

## **Product Differentiation and the Performance of Aluminum Firms in North-Central Nigeria**

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### **Abstract**

*The study examined the relationship between product differentiation and the performance of Aluminum Extrusion Firms in North- Central Nigeria. The study was anchored on discrete theory of product differentiation by Anderson (1992). To accomplish the study objective, a survey research design was employed. The population of the study was 509 made up of management and staff of the focused Aluminum Extrusion Firms and Dealers in Aluminum products otherwise referred to customers out of which 260 were staff and management of Aluminum Extrusion Firms and 249 were Aluminum dealers otherwise refers to as customers. Primary source of data was used in collecting data for the study through self-administered questionnaire designed in five points Likert scale of strongly agree to strongly disagree. Data collected were analyzed with the aids of descriptive statistics in which tables, percentages and mean scores were used to reduce the data into comprehensible form. The hypothesis formulated for the study was tested using simple linear regression. The test revealed a significant positive relationship between product differentiation as proxy of Blue Ocean Strategy and customer loyalty as proxy of performance at ( $r=0.867$ ,  $p$ -value $<0.005$ ). Based on this finding, the study recommended that Management of Aluminum Extrusion Firms should as their strategy build strongly distinguishing features like colour, textures, and depths into their product so as to gain customer loyalty.*

**Keywords:** *product differentiation strategy, customer loyalty, value innovation*

### **Introduction**

Corporate universe is a proverbial battle ground for all commercial organizations. Survival belongs to the strong and the prepared. Strategy is one of the sure ways to break barriers and succeeds in the corporate market place. Essentially, the business universe comprises of two types of spaces: which are the Red and Blue Oceans (Iakovleva, 2021, Kim & Mauborgne, 2004). These two markets require two different strategies for operators in the market place. While the Red ocean market represents a traditional competitive market where participants struggle for the share of the market, in the Blue Ocean, competitors are of no consequence as they are rendered irrelevant. However, the continual reliance on competitive strategy in spite of the changing market dynamics and consumer preferences seem to have been responsible for the poor performance of the subsector. Continual struggling in a saturated market instead of looking ahead for new opportunities has affected the performance of the subsector in recent times. In search of a better way to wriggle out of the survival threat and sustainability of their organizations, Managers of the Aluminum Extrusion Firms have adopted the alternative strategy of Blue Ocean with a view to strengthening the performance of their organizations. It on the strength of the above therefore, that this study was carried out to examined the nature of relationship that exists between product differentiation strategy and performance of Aluminum Firms in North- Central Nigeria. The study was guided by the following research question, objective and hypothesis:

### **Research Question**

What is the nature of relationship between product differentiation and customer loyalty?

### **Research Objective**

To examine the relationship between product differentiation strategy and customer loyalty

### **Research Hypothesis**

Product differentiation has no relationship with customer loyalty

### **Literature Review**

#### **The Concept of Blue Ocean Strategy**

Blue Ocean as a concept emerged from the realization of the fact that the leading economic units cannot excel through conflict with competitors, rather, by creating new blue oceans (Hassan, 2022). Blue Oceans are untapped market spaces, which are beyond the reach of competitors (Kim & Mauborgne, 2005). It represents a market where competition is of no consequence. It is a market that its rule of engagement is yet set and yet touched by competition and therefore a market of the future (Kim & Mauborgne, 2005). It is a market that is characterized by uncontested market space, competition is made irrelevant, create and capture new demand, break the value-cost trade-off and pursuit of differentiation and low-cost concurrently (Rebbouth, 2019). In a Blue Ocean, market boundaries are reconstructed and customers are not been competed for. The means of goal achievement in this market is through value innovation. This leads to an inverse relationship between value and cost. It delivers value at a minimum cost to consumers. Unique in this market is that while consumers' value increases, cost decreases. Blue Ocean is a vehicle for improving the performance of an organization in today's global dynamic competitive market. And as a strategy, Blue Ocean is the simultaneous pursuit of differentiation and low cost. It represents a quantum leap in value to the consumer and increase in performance for an organization, and therefore represents a win- win situation for the consumers and organizations.

