competitiveness. Similar findings were observed when Akintoye (2015) looked at Market Penetration Strategy as a growth strategy for improving Multi-choice Nigeria's market share. Similar findings were reported in Njomo and Oloko's (2015) Market Penetration Strategies and Organizational Growth: A Case of Soft Drink Sector in Kenya. Penetration pricing approach was found to have a significant impact on the performance of Kenya's small and medium-sized businesses by Sije and Oloko (2013). When it is mentioned that a market penetration strategy has a substantial effect on the performance of Medium-sized Enterprises, it implies that the strategy of focusing on increasing the performance indices within their existing market has a significant impact on the overall success and performance of the Medium Enterprises in North Central Nigeria.

Product Development Strategy (PDVM)

The coefficient for the product development strategy is -0.059. Increasing product development strategy by one unit decreases Performance of Medium-Sized Enterprises by 0.059 units. The 0.729 p-value for product development strategy exceeds the significance threshold. Since the coefficient for product development strategy is not statistically significant, its impact on the Performance of Medium-Sized Enterprises is unknown. The significance level of 0.05 is inadequate for a probability of 0.729%. The results of the study are presumably due to chance. We cannot reject the null hypothesis and conclude that product development strategy has little effect on medium-sized firms in North Central Nigeria. This finding is consistent with that of Iheanachor et al. (2020), who analyzed ten in-depth case studies to determine the effect of product development practices on the performance of new financial products and services and found that when poor execution follows inadequate product development practices, the likelihood of product failure increases. Udegbe (2014) discovered similar findings of a negative effect. Several researchers discovered contrary results: Afolaran et al. (2019) discovered a positive correlation between new product development and competitive advantage in the food and beverage industry. Maldonado et al. (2018) examined the impact of technology capabilities on the quality of small and medium-sized enterprises (SMEs) in Mexico's regional development and emerging economy and discovered a positive influence. Orji et al. (2017) evaluated the effect of new product development on the profitability of Nigerian deposit money institutions and discovered a positive and significant impact. Mbithi *et al*. (2015) empirically examined the effects of new product development strategy on company performance and discovered a positive and statistically significant effect. In other words, the current research revealed that the product development strategy is not a significant indicator of the success of medium-sized enterprises in the North Central region of Nigeria. This makes it highly unlikely that the product development strategy will aid medium-sized businesses in this industry in improving their performance. When a product development strategy has a negative impact on the performance of Medium-Sized Businesses (MSBs), it can have repercussions on the company's overall success and growth. These repercussions include financial strain on the company, inefficient resource allocations, competitive disadvantage due to the loss of competitive edge, and lost opportunities as a result of concentrating on a failed product development strategy while overlooking other market opportunities or emerging trends.

Market Development Strategy (MKDV)

In a similar vein, it has been determined that the coefficient for MKDV is 0.196, which means that an increase of one unit in MKDV is comparable to an increase of 0.196 units in PFOM. Despite this, the related p-value of 0.484 is greater than the significance threshold; hence, it is reasonable to draw the conclusion that the MKDV coefficient does not exhibit statistical significance. The result of testing the hypothesis that "market development strategy has no significant effect on the performance of medium enterprises in North Central, Nigeria" indicated that there is insufficient evidence to conclude that market development strategy has a significant effect on the performance of medium enterprises in this region. The probability value for this result was 0.484. This result indicates that there is not enough evidence to conclude that market development strategy has a significant effect on the performance of medium enterprises in this region. The results of the experiment that tested the hypothesis that "market development strategy does not have a significant effect on the performance of medium-sized businesses in North Central, Nigeria" imply this to be the case. Given this information, it is highly improbable that market development strategies will have a substantial impact on the overall performance of medium-sized enterprises in the North Central region of Nigeria.

This findings agrees with those of Asenge and Asue (2020) who examined the effect of market growth strategies on the performance of small and medium-scale enterprises in Benue State, Nigeria and found a positive and significant effect between the variables of the study. Also, Njofor and Ajang (2017) who carried out an Assessment of Market Growth Strategies in a Multinational Company in Komatsu Forest, Ghana found a positive and significant effect. Using a mediating effect of competitive strategy, Alkasim et al. (2018) examined the relationship between growth-level strategies, and firm performance with a manufacturing-based SMEs operating data in the North-West region of Nigeria. The study found a positive and significant nexus between the variables of the study. Omar and Omundi (2017) carried out An Analysis of Competitive Strategies and Performance of Small and Medium Enterprises in Nairobi Central Business District Kenya. The result of the findings indicates that differentiation, market focus were all found to have a positive and significant influence on SME performance. Also, Alkasim et al. (2018) who examined the mediating effect of competitive strategy on the relationship between growth-level strategies, and firm performance found that a positive impact to both market development on SME performance. A Market Development Strategy, which involves entering

new markets with existing products or services, can be seen as positive for Medium Enterprises (MEs) due to the potential for increased revenue streams and growth opportunities. However, there are situations such as when there is lack of understanding of new markets, when there is intense competition, market entry barrier, resource constraints, economic or market volatility among others. In these instances, Market Development Strategy might have an insignificant effect on SMEs' performance. Further study is required to fully understand this complex relationship.

