Journal of International Relations, Security and Economic Studies (JIRSES), Vol. 3, No 1, 2023.
Available online at http://journals.rcmss.com/index.php/jirses. Covered in Scopedatabase-
https://sdbindex.com/Sourceid/00000434, google scholar, etc. **ISSN: 2756-522X**
Hilda E. Osisioma, Leonard Tabugbo Onwuzuligbo & Audu, Yakubu Philemon, 2023, 3 (1):1-16

Cost Leadership Strategy and Customers Satisfaction of Aluminium Products in North-Central, Nigeria

Prof. Hilda E. Osisioma[1], Leonard Tabugbo Onwuzuligbo[2], Ph.D
[1&2]Department of Business Administration
Nnamidi Azikiwe University, Akwa, Anambra State.

Audu, Yakubu Philemon[3],
(PhD Student)
[3]Department of Business Administration
Nnamidi Azikiwe University, Awka, Anambra State
Email: yakubu4audu@yahoo.com

Abstract
The study was conducted to examine the relationship between cost leadership strategy and customer satisfaction. The study was anchored on the Resource Based View Theory (RBV). To achieve the objectives of the study, a survey research design was employed. The population of the study was the composite of Management and staff of the focused Aluminum Firms as well as Aluminum dealers otherwise known as customers made of up of 509 out of which 260 was the population of the Aluminum Firms and 249 was the population of the Aluminum dealers respectively. Primary data was the sources of data used for the study and was collected through self-administered questionnaire designed in five points Likert scale of strongly agree to strongly disagree. Data collected were analyzed with the aid of descriptive and parametric statistical tools. The descriptive statistic tools used were tables, percentages, mean scores and standard deviation to reduce the data into comprehensible form. The parametric instrument used to test the hypothesis formulated for the study was linear regression. Upon the test of the hypothesis cost leadership and customer satisfaction (r= 0.917, P-value < 0.05). Based on the findings, the study recommends the adoption of cost leadership strategy by Management of the Aluminum Extrusion Firms with a view to making competition irrelevant and improves their performance. Hence, the study concludes, that cost leadership Strategy if properly adopted in the Management of Aluminum Extrusion Firms will improve the performance of this all-important dying subsector of the Nigerian economy.
Keywords: *Cost Leadership, Strategy, Customers, Satisfaction*

Introduction

The declining performance of the Aluminum extrusion firms and Manufacturing in general in Nigeria in recent time is a matter of concern to the government and private sector industrialists. In 2016 alone, according to Manufacturers Association of Nigeria (MAN) 270 Manufacturing Firms closed shop and some manufacturing concerns were operating at a loss while others are retrenching workforce to stay in business. The attendant economic and social challenges to the government and her citizenry can only be imagined. It leads to rising unemployment and social vices challenges to the government. Also, the poor performance of the manufacturing subsector has led to declining revenue of government, and high inflation due to importation. The contribution of the subsector to Gross Domestic product is a pantry 4.5% (MAN, 2017). To the private sector industrialist, the effect is monumental loss of investment and its returns.

The above scenario, however, is a product of several factors such as poor investment environment in the country to strategy summersault by Managers of Aluminum Extrusion Firms. The changing business environment as a result of globalization driven by Information Communication Technology

(ICT) comes with competition which requires change of tactics and strategy in line with the dynamics of the global business demand. No gain saying, therefore, that globalization is the driver of competition using ICT as the vehicle. This has led to intense scrambling for limited market share and demands extra-ordinary effort for sustainability and survival by firms in their chosen markets. As more competitors enter into the market space, market shares shrink, profit declines and survival become that of the fittest. Consequently, firms that cannot withstand the pressure quit the market and others remain marginally in the market space struggling to stay afloat. In the market, the strong eat up the weak (Mohammed, Ndinya, & Ogada, 2019). Being preoccupied by the pressure of competition, incentive to be innovative becomes less in a market with unprecedented high level of competition (Ozkaya, Droge, Hult, Calantone & Ozkaya, 2015, Malik & Audu, 2023). The futility in pursuing competitive strategy for growth and sustainability by Managers of the Aluminum extrusion Firms called for an alternative strategy of Blue Ocean. The Blue Ocean Strategy (BOS) represents a market where demand is created rather than being fought for and the rule of competition is of no consequence (Kim & Mauborgne, 2014).

The wisdom that underlies the Blue Ocean Strategy is that it makes Manager's look ahead to create a market in which competition cannot have influence on the growth, survival, sustainability and performance of the organization. It's characterized by the creation of new markets; new demand and the company leverage on value innovation to create something distinctively different that can add value to consumers. Blue Ocean Strategy through value innovation drives cost down and at the same time drives value up for buyers (Brady, 2005).

BOS is aimed at making competition irrelevant, creating new demand, differentiation and cost, breaking value cost trade-off and creating new uncontested market (Kim & Mauborgne (2014) and Mohammed *et al.,* (2019, Uchenna & Audu, 2021). It represents a leap in value for both the company and consumers and therefore a win-win situation.