In the face of increasing threat to company's growth and survival as a result of competition occasioned by globalization and driven by information communication technology (ICT), Blue Ocean Strategy becomes important as a result of diminishing profitability, sales growth, market share and dying customer loyalty, customer satisfaction and threat of survival in competition laden organizations call for the deployment of the Blue Ocean Strategy. High level of competition that characterized Red Ocean Strategy whose main thrust is survival of the fittest and the bigger ones swallowing the smaller ones necessitate the desire for Blue Ocean Strategy.

The Blue Ocean Strategy seeks to achieve success by occupying distinct competitive position that is beyond the ability and capability of other economic units to compete (Nazar, Alaa & Abdulrazzaq, 2022). This is made possible by adopting new markets for unique products or services thereby attracting, retaining old and new customers.

#### **Product differentiation Strategy**

According to Sentanu (2019) to create a new demand and open up a new market space, the pursuit of differentiation can be considered as Blue Ocean Strategy. Differentiation is a Blue Ocean Strategy that an organization employs, to gain a competitive edge by increasing the perceived value of their products and services over and above the product or service of rival firms (Kedera, Magret, Sokataka, & Evans, 2015; Rahman, 2011). Differentiation strategy requires that the firm maintains unique features of its products, with the ultimate goal of achieving market leadership. Traditionally,

differentiated products attract premium price due to value added features that are high more than non-differentiated products. To achieve differentiation, company includes superior brand quality, utilization of various distribution channels, and continual and consistent promotional support to reinforce product distinctiveness in the mind of consumers. The Blue Ocean four paths action framework of raise, eliminate, create and reduce are applied to achieve differentiation. Variables such as unique values, superior brand quality, unique distribution channels and promotional support are raised and created to enhance the uniqueness of the organization's offerings while those costs that do not add to the uniqueness of the organization's products are reduced and eliminated (Kim & Mauborgne, 2015).

Product differentiation is based on several factors among which are product distinction, promotion, personnel, place and technology (Johnson, 2016). According to Barney (2014) differentiation is built on the fact that customers are many and scattered all over with different needs and sufficient spending capacity. It is also a prescription of the differentiation strategy that consumer's decision is not premised on price alone but on other non-price competing factors or promotional variables. It is believed that the motivating factor in customer patronage under differentiation is the perceived value of the organization's offering. The perceived value of the organization's offering makes customers to be less conscious to aspects of competing offers (Njuguna, 2021). The goal of differentiation therefore is to develop a position that is being perceived as distinctively unique offer based on certain characteristics that fulfils the peculiar needs of peculiar customers. The idea behind differentiation as competitive strategy is that by being unique in what an organization do, they stand out of the crowd in the red oceans, hence stands out of its contemporaries in the market place. To this end, firms and organizations have adopted diverse differentiation strategies to stay above competition in the market place. Some of these strategies are; offering quality products, wide selection, assortment, strategic positioning, unique after sale services, quality service, convenient locations, parking space, attractive design and layout, own branding/value addition and a one-stop-shop (Carpenter & Moore, 2010; Njeka, Okello & Otinga, 2019).

Differentiation in its simplest form is the provision to customers' products and services that are uniquely different from those of the competitors with an underlying goal of achieving a competitive advantage (Gareche *et al.*, 2019; Davia, 2021). Effectively differentiated, the company could develop a mechanism to go ahead of competitors on the radar of providing an excellent product or service that is far above the comprehension of competitors. Usually, firms adopting differentiation strategy sell a range of different products that vary significantly in performance, quality and also in service support (Ikilimo.org, 2014; Kedera, Magret, Sakatataka, & Evans, 2015). Hence, successful differentiation is composed of three aspects: command a premium price for a product; increase sales as a resulted additional buyers won by the organization differentiating features and buyer loyalty to the company's brand in the market place. To Kedera *et al.*, (2015), a product is differentiated if such product is perceived by customers as having features which make it unique from rival products or services and ideally distinct in some particular way and difficult to imitate.