Product Diversification Strategy (PDIV)

In contrast to PDVM and MKDV, PDIV demonstrates statistical significance with a coefficient of 0.319 and a p-value of 0.029. This implies that a one-unit increase in PDIV is associated with a 0.319 unit increase in PFOM. While the probability value of 0.029 is lower than the significance level of 0.05, it is not as low as 0.001. Therefore, although the null hypothesis can be rejected, there remains some caution in interpreting the results. The study suggests that product diversification strategy has a statistically significant impact on SME performance in North Central Nigeria, albeit not as pronounced as the impact of market penetration strategy. This finding is in line with that of Wakwoma (2017) who carried out a survey of the product diversification strategies adopted by firms in the banking industry in Kenya and found that for product diversification strategy resulted in increase in profitability, stability of earnings and customer loyalty which are all proxies of performance. Also, Bougherra, Rabeh and Nabila (2010) studied the impact of the diversification strategy on CONDOR firm competitive using regression analysis and indicates that diversification strategy contribute to the development of human resource, and to increase the efficiency and skills. Other researchers who found positive and significant effect between product diversification strategy and performance of medium enterprises are: Idehen (2021), Osorio et al. (2020), Mehmood *et al.* (2019), Oladimeji and Udosen (2019), Njuguna (2018), Wakwoma (2017) among others.

The findings of this study can be relied upon as potential issues of factor affecting the credibility of research results such as validity, reliability, normality, multicollinearity have been addressed. For multicollinearity, the findings indicate that there is no compelling evidence of multicollinearity affecting the regression analysis, suggesting that the relationships observed are not unduly influenced by intercorrelation among the independent variables.

The results of this study shed light on the varying impacts of penetration strategies on the performance of Medium Enterprises in North Central Nigeria. Market penetration strategy emerges as a significant and positive predictor of Medium Enterprises performance, as evidenced by its coefficient and low p-value. Product diversification strategy also demonstrates statistical significance, indicating its potential to influence ME performance, albeit to a lesser extent than market penetration. Conversely, the study does not find sufficient evidence to support the assertion that product development and market development strategies significantly impact Medium Enterprises performance in the region.

These findings have implications for Medium Enterprises and policymakers seeking to enhance SME performance. Market penetration strategy is highlighted as a viable approach for improving performance, and the study suggests that product diversification strategy can also play a role, albeit with a more moderate effect. Future research could delve deeper into the mechanisms through which these strategies impact Medium Enterprises performance and explore potential moderating factors that may influence these relationships. Overall, this study contributes to the understanding of how different penetration strategies can shape the success of Medium Enterprises in North Central Nigeria's dynamic business landscape.

CONCLUSION AND RECOMMENDATIONS

Conclusion

This study examines the complex relationships between Market Penetration Strategy, Product Development Strategy, Market Development Strategy, and Product Diversification Strategy, all of which are part of the product market matrix, and the crucial performance metric of medium-sized businesses in North Central Nigeria. The study's detailed analysis and interpretation revealed key insights into how these techniques interact and affect business performance in North Central Nigeria's ever-changing market.

According to the findings of the study, Market Penetration Strategy is vital to medium-sized firms in North Central Nigeria. Market Penetration Strategy's statistically significant positive link with performance suggests it promotes growth and success. Product Diversification Strategy may also improve medium enterprises in North Central Nigeria. Product diversification strategy's positive and statistically significant association with performance shows its value in business growth and success. However, the study illuminates how product and market development strategies affect North Central Nigerian medium-sized firms. These approaches have no effect on performance, despite their prominence in the product market grid. This shows the geographical complexity of these strategies' execution and results. These strategies do not boost performance, but they should not be ignored. Over time or in increasingly complex environments, their influence on performance may become obvious. It is concluded that for businesses to succeed in the region, they need to develop strategies that account for the unique market conditions, competitive challenges, and customer habits that exist there.

Recommendations

Based on the findings of the study, the following recommendations are made:

i.   Medium firms in North Central Nigeria should prioritize Market Penetration and Product Diversification Strategies due to their favorable effects. Expanding market share and targeting existing clients can increase performance. Diversifying product offerings to meet client needs can boost revenue and performance. To maximize rewards, companies should utilize both techniques extensively.

ii. The fact that the Product Development Strategy variable was found to have minor influence on performance does not make the variable useless, as the study found. It is strongly suggested that medium-sized businesses rethink and improve the way in which they handle this strategy. For Product Development Strategy, enterprises should focus on aligning new product offerings with the specific demands of the North Central Nigerian market.

iii. In a similar vein, when it comes to the insignificant effect of market development strategy on medium enterprises performance, it is recommended that a more specialized approach that takes into account the preferences and challenges of certain regions can provide better results. This could be the case since such an approach takes into account the preferences and challenges of specific regions. By tailoring these strategies to the particulars of their operating environments, businesses have the opportunity to discover opportunities that they had not previously considered.

iv. Managers/owners of Medium Enterprises in North Central Nigeria should invest in marketing and promotion. With the positive and significant nexus between product diversification and performance of Medium Enterprises in the study area, it is recommended that product diversification strategy are more effective when they are supported by marketing and promotion efforts. By investing in marketing and promotion, Medium Enterprises in North Central Nigeria can reach more potential customers and generate more sales which will lead to higher performance.

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