A well driven Blue Ocean Strategy has the capacity to deliver a sound organizational performance. The metric of performance could be financial or non-financial (Thabet & Ramadan, 2022). It could be product quality, profitability, market share, sales volumes, and customer retention and customer satisfaction among others.

Empirical evidences have shown that Manufacturing Firms in Nigeria have been confronted with a lot of existential challenges in recent time (MAN, 2017). These challenges seem to have emanated from the insistence on traditional strategy models that focus more on competition and less on innovation by Managers of Manufacturing Firms in spite of the changing preferences of consumers and market dynamics (Cai, Chen, & Bruton, 2017; Vasiljeva, Ponkratov, Kuznetsov, Maramygin & Osinovskaya, 2019). Now more than ever, consumers have access to available information on various products than before which empower them to be more selective, and the influx of new products to the market arena as a result of competition to distract consumers (Friehe, Langlais, & Schulte, 2018; Stoian, Polozova, Didenko, Storoxhenko, and Moskvichova, 2018). This leads to declining customer loyalty, sales volume, Poor product quality, customer dissatisfaction, and inability to retain customers. The result of all these is poor performance and threat of survival and sustainability. This much was alluded to by the Manufacturer's Association of Nigeria (MAN) when it submitted that 270 Manufacturing Firms closed shop in 2016. The body further stressed that other Manufacturing Firms are retrenching staff to stay afloat (MAN 2017). Several studies have also been conducted in the past with a view to addressing these challenges. Among which are the work of (Ebele & Iorember, 2016; Kalu, *et al.,* 2017; Modebe & Ezeaku, 2014; Modebe, *et al.,* 2017; Olaide,

2019; Ugwuanyi & Charles, 2016). However, despite all efforts by government as well as stakeholders to address these challenges with a view to ensuring that Manufacturing Firms strive competitively, these challenges seem not to have been fully addressed.

To surmount these challenges in a fast-pace dynamic global business environment, Managers of Manufacturing Firms have had to shift focus from the strategy that only evaluate competitors that exist today, to developing strategies to adapt and remain innovative for the future (Vasiljeva, *et al*., 2019).

Consequently, Managers of the Aluminum Extrusion Firms particularly in North-Central Nigeria have adopted the Blue Ocean Strategy model. This is to pursue through value innovation strategy, cost leadership strategy, product differentiation strategy, product innovation strategy and pricing strategy with a mindset of making competition irrelevant, creating new market space to delivering superior and unique value proposition to the target market in a manner that would be uncontestable by competitors. This is with a view to improving the organization's customer satisfaction, product quality, customer retention, customer loyalty, sales volume and ultimately the improvement in performance and sustainability of the Manufacturing Firms.

Despite the adoption of Blue Ocean Strategy, the problem of poor performance of the Manufacturing Firms especially the Aluminum extraction firms seems to persist. This calls for an investigation into the relationship that exists between the Blue Ocean Strategy and the Performance of Aluminum Extrusion Firms in North-Central Nigeria which this study embarks upon.

Objective of the Study
To determine the relationship between cost leadership strategy and customer satisfaction.

Research Question
Following the research objective stated above, the study generated the research question thus:
How does cost leadership strategy relate to customer satisfaction?

Statement of Hypothesis
The study is guided by the hypothesis stated in its null form:
H_1: There is no significant relationship between cost leadership strategy and customer satisfaction.

Cost Leadership strategy
Cost leadership is otherwise called low-cost strategy. The cost leadership is attained by offering products or services to the market for consumers at a relatively cheaper price than those of competitors. This strategy raises sales and market share of the organization. The inability of the competitors to compete on the basis of cost makes their threat as rivals irrelevant (Islami, 2020).

The basis of low-cost strategy largely depends on managing costs. The cost advantages are deliberately achieved through the application of the Bleu Ocean four parts framework of raise, eliminate, create and reduce. Cost leadership position can be attained through the Blue Ocean constructs of eliminating cost that do not add value to creating customer value, raise those attributes that others in the market have not yet discover but can increase customer value. Also, use reduce construct to eliminate those features that increases cost but do not add value to customers and the organization and finally, create those attributes that will make the offerings of the organization unique and endear the product to customers. Porter (1985) and Iakovleva (2021) submitted that the

drivers of cost leadership are scale interrelationships, linkages, proprietary learning, policy choices, training and integration. The company size to some extent is key to drawing down costs due to volumes of production leading to low unit cost of production by the organization. Thus, cost leadership rests on the economy of scale, cost control, efficiency and network establishments (Ngugi & Murugi, 2022, Uchenna & Audu, 2021). The blue ocean strategy is founded on the basis of cost leadership. High value offering is made to customers at a low price and meeting emerging needs and wants as a result of value innovation which bring down costs as a consequence of high productivity (Naeem *et al.,* 2022).