### **The Concept of Extrusion Firms Performance**

Aluminum Extrusion Firm's performance is a multidimensional concept whose indicators are many and varied (Atalay, Anafarta & Sarvan, 2013). These indicators can be objective or subjective in measuring Performance (Dawes, 1999; Harris, 2001; Atalay *et al.*, 2013). What constitutes Manufacturing Firm Performance is not definitive but describable. The metric of performance according to Ziyaminyana and Pwaka (2019) include the level of customer satisfaction as measured by the numbers of complaints about the organization's product, number of returns made by

customers, the level of customer retention among others. Other metrics of performance are level of customer loyalty, customer satisfaction, product quality, and market share as well as customer retention. Extrusion firms' performance is a measure of the level of how resources of the organization are utilized to achieve the desired goals. In measuring manufacturing firm's performances, mostly subjective measures are preferred to objective measure (Atalay *et al.*, 2013, Gunday, 2015). The authors argued that the reason for the predominant use of subjective measure of manufacturing performance is that firms are not willing and are reluctant to disclose exact performance records, and managers of manufacturing firm are less willing to share the objective performance of their organizations. Also, objective measures limit the compatibility and accuracy of responses (Dess & Robinson, 1984; Gunday, 2011 and Porter, 1979). Equally, Atalay *et al.*, (2013) shared the same view when they held that subjective measures of performance received more attention of researchers than objective measures because of the difficulty involved in gathering hard financial data from private companies. The subjective measures adopted in the study are: Customer loyalty and, customer retention.

### **Customer Loyalty**

Customer loyal is a profound commitment to customer patronage of desired products or other services (Soltanmoradi, Poor, & Nazari, 2013). It is the continuous shopping of a product or service by customers with a strong resistance to change from patronizing the company's product in preference to other alternative available products in the market. Customer loyalty can be in the form of behavioural, attitudinal and selective viewpoints. Behavioural view point on the patronage of a specific product or service, and it is link with tasks and primary for the consumer. It is selective viewpoints is premised on selective factors on selection (Solanmoradi, *et al.*, 2013). A loyal customer to a product is less concerned about information about such product while trying to make purchase due to prior satisfaction derived from the product over time. Loyal customers of an organization form the fulcrum upon which the success of the organization revolves. It creates strategic advantage to the organization through cost reduction leading to the progress of the organization.

Customer loyalty is entrenched emotional bond that exists between an organization and its customers which is manifest through conscious and willingness of a customer for repeat purchase of a company's product in preference to competitors' products on a continual basis. The key Rs of loyalty are reward, relevance and recognition. Determinants of customer loyalty as identified in past researches are satisfaction, trust building, commitment, involvement, perceived risk, switching costs and ultimately habit. Essentially, loyalty can be built through offering of discounts, reward customers, encourage referrals, ask for feedback among others. The term customer loyalty is the behavioural description of customers to repeat purchase of an organization's product (Kumar & Advani, 2012). Customer loyalty can be gained by an organization through quality products, low costs, free offers, discounts, rebates, extended warranties as well as other incentive rewards and programmes (Ogunyemi, 2017). Essentially the goal that organizations pursue to have customer loyalty is to develop customers that are happy, willing to do repeat purchase and also willing to convince others to use the company's products or services. Loyal customers are self-advocate of the organization and its offerings. Though difficult to get a loyal customer in today's most competitive business environment, once it is achieved it becomes a cash cow for the organization. Ogunyemi (2017) identified product, services, brand, distribution, price and relationships as components of customer loyalty. Customer loyalty is a herculean, elusive and in most cases magical a goal to pursue by organizations. Nonetheless, a lot of benefits exist for an organization pursuing customer loyalty objectives among which are the fact that customers and expensive to acquire, keeping the one you

have that is loyal provides an organization to amortize acquisition costs and are ready to pay premium prices (Ganiyu, Uche & Elizabeth, 2012).

A loyal customer exhibits the attitude of recommending the company's product and services to others, continual purchase of the company's products or services, holding the company's products as superior to those of the competitors, not likely to seek alternative providers and hardly compromise the long-time built relationships (Ganiyu, *et al.*, 2012, Rashid, Nurunnabi, Rahman & Masud, 2020).

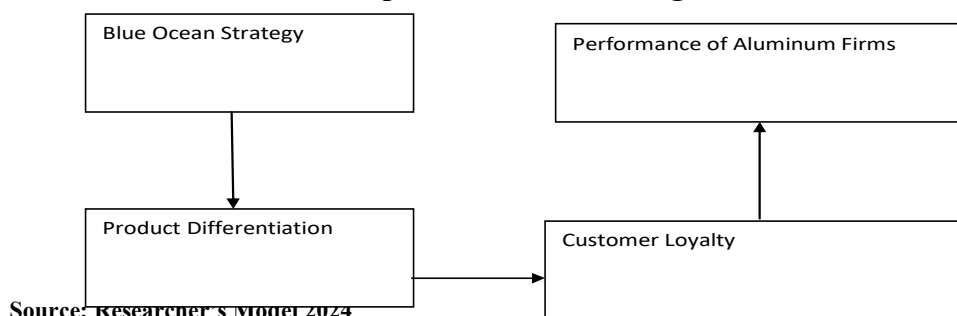
The drivers of customer loyalty are delightful customer service and delivery of superior customer value through quality product and services. It therefore presupposes that the fulcrum of customer loyalty is high valued products or services. Thus, the more loyal customer an organization can secure the more sales and profit it will make. Customer loyalty is a fundamental determinant of company long-term success and viability (Diaw & Asare, 2018 and Hajar *et al.*, 2022; Kuo, Wu & Deng 2009; Lee, 2010; Lin & Wang, 2006; Verma & Singh, 2017). Essentially, customer loyalty could be understood from two dimensions of behavioural and attitudinal perspectives (Chaudhuri & Holbrook, 2001). According to Lin and Wang (2006) in Hajar *et al.*, (2022) behavioural loyalty has to do with repeat purchases of the company's product from a known brand at all time. The attitudinal loyalty is a measure of the extent of dispositional commitment as regards to some unique characteristics or value associated with a given brand. In this study, customer loyalty would be measured by re-purchase intentions, usage continuity and willingness to recommend the company's products to other (Hajar *et al.*, 2022).

### Theoretical Framework

#### Discrete choice theory of product differentiation theory

The study was anchored on the Discrete choice theory of product differentiation as propounded by Anderson, et al., (1992), the theory held that product quality, its packaging, colour, and style has an important effect in the choice that consumer make when purchasing or patronizing a product of an organization. The theory further explains that understanding of the nature of product differentiation is very important to the understanding of the working system of modern market economies. Also, such understanding will aid in how to analyze the differentiated work functions employing discrete choice models of consumer behaviour. It provides a veritable synthesis of existing, often highly technical work in both differentiated markets and discrete choice models and expand this work to reinforce a coherent theoretical framework that underpinning research in imperfect markets. The merit of these models is that they build demand from well-specified utility characteristics of products (Kedera *et al.*, 2015). However, the demerit of this models is the restriction on consumer discretion in that they usually restraint each consumer to consider buying at most one unit of a good which is not always the case. The study is anchored on this theory due to its relevance.

#### Conceptual Framework: Figure I



## **Research Methodology**

### **Research Design**

In this study, a descriptive survey research design was applied. This type of research design allows the description of existing state of research phenomena (Abalaka, 2016, Njuguna, 2021). The descriptive survey research approach gives room for respondents to present their observations, experiences, values and perceptions relating to the subject matter.

### **Population of the Study**

Population of the study comprised of the group of Units with similar attributes that were of interest to the researcher and can be subjected to a study (Njuguna, 2021, Otto & Longnecker, 2015). In this study, two sets of respondents were of interest to the researcher as the target population. The two sets of respondents that were of interest in this study are: The Management and Staff of the Aluminum Extrusion Firms and Dealers in Aluminum products that serve as customers to the Aluminum Extrusion Firms in the North-Central Nigeria. The reason for the choice of two sets of respondents was that the Management and staff of the Aluminum Extrusion Firms formulates strategy to enhance performance in the market place and the customers who are the second set of the respondents determines the effectiveness of the strategy through patronage. This will forestall the Management and Staff of the Aluminum Extrusion Firms from becoming judges in their own case.