Cost leadership strategy seeks to achieve above-average returns over competitors which would be achieved through low prices. This is attained by driving various components of activities toward dove-tailing costs downward (Rhoda & Dorris, 2018, Uchenna & Audu, 2022). For a company to pursue and achieve cost leadership strategy, such company must possess competencies in its basic activities. Cost leadership is a means of providing defensive mechanism against competitors. Manufacturing firms that seek to achieve their goals through cost leadership strategy follow policies of procuring their raw materials in large volumes. This enables them take advantage of volume purchases of inputs which drives down costs, engage in mass production of a limited range of products. Equally, in pursuit of cost leadership strategy, manufacturing firms limit their activities to the production of non-branded products or services with a view to cutting-down advertising costs, embrace significantly in the use of automation to take advantage of economies of scale and offensive pricing to capture market share.

Cost leadership strategy is often developed within the confines of the organization-wide efficiency (Rhoda & Dorris, 2018). Josiah and Nyagara (2015) held that porter's Generic competitive strategy postulated that in cost leadership strategy a firm distinguishes itself by becoming the low cost producer in its industry. The ingredients to achieving cost leadership are economies of scale, proprietary technology, and special access to raw materials. Cost leaders takes advantages of and seek on a continual basis area of achieving cost reduction.

Maulana, Zain, and Dhaniswara (2021) submitted that cost leadership strategy always focus on producing standardized products at a relatively low cost for customers. It is usually practiced by accompany with a broad target market. Effective cost leadership is driven by companies whose customers are price conscious. Well-articulated and packaged cost leadership strategy creates a barrier to competitors thereby preventing them from entering into the market with low prices. The price conscious customers go for the low-priced products thereby increase the market share of the organization. Cost leadership can be low-cost strategy in which case, a company gains competitive advantage through cost reduction below the costs of all the rival firms. It could also be cost leadership-best value in which best value is offered to the consumers in a wide market at the best price value available in the market.

Customer Satisfaction

Customer satisfaction is pivotal to the success of manufacturing organizations especially the Aluminum extrusion firms. It is one of the measures of the success of a strategy. This is because business owes its existence to customers (Audu, 2018). Satisfaction is crucial from the view of customer because it reflects a positive out-come from the outlay of scarce resources and the fulfillment of unmet needs (Kumar, 2015).

Equally, customer satisfaction measures how a product manufactured by an organization has the capacity to meet or even surpass customers' expectation (Danijela, Jasminka & Srecko, 2014). It is the barometer that business managers use to gauge the level of acceptability of their offerings in the market place. Customer satisfaction is a measure of the consumer's feelings of pleasure or disappointment emanating from the comparison of a product's perceived performance relative to expectations (llieska, 2013). It is common in literature that customer satisfaction has a positive relationship with organization's profitability. Common metrics of customer satisfaction are repeat purchase, brand loyalty, referrals; reduce complaints, increase sales volume and profit (Zairi, 2000; Audu, 2018). In the view of Wasfi and Kostenko, (2014) the determinants of customer satisfaction are quality of core products, pricing, service delivery, environment where product or service is consumed and the ultimate relationship with clients over time.

Customer satisfaction according to Danijela, Jasminka and Srecko (2015) is connected to growing revenue by an organization through competitive delivery of quality products to customers. Customer satisfaction is affected by the following factors; friendly employees, courteous employees, competitive pricing, product quality and quick service to customers (Zekiri, 2011). In a manner of speaking, customer satisfaction is a function of expectation and expectancy disconfirmation. Simply put, consumers become dissatisfied the moment the satisfaction derived from a product failed to meet their expectations. It is a complex concept and difficult one because of its interrelatedness. Dissatisfaction about one of the numerous features of a product may lead to dissatisfaction about the entire product by customers regardless of the fact that other dimensions of satisfaction are representing in the product (llieska, 2013).

Companies with the intention of achieving customer satisfaction can measure it with the followings:

Customer expectation versus perception: This measures the degree to which the company's product or service meets the expectation of customers.

Livelihood of recommending the product to friends: To know the level of customer loyalty to the product of a company, the company needs to know the possibility of customers recommending the company and its product to a third party.

Customer Experience versus Ideal Experience: Company tactically asks its customers to make a comparison of its product or service with the customers' expectations of what his ideal product would be. This is to enable the company to understand if the company's product and services offered meet the taste of its customers.

Overall satisfaction: This measures the level of customer's overall satisfaction with the offering of the company.

Affecting and cognitive satisfaction: Company consciously seeks customers to valuable by expensing what they like and dislike with company's offering in the market place. Cognitive satisfaction is being measured by asking the opinion of the customers about the usefulness of the company offerings.

Repeat Purchase Intention: This has to do with asking customers about their preference to the company's product on offer. This can be achieved through asking customer's repurchase intention, renew their contracts, or purchase more goods from the company.

Theoretical Framework

There are several theories underlying the study of Cost leadership Strategy and customers' satisfaction. Hence, this study examines the Resource Based View because of its relevance to the study.