Since strategy issues are the prerogative of top management and their foot soldiers, the populations of the study were the management and employees of the Aluminum Extrusion firms in the North-Central Nigeria which was made up of 260 respondents. On the other hand, dealers in Aluminum products in North-Central Nigeria who are customers to the Aluminum Extrusion Firms were the second categories of respondents and they comprised of 249 respondents from 83 Dealers (customers). Thus, out of the 509-questionnaire distributed to staff and dealers in Aluminum Extrusion firms, a total of 462 was completed and returned made up of 91% retrieval rate.

### **Data Collection Instrument**

The study adopted the use of a semi-structured questionnaire as the instrument of data collection. The questionnaire was prepared in a five-point Likert scale of strongly agree (5), Agree (4), Neutral (3), Disagree (2) and strongly disagree (1) to elicit information from the target respondents. The choice of questionnaire as instrument of data collection was informed by its numerous advantages. It makes objective and unbiased response possible aside from the facts that it is easy to administer as well as cost effective relative to other methods of data collection. The instrument was tested for reliability and validity to ensure consistency and usefulness of information collected in answering the research questions (Njuguna, 2021).

### **Method of Data Collection**

Data for the study was sourced through primary and secondary sources. The primary data are the first-hand information collected from the respondents directly for the purpose of this study. The primary data was gathered through questionnaire. The secondary sources were the past works of various authorities on the subject matter that were used in the study. The secondary data were gathered through desk research and consultation on various Journals, Projects, Thesis, Dissertations and Text books.

### Method of Data Presentation and Analysis

The methods of data presentation and analysis in this study were descriptive and parametric statistics. Descriptive statistics was employed for preliminary statistical treatment of data collected into meaningful form. Instruments such as Likert scales, tables, mean scores, charts as well as percentages was applied in the analysis of raw data collected from the respondents into meaningful form. The parametric statistics that were used in the study was simple linear regression in testing the hypothesis formulated for the study.

### Data Presentation and Analysis

**Table 1 Descriptive Statistics on Product differentiation Strategy**

Product differentiation Strategy	SA 5	A 4	U 3	D 2	SD 1	Mean	Standard Deviation
1. Our Aluminum Extrusion firms have products with unique features different from other products in the market.	98 (41.7%)	76 (32.3%)	15 (6.4%)	22 (9.4%)	23 (9.8%)	3.87	1.32
2. We make sure the way we promote our products is different from how others promote theirs.	34 (14.5%)	23 (9.8%)	37 (15.7%)	26 (11.1%)	114 (48.5%)	2.44	1.62
3. Our firm always aims at superior brand quality which makes customers regard our products highly.	95 (40.4%)	82 (34.9%)	19 (8.1%)	22 (9.4%)	16 (6.8%)	3.93	1.22
4. We try to be unique in how we produce and sell our products.	91 (38.7%)	85 (36.2%)	19 (8.1%)	23 (9.8%)	16 (6.8%)	3.91	1.21
5. The Aluminum Extrusion Firms rely on the state of the art technology to make our product stand out in the market.	19 (8.1%)	0 (0%)	16 (6.8%)	143 (60.9%)	56 (23.8%)	2.07	1.02
Average mean/SD						3.24	1.28

Source: Field Survey, 2024

Table 1 shows the responses to the likert scale questions, mean and standard deviation. For the questions on whether the Aluminum Extrusion firms have products with unique features different from other products in the market, 98 respondents representing 41.7% strongly agreed that the Aluminum Extrusion firms have products with unique features different from other products in the market while 76 respondents made up 32.3% agreed. However, 15 respondents representing 6.4% were undecided as to whether the Aluminum Extrusion firms have products with unique features different from other products in the market arena and 22 respondents representing 9.4% disagreed that Aluminum Extrusion firms have products with unique features different from other products in the market. Nonetheless, 23 respondents made up of 9.8% strongly agreed that Aluminum Extrusion firms have products with unique features different from other products in the market. This means that most respondents agreed that Aluminum Extrusion firms have products with unique features different from other products in the market since the mean value of 3.87 and standard deviation 1.32 > 3.00. For the question on whether respondents make sure the way they promote their products is different from how others promote theirs, 34 respondents representing 14.5% strongly agreed that the way the company promote their products is different from how others promote theirs while 23 respondents made up of 9.8% agreed that the way the company promote their products is different from how others promote theirs. However, 37 respondents consisted of 15.7% were undecided as to how the company promote their products relative to others with 26 respondents comprised of 11.1% disagreed that the way the company promote their products is different from how others promote theirs while 114 respondents consisted of 48.5% strongly disagreed that that the way the company promote their products is different from how others promote theirs. Thus, this implies that most of