The Resource Based View (RBV) Theory

The resource-based view theory was propounded by Wernerfelt 1984 and is based on the fact that organizations possess diverse level of resources at its disposal and that the strategy to be followed in achieving the goals of the organization is based on the resources at their disposal. Hence, strategies are resource driven and organization with unique resources stands to gain competitive advantage over and above its rivals in the market (Naeem *et al.,* 2022). In the Blue ocean market, organizations that possess a unique resource that are not imitable, valuable and irreplaceable can develop up to the point of taking unique advantage to render competition irrelevant through cost leadership and producing a product at a low price such that competitors cannot compete with them on the basis of cost. The resource-based model is premised on five main propositions according to Naeem *et al.,* (2022). One of the assumptions is that the resources is the pillar upon which strategic decisions are made by the organization, the company stands to acquire strategic competitive advantage, through selection of a distinct location, and attain valuable resources and such resource are scarce, unique, costly to imitate and above all irreplaceable.

Accordingly, the resources are considered as the main source of profits attained by the organization. This model dwells on the accurate evaluation of the organization's available resources and organizational abilities to be the heart of competitive advantage.

The heart of this theory is that when organization possess a unique resource that cannot be imitated by the market, such organization stands the chances of creating a scenario where other market participants cannot compete with the organization's offering in the market place. Hence, possession of resource superiority can make an organization a cost leader due to advantages garnered from economy of scale, massive use of recent technology and conquering a cheap source of supply of raw materials exclusive of other firms. All these provide an organization the opportunity to enter into an uncontested market such that can render competition irrelevant.

The hypothesis that cost leadership has a relationship with customer satisfaction is modeled on the resource-based view theory. This means that strategy built on resources advantage can make an organization a cost leader leading to offering a product at relatively low price than others in the market. Consequently, low price with value added products lead to customer satisfaction.

Research Methodology

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. It involves a conscious attempt and effort to the discovery of the nature of relationships or links as it relates certain variables without attempt or whatsoever to alter the prevailing environmental conditions. The approach is relevant to this present study as it sought to establish the nature of relationships that exists between Blue Ocean Strategy as independent variable and the Performance of Aluminum Extrusion Firms in North-Central Nigeria as the dependent variable.

Complete enumeration was applied. For the Aluminum Extrusion Firms, a complete enumeration of the 260 Management and Staff was taken and for the Aluminum dealers, three each of the Manager, Customer relations officer and sale person were purposively chosen from each of the 83 dealers across the North-Central Nigeria, hence a total of 249 respondents were obtained. Hence, the composite population of 509 comprised of Managers and staffers of the Aluminum Extrusion Firms who were the formulator of strategy on one hand as well as Aluminum products Dealers who were the customers that feel the impact of the strategy and were in a better position to measure the effect of the strategy served as the population of the study i.e 260 + 249. In each of the 83 registered Aluminum Dealers, 3 key personnel i.e Manager, sales officers and customer care officers were selected based on their direct link to implementation of policies in their organization and capacity to give informed opinion on the impact of strategy on their organizations. Therefore, 3 persons each of the Aluminum Dealers were selected for the purpose of administration of questionnaire. The population mix was in the ratio of 51% for Aluminum Extrusion Firms and employees and 49% for Dealers in Aluminum products based on their population.

A simple random and purposive sampling technique was adopted in this study. In doing this, management and staff of the Aluminum Extrusion firms as well as Aluminum product dealers were given equal chances of being selected. The samples were in the ratio of 51% to 49% respectively in line with their population sizes. The Management and employees of the Aluminum Extrusion Firms represents 51% of the population while the Aluminum Dealers otherwise known as customers represent 49% of the population in percentage terms. This is relative to their population.
To ensure fairness, respondents were proportionally considered relative to the number of employees that the organization has. To this end, the more numbers of the employees, the more respondents that were considered to be part of the study.

For questionnaire distribution, a simple random sampling technique was employed. To ensure its effectiveness, three trained research Assistants were employed to go round the states to conduct and administer the questionnaire on the respondents. Questionnaires were administered on the target respondents at the premises of the organization an exercise that lasted for three weeks. The questionnaire was distributed using the proportion.

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).

Validity of the Research Instrument
According to Abalaka (2016); Cohen, Manion, and Morison (2011); Njuguna (2021); Otache (2016) validity of research instrument measures its potential to evaluate what it is intended to measure. The study sought expert opinions to evaluate content validity and pretest was conducted to assess the construct validity status. The expert opinion method according to Njuguna (2021) involved seeking the direction of the supervisor to assess advice and correct where necessary and to enhance the ability of the research instrument to collect the required information. Hence, the expert opinion of my

supervisor was sought for and factored into the construction of the instrument to improve the content validity. To strengthen the instrument further, a pretest of the instrument was carried out. The pretesting was applied to assess the extent to which the information provided is actually and indeed the information sought for the study. The feedback from the pretest provides a veritable ground for the tuning and fine-tuning of the instrument to ensure desired information as sought for are provided.

Reliability of the Research Instrument

Reliability is a measure of the consistency of an instrument to produce same result if done repeatedly. The study applied Cronbach Alpha Reliability Analysis method to evaluate the internal consistency status of the research instrument. To test the reliability of the instrument, the study conducted a pilot study by distributing questionnaires numbering thirty (30) to the target respondents through the help of three trained research assistants; the Cronbach Alpha coefficient measure of internal consistency was conducted. The reliability of the instrument using Cronbach Alpha reliability test with the statistical package for social sciences (SPSS) version 23 software yielded the result 0.76 for cost leadership strategy and 0.82 for customer satisfaction.

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

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 is simple linear regression. These was employed in testing the hypotheses formulated for the study.

Data Analysis Based on the Questionnaire

This section analyzes responses to Likert scale questions. The key and the decision rules are as stated below: SA= 5, A =4, U = 3, D = 2, SD= 1 where S A is strongly Agree, A is Agree, U = Undecided, D IS Disagree and SD is strongly disagreed. The decision rule is that the mean value of less than 3.00 is low, mean value between 3.00 and 3.49 is moderate, and mean value of 3.50 and above is high. This is in line with the submission of Kocoglu and Kirmaci (2012); Adefila (2014); Audu (2018). Indicate the level to which you agree with the following statements with respect to Blue Ocean Strategy of the Aluminum Extrusion firms.

Table 1 Descriptive Statistics on Cost leadership Strategy

	Cost leadership Strategy	SA 5	A 4	U 3	D 2	SD 1	Mean	Standard Deviation
1.	Aluminum Extrusion Firms follow a policy of procuring raw materials in large volumes to attract quantity discount.	95 (40.4%)	81 (34.5%)	48 (20.4%)	0 (0%)	10 (4.3%)	4.07	1.00
2.	The Aluminum Extrusion Firms engage in mass production of limited range of products	84 (35.7%)	41 (17.4%)	54 (23%)	33 (14%)	22 (9.4%)	3.56	1.35
3.	The Aluminum Extrusion Firms has a network of distribution channels that minimizes distribution costs.	8 (3.4%)	0 (0%)	55 (23.4%)	118 (50.2%)	53 (22.6%)	2.11	0.87
4.	The Aluminum company uses a state of the art technology that helps in its cost reduction.	32 (13.6%)	3 (1.3%)	2 (0.9%)	100 (42.6%)	97 (41.3%)	2.03	1.31
5.	Our products are non branded thus help us reduce advertising costs	38 (16.2%)	0 (0%)	66 (15.3%)	64 (27.2%)	96 (40.9%)	2..23	1.41
		Average mean/SD					2.80	1.19

Source: Field Survey, 2023

Table 1 shows the responses to the likert scale questions, mean and standard deviation. For the question on whether the Aluminum Extrusion Firms follow a policy of procuring raw materials in large volumes to attract quantity discount 95 respondents representing 40.4% strongly agreed that the company follow bulk purchases to enjoy quantity discount while 81 respondents comprised of 34.5% agreed that their company follow bulk purchase to enjoy quantity discount. Meanwhile, 48 respondents made up of 20.4% were undecided as to whether their companies buy in bulk to enjoy quantity discount while no respondent disagreed with this proposition. However, 10 respondents representing 4.3% strongly disagreed that their companies do buy in bulk to enjoy quantity discount. The mean value is 4.07 and standard deviation of 1.00 > 3.00 means that most of the respondents agreed that Aluminum Firms buy in bulk to take advantage of quantity discount. For the questions on whether the Aluminum Extrusion Firms engage in mass production of limited range of products, 84 respondents made up of 35.7% strongly agreed that the firms engage in mass production of limited products while 41 respondents representing 17.4% agreed that the Aluminum firms engage in mass production of limited range of products. Equally, 54 respondents consisting of 23% were undecided as to whether the Aluminum Firms do engage in mass production of limited range of products with 33 respondents comprised of 14% disagreed with the proposition that the Aluminum Firms do engage in mass production of limited range of products and 22 respondents made up of 9.4% strongly disagreed that the Aluminum Firms do engage in mass production of limited range of products. The mean value is 3.56 and standard deviation 1.35 > 3.00 showing that most of the respondents agreed that the Aluminum Extrusion Firms do engage in mass production of limited range of products. For the questions on whether the Aluminum Extrusion Firms has a network of distribution channels that minimizes distribution costs, 8 respondents comprised of 3.4% strongly agreed that the Aluminum Extrusion Firms do have a network of distribution channels that minimizes distribution costs while no respondents agreed that the Aluminum Firms have a network of distribution channels that