the respondents disagreed that the way the company promote their products is different from how others promote theirs since the mean value and standard deviation are 2.44 and 1.62 respectively justifying  $< 3.00$  mean criterion.

For the question on whether firm always aims at superior brand quality which make customers regard their products highly, 95 respondents representing 40.4% strongly agreed that firm always aims at superior brand quality which make customers regard their products highly while 82 respondents made up of 34.9% agreed that firm always aims at superior brand quality which make customers regard their products highly. Meanwhile 19 respondents comprised of 8.1% were undecided as to whether firm always aims at superior brand quality which make customers regard their products highly with 22 respondents made up of 9.4% disagreed with view that firm always aims at superior brand quality which make customers regard their products highly while 16 respondents representing 6.8% strongly disagreed with the view that the firm always aims at superior brand quality which make customers regard their products highly. Therefore, it means that most of the respondents agreed that firm always aims at superior brand quality which makes customers regard their products since the mean and standard deviation are 3.93 and 1.22 respectively justifying  $> 3.00$  mean criterion.

For the question on whether firms try to be unique in how they produce and sell their products, 91 respondents representing 38.7% strongly agreed with the view that the firms try to be unique in how they produce and sell their products while 85 respondents comprised of 36.2% agreed with the view that the firms try to be unique in how they produce and sell their products. However, 19 respondents made up of 8.1% were undecided as to whether the firms try to be unique in how they produce and sell their products with 23 respondents comprised of 9.8% disagreed with the view that the firms try to be unique in how they produce and sell their products and 16 respondents representing 6.8% strongly disagreed with the view that the firms try to be unique in how they produce and sell their products. This means that most of the respondents agreed that firms try to be unique in how they produce and sell their products since the mean value of 3.91 and standard deviation 1.21  $> 3.00$  mean criterion.

More so, for the question on whether the Aluminum Extrusion Firms rely on the state of the art technology to make their product stand out in the market, 19 of the respondents representing 8.1% strongly agreed that the Aluminum Extrusion Firms rely on the state of the art technology to make their product stand out in the market while 16 respondents made up of 6.8% were undecided as to whether the Aluminum Extrusion Firms rely on the state of the art technology to make their product stand out in the market with 143 respondents comprised of 60.9% disagreed with this view that the Aluminum Extrusion Firms rely on the state of the art technology to make their product stand out in the market while 56 respondents representing 23.8% strongly disagreed with the view that the Aluminum Extrusion Firms rely on the state of the art technology to make their product stand out in the market. The mean value is 2.07 and standard deviation is 1.02 indicating that most of the respondents disagreed that the Aluminum Extrusion Firms rely on the state- of- the- art technology to make their product stand out in the market since the mean value of 2.07 and standard deviation 1.02  $< 3.00$  mean criterion. Finally, on the average the mean value is 3.24 and standard deviation is 1.28 showing that responses on Product differentiation Strategy is high since the average mean result of 3.24 is higher than the mean criterion of 3.00.



**Table 2. Descriptive Statistics on Customer Loyalty**

Customer Loyalty	SA 5	A 4	U 3	D 2	SD 1	Mean	Standard Deviation
6. I will always refer people to patronize the products of this Aluminum company.	120 (51.1%)	37 (15.7%)	12 (5.1%)	49 (20.9%)	10 (4.3%)	3.91	1.35
7. I will always defend the product of the Aluminum firms whenever I have the opportunity to do so	123 (52.3%)	71 (30.2%)	24 (10.2%)	3 (1.3%)	7 (3%)	4.32	0.94
8. I have been the customer of this Aluminum company for a while now and will not leave the company.	134 (57%)	47 (20%)	35 (14.9%)	1 (0.4%)	11 (4.7%)	4.28	1.06
9. I will promote the product of the company	82 (34.9%)	25 (10.6%)	59 (25.1%)	56 (23.8%)	6 (2.6%)	3.53	1.27
10. I will like to be a brand ambassador of this Aluminum company	61 (26%)	1 (0.4%)	22 (9.4%)	67 (28.5%)	77 (32.8%)	2.57	1.60
	Average mean/SD					3.72	1.24

Source: Field Survey, 2024

Table 2. shows the responses on the likert scale questions, mean and standard deviation on customer loyalty. For the question on whether respondents will always refer people to patronize the products of this Aluminum company, 120 respondents representing 51.1% strongly agreed that they will always refer people to patronize the products of this Aluminum company while 37 respondents made up of 15.7% agreed that they will always refer people to patronize the products of this Aluminum company. Twelve (12) of the respondents representing 5.1% were undecided as to whether they will always refer people to patronize the products of this Aluminum company with 49 respondents comprised of 20.9% disagreed that they will always refer people to patronize the products of this Aluminum company while 10 respondents which constituted 4.3% of the respondents strongly disagreed that they will always refer people to patronize the products of this Aluminum company. The mean value of 3.91 and standard deviation of 1.35 > 3.00 means that most of the respondents agreed that they will always refer people to patronize the products of the Aluminum company.

For the questions on whether respondents will always defend the product of the Aluminum firms when they have the opportunity to do so, 123 respondents representing 52.3% strongly agreed that they will always defend the product of the Aluminum firms when they have the opportunity to do so while 71 respondents made up of 30.2% agreed that they will always defend the product of the Aluminum firms when they have the opportunity to do so. Meanwhile, 24 respondents comprised of 10.2% were undecided as to whether they will defend the product of the Aluminum Firms when they have opportunity to do so and 3 respondents made up of 1.3% disagreed as to whether they will always defend the product of the Aluminum firms when they have the opportunity to do so while 7 respondents (3%) strongly disagreed to defending the product of the Aluminum Firms even if they have opportunity to do so. The mean value is 4.32 and standard deviation of 0.94 > 3.00 showing that most of the respondents agreed that they will always defend the product of the Aluminum firms when they have the opportunity to do so.

For the questions on whether respondents have been the customer of this Aluminum Company for a while now and will not leave the company, 134 respondents (57%) strongly agreed that they will not leave the company while 47 respondents representing 20% agreed they will not leave the company. However, 35 respondents made up of 14.9% were undecided as to their continual stay with the company with 1 respondent comprised of 0.4% disagreed that they will continue to stay with company while 11 respondents representing 4.7% strongly disagreed that they will stay with the

company. The mean value of 4.28 and standard deviation of 1.06 > 3.00 indicating that most of the respondents agreed that they will not leave the company.

In addition, for the question on whether respondents will promote the product of the company, 82 respondents (34.9%) strongly agreed that they will promote the product of the company while 25 respondents made up of 10.6% agreed that they will promote the products of the company. Meanwhile, 59 respondents comprised of 25.1% were undecided about offering themselves as promoters of the product of the company. However, 56 respondents made up 23.8% disagreed that they will promote the product of the company while 6 respondents representing 2.6% strongly disagreed that they will promote the product of the Aluminum Company. Therefore, with the mean value of 3.53 and standard deviation of 1.27 which is > 3.00 it means that most of the respondents agreed to promote the product of the company.

For the question on whether respondents will like to be a brand ambassador of this Aluminum Company, 61 respondents representing 26% strongly agreed to be a brand ambassador of the Aluminum Company while 1 respondent made up of 0.4% agreed to be a brand ambassador of the Aluminum Company with 22 respondents representing 9.4% were undecided as to their willingness to be a brand ambassador of the Aluminum Company. Also, 67 respondents (28.5%) disagreed to be a brand ambassador of the Aluminum Company while 77 respondents (32.8%) strongly disagreed to be a brand ambassador of the Aluminum Company. The mean value of 2.57 and standard deviation of 1.60 < 3.00 indicating that most of the respondents disagreed. Finally the average means value of 3.72 and standard deviation 1.24 > 3.00 indicating acceptance of the overall response on customer loyalty.