minimizes costs while 118 respondents consisted of 50.2% disagreed that the Aluminum Firms have a network of distribution channels that minimizes costs with 53 respondents representing 22.6% strongly disagreed that the Aluminum Firms have a network of distribution channels that minimizes costs. The mean value of 2.11 and standard deviation of 0.87 < 3.00 indicating that most of the respondents disagreed that the Aluminum Firms have a network of distribution channels that minimizes costs. In addition, for the question on whether the Aluminum Company uses a state-of-the-art technology that helps in its cost reduction, 32 respondents consisting of 13.6% strongly agreed that the Aluminum Company uses a state-of-the-art technology that helps in its cost reduction while 3 respondents made up of 1.3% agreed that the Aluminum Company uses a state-of-the-art technology that helps in its cost reduction. However, 2 respondents comprised of 0.9% were undecided as to whether the Aluminum Company uses a state-of-the-art technology that helps in its cost reduction and 100 respondents made up of 42.6% disagreed to the fact that Aluminum Company uses a state-of-the-art technology that helps in its cost reduction. Meanwhile, 97 respondents made up of 41.3% strongly disagreed that Aluminum Company uses a state-of-the-art technology that helps in its cost reduction. Therefore, with the mean value of 2.03 and standard deviation of 1.31 which is <3.00 it means that most of the respondents disagreed to the fact that the Aluminum Company uses a state-of-the-art technology that helps in its cost reduction.

For the question on whether products are non- branded thus help reduced advertising costs, 38 respondents representing 16.2% of the respondents strongly agreed that the Aluminum Firms do use non-branded products to reduce advertising costs while no respondents (0%) agreed to the fact that the Aluminum Firms do use non-branded products to reduce advertising costs with 36 respondents made up of 15.3% were undecided as to whether, the Aluminum Firms do use non-branded products to reduce advertising costs. Meanwhile, 64 respondents consisted of 27.2% disagreed that the Aluminum Firms do use non-branded products to reduce advertising costs while 96 respondents made up of 40.9% strongly disagreed that Aluminum Firms do use non-branded products to reduce advertising costs. The mean value of 2.23 and standard deviation of 1.41< 3.00 indicating that most of the respondents disagreed that the Aluminum Firms do use non-branded products to reduce costs. Finally, the average means value of 2.80 and standard deviation 1.19 < 3.00 indicating rejection of the overall response on cost leadership strategy.

Table 2. Descriptive Statistics on Customer Satisfaction

	Customer Satisfaction	**SA 5**	**A 4**	**U 3**	**D 2**	**SD 1**	**Mean**	**Standard Deviation**
6.	The Aluminum products of the extrusion Firms always meet my need for operational efficiency	139 (59.1%)	34 (14.5%)	14 (6%)	27 (11.5%)	14 (6%)	4.13	1.30
7.	The Aluminum extrusion firms do offer discounts at a lower price than their competitors.	127 (54%)	71 (30.2%)	14 (6%)	5 (2.1%)	11 (4.7%)	4.31	1.03
8.	The Aluminum company has a state of the art technology that provides prompt delivery of products to customers	92 (39.1%)	60 (25.5%)	28 (11.9%)	33 (14%)	15 (6.4%)	3.80	1.29
9.	I am happy with the prices of the Aluminum Firms	148 (63%)	40 (17%)	33 (14%)	0 (0%)	7 (3%)	4.41	0.95
10.	The after- sales- services provided by the Aluminum firms keeps me patronizing them	119 (50.6%)	67 (28.5%)	19 (8.1%)	6 (2.6%)	17 (7.2%)	4.16	1.17
	Average mean/SD						4.16	1.15

Source: Field Survey, 2023

Table .2. shows the responses on the likert scale questions, mean and standard deviation. For the question on whether the Aluminum products of the Extrusion Firms always meet the need for operational efficiency, 139 respondents representing 59.1% strongly agreed that the Aluminum products of the Extrusion Firms always meet the need for operational efficiency while 34 respondents made up of 14.5% agreed that the Aluminum products of the Extrusion Firms always meet the need for operational efficiency with 14 respondents comprised of 6% were undecided about the Aluminum products of the Extrusion Firms always meeting the need for operational efficiency. Also, 27 respondents constituted 11.5% of the respondents disagreed that the Aluminum products of the Extrusion Firms always meet the need for operational efficiency while 14 of the respondents representing 6% strongly disagreed with the view that the Aluminum products of the Extrusion Firms always meet the need for operational efficiency. Therefore, with the mean value of 4.13 and standard deviation of 1.30 it can be concluded that most of the respondents agreed that the Aluminum products of the Extrusion Firms always meet the need for operational efficiency since >3.00. For the question on whether the Aluminum Extrusion firms do offer discounts at a lower price than their competitors, 127 respondents made up of 54% strongly agreed that Aluminum Extrusion firms do offer discounts at a lower price than their competitors while 71 respondents comprised of 30.2% agreed that the Aluminum Extrusion firms do offer discounts at a lower price than their competitors. However, 14 respondents made up of 6% were undecided as to whether the Aluminum Extrusion firms do offer discounts at a lower price than their competitors with 5 respondents representing 2.1% disagreed that Aluminum Extrusion firms do offer discounts at a lower price than their competitors while 11 respondents made up of 4.7% strongly disagreed that Aluminum Extrusion firms do offer discounts at a lower price than their competitors. The mean value is 4.31 and standard deviation is 1.03 showing > 3.00 which means that most of the respondents agreed that Aluminum Extrusion firms do offer discounts at a lower price than their competitors.

For the questions on whether the Aluminum Companies have a state-of-the-art technology that provides prompt delivery of products to customers, 148 respondents (63%) strongly agreed that the Aluminum Companies have a state-of-the-art technology that provides prompt delivery of products to customers and 40 respondents representing 17% agreed to the view that the Aluminum Companies have a state-of-the-art technology that provides prompt delivery of products to customer. However, 33 respondents made up of 14% were undecided as to whether the Aluminum Companies have a state-of-the-art technology that provides prompt delivery of products to customers while 7 respondents (3%) strongly disagreed with the view that the Aluminum Companies have a state-of-the-art technology that provides prompt delivery of products to customers. Thus, with the mean value of 3.80 and standard deviation of 1.29 > 3.00, it can be concluded that most of the respondents agreed that the Aluminum Companies have a state-of-the-art technology that provides prompt delivery of products to customers.

On the question of whether the respondents are happy with the prices of the Aluminum Firms, 148 respondents representing 63% strongly agree that they are happy with the prices of the Aluminum Firms while 40 respondents representing 17% agreed that they are happy with the prices of the Aluminum Firms. However, 33 respondents were undecided and held that they are not happy with prices of the Aluminum products and 7respondents made up of 3% submitted that they are not happy with the prices of the Aluminum Firms. Thus, with the mean value of 4.41 and standard deviation of 0.95 > 3.00, it can be concluded that most of the respondents agreed that they are happy with prices of the Aluminum Firms.

For the question on whether the after- sales- services provided by the Aluminum firms keeps them patronizing them, 119 respondents representing 50.6% strongly agreed that the after- sales- services provided by the Aluminum firms keeps them patronizing them while 67 respondents made up 28.5% agreed that the after- sales- services provided by the Aluminum firms keeps them patronizing them. However, 19 of the respondents made up of 8.1% were undecided as to whether the after- sales- services provided by the Aluminum firms keeps them patronizing them with 6 respondents comprised of 2.6% disagreed that the after- sales- services provided by the Aluminum firms keeps them patronizing them while 17 respondents (7.2%) strongly disagreed that the after- sales- services provided by the Aluminum firms keeps them patronizing them. The mean value is 4.16 and standard deviation 1.17 > 3.00 which means that most of the respondents agreed that the after- sales- services provided by the Aluminum firms keeps them patronizing them. Finally, with the average mean value of 4.16 and standard deviation of 1.15 it means that the response on customer satisfaction is accepted since > 3.00.

Data Analysis and Results

The study tests one hypothesis using the linear regression with the aid of Statistical Packages for Social Sciences (SPSS). The independent variable is cost leadership Strategies while the dependent variable is customers' satisfaction. In order to enable the study, juxtapose the variables towards making valid inferences the regression results presented and analyzed include model summary, analysis of variance (ANOVA) and coefficients. The decision rule is to accept P. value if the alpha value is ≥0.05 otherwise the null hypothesis be rejected.

Test of Hypothesis

Hypothesis 1

H_o**:** There is no significant relationship between cost leadership and customer satisfaction.

H_1**:** There is a significant relationship between cost leadership and customer satisfaction.

Table 3 Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.917[a]	.840	.897	1.18227	.290

a. Predictors: (constant), cost leadership

b. Dependent variable: customers satisfaction

The model summary table reports the strength of relationship between the independent and dependent variable. The result of R stood at 0.917 indicating a strong positive relationship between the dependent variable customers' satisfaction and the explanatory variable cost leadership. The coefficient of multiple determinations R^2 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^2 of .840 showing that 84% of the variances in customers satisfaction is explained by cost leadership while the remaining 16% (i.e. 100 – 84) 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 84% showing that if the entire population is used, the result will deviate by 7.7% (i.e. 91.7 – 84). With the linear regression model, the error of the estimate is considerably low at 1.18227. The result of Durbin Watson test shows .290 therefore it shows that there is no auto correlation.

Table 4. ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	67.417	1	67.417	48.232	.000[b]
	Residual	315.894	226	1.398		
	Total	383.311	227			

a. Dependent variable: customers satisfaction
b. Predictors: (constant), cost leadership

The ANOVA table confirms the results of model summary, analysis of the result revealed that F = 48.432 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 cost leadership and customer satisfaction is rejected.

Table 5 Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.881	.333		5.652	.000
	Cost leadership	.548	.079	.419	6.945	.000

a. Dependent Variable: cost leadership

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 1.881 giving a predictive value of the dependent variable when all other variables are zero. The coefficient of cost leadership is .548 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 cost leadership and customer satisfaction is rejected.

Table 6. Summary of Regression Results and other Statistics

Regression		Cost leadership	Df	F
Coefficient	1.881	0.079	1	48.232
P. value	0.000	0.000	226	
R	0.917		227	
R^2	0.840			

Source: Research Data analysis, 2023

The *F*-ratio in the table 4.2.8 shows that the variables of cost leadership statistically significantly predict product quality, $F(1, 226) = 48.232$, $p < .0005$ (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 0.917 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 92% and R^2 of 84% meaning that total variations in cost leadership is explained by variations in customer satisfaction. Thus, all the estimated parameters predicting the value of customer satisfaction outside cost leadership is 16% (i,e, 100- 84) which is statistically insignificant. Therefore, this implies that the independent variable (cost leadership) contributes to the prediction of the dependent variable of about 86% 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.

Conclusions

The study concludes that cost leadership Strategy if properly adopted in the Management of Aluminum Extrusion Firms will improve the performance of this all-important dying subsector of the Nigerian economy. This assertion is evidenced in the findings of this study which revealed a significant positive relationship between cost leadership Strategy and customers satisfaction.

Recommendations

It is also recommended that the Aluminum Extrusion Firms should embark on aggressive pursuit of cost reduction through quantity purchase of materials, mass production of limited range of products, distribution channels that minimizes costs and non-branded products so as to take the advantage of cost leadership.

References

Abalaka, J. N. (2016). The 2004 Pension Reform Act and Retirement planning in Nigeria (2004 – 2015), A PhD Thesis presented to the Department of Business Administration, Kogi State University, Anyigba.

Adefila, J. J. (2014). *Statistical Technique for data Analysis Demystify Presentation,* Ibadan Buright Integrated Publishers Limited.

Audu, Y. P. (2018). Customer Relationship Management Practices and Customer Satisfaction in Selected Deposit money Banks in Kogi State. A Dissertation present to the Department of Business Administration Nasarawa State University in Partial fulfillment for the award of an M.Sc degree Business Administration.

Brady, R. (2005). W. Chan.kim and Renee Mauborgne's Blue Ocean Strategy: How to create uncontested market space and make, the competition irrelevant. Harvard Business Press.

Cai, L; Chen, B; Chen, J; and Bruton, G. (2017). Dysfunctional Competition and Innovative Strategy of new ventures as they mature. Journal of Business Research, 78, PP 111-118.

Danijela, V., Jasminka, D. and Srecko, K. (2015). Customer Satisfaction Impact in Banking Services and relationship management Innovation, International Review Scientific papers, 1 (2), 81 – 104.

Ebele. E.J,and Iormber, P.T. (2016). Commercial Bank Credit and Manufacturing sector Output in Nigeria. Journal of Economics and Sustainable development, 7 (6), 32.54.

Friehe, T; Langlais, E; and Schulte, E. (2018). On Consumer Preferences for partial Product Liability. Economic Letters, 173, 128-130.

Iakovleva, D. (2021). The Sustainability of the Blue Ocean Strategy. Master's Thesis by the 2nd Year Student in Master in Management, St. Petersburg.

Ilieska, K. (2013). Customer Satisfaction Index – As a Base for Strategic Marketing Management. Tem Journal, 2 (4), 62 – 74.

Islami, X., Mustafa, N. and latkovikj, T. (2020). Linking porter's generic Strategies to firm performance. Future Business Journal,. 6(3).

Josiah, M. N. and Nyagara, I. N. (2015). Assessment of the Effect of Cost Leadership Strategy on the Performance of Liquefied Petroleum Gas Companies in Eldoret Town, Uasin Crishu County, Kenya. International Journal of Business and Management Innovation. 4 (4).

Kalu, E.U, Alice,C.O; Chioma,D.O. Augustina,O.N; and Chinwe, O. (2017).The relative Impact of Bank credit on manufacturing sector in Nigeria. International journal of

Economics and finance, 7 (2), 38-53

Kim, W. C.and Mauborgne, R. A. (2014). Blue Ocean Strategy, expanded Edition: How to create uncontested market Space and make the Competition irrelevant: Havard Business Review Press.

Kocoglu, D. and Kirmaaci. S. (2012). Customer Relationship Management and Customer Loyalty: A Survey in the Sector of Banking. International Journal of Business and Social Sciences, 3 (3).

Kumar, V. and Reinartz, W. (2003). Impact of Customer Relationship Characteristics as profitable life time Duration, Journal of Marketing, 67 (1), 77 – 99.

Malik, A.A., Audu, S. (2023). Globalization as Catalyst for International Entrepreneurship.

Journal of Internationals Relations Security and Economic Studies, 2(3),65-72. Retrieved from http://journals.rcmss.com/index.phb/jirses/article/view/822.

Manufacturers Association of Nigeria (MAN) quarterly journal, 2