### Test of Hypothesis

H<sub>0</sub>: There is no significant relationship between Product differentiation and customer loyalty.

H<sub>1</sub>: There is a significant relationship between Product differentiation and customer loyalty.

Table .3 Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.867 <sup>a</sup>	.751	.750	1.34823	.143

a. Predictors: (constant), product differentiation

b. Dependent variable: customers loyalty

The model summary table reports the strength of relationship between the independent and dependent variable. The result of R stood at 0.867 indicating a strong positive relationship between the dependent variable customers' loyalty and the explanatory variable product differentiation. The coefficient of multiple determinations R<sup>2</sup> measures the percentage of the total change in the dependent variable that can be explained by the independent or explanatory variable. The result indicates a R<sup>2</sup> of .867 showing that 87% of the variances in customers loyalty is explained by the product differentiation while the remaining 13% (i.e. 100 – 87) of the variations could be explained by other variables not considered in this model. The adjusted R-square compensates for the model complexity to provide a fairer comparison of model performance. The result is supported by the value of the adjusted R which is to the tune of 75% showing that if the entire population is used, the result will deviate by 11.6% (i.e. 86.7 – 75.1). with the linear regression model, the error of the estimate is considerably low at 1.34823. The result of Durbin Watson test shows .143 therefore it shows that there is no auto correlation.

Table 4. ANOVA<sup>a</sup>

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	5.439	1	5.439	102.992	.000 <sup>b</sup>
	Residual	410.807	226	1.818		
	Total	416.246	227			

a. Dependent variable: customers loyalty

b. Predictors: (constant), product differentiation

The ANOVA table confirms the results of model summary, analysis of the result revealed that  $F = 102.992$  which is significant at  $(0.000) < 0.05$ . Hence, since the P-value  $< 0.05$  (critical value), the null hypothesis that there is no significant relationship between Product differentiation and customer loyalty is rejected.

Table 5 Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.460	.277		12.510	.000
	Product differentiation	.117	.067	.114	1.730	.000

a. Dependent Variable: Customers loyalty

The coefficient provides information on how the explanatory variable (the estimated coefficient or beta) influences the dependent variable. The result shows that the regression constant is 3.460 giving a predictive value of the dependent variable when all other variables are zero. The coefficient of product differentiation is .067 with p-value of 0.000 less than (0.05%) critical value. Therefore, it can be concluded that the null hypothesis that there is no significant relationship between Product differentiation and customer loyalty is rejected.

Table 6 Summary of Regression Results and other Statistics

Regression		Product differentiation	Df	F
Coefficient	3.460	0.067	1	102.992
P. value	0.000	0.000	226	
R	0.867		227	
R <sup>2</sup>	0.751			

Source: Researcher Data analysis, 2024

The  $F$ -ratio in the table 6 shows that the variables of product differentiation statistically significantly predict customers loyalty,  $F(1, 226) = 102.992, p < .0005$  (this means that the regression model is a good fit of the data). Again, summary of regression equation (model formulated) and the result shows that  $R$  is 0.867 which is close to 1.00 meaning that it is useful for making predictions. The goodness of fit revealed that it has a good fit of  $R$  with 87% and  $R^2$  of 75% meaning that total variations in product differentiation is explained by variations in customers loyalty. Thus, all the estimated parameters predicting the value of customers loyalty outside product differentiation is 13% (i.e, 100-87) which is statistically insignificant. Therefore, this implies that the independent variable (product differentiation) contributes to the prediction of the dependent variable of about 87% with p- value of 0.000 which is less than 0, 05 affirming that there is a significant positive relationship between the dependent and independent variables.

## **Conclusion**

The study concludes that product differentiation that adds unique values to customers has the capacity to elicit customer loyalty and improve the performance of the focused Aluminum Firms.

## **Recommendation**

Based on the findings of the study, it is recommended that Aluminum Extrusion Firms should always distinguish their organization's offerings from others through building unique features like colour, textures, depths and uniqueness into their product/service delivery so as to engender customer loyalty.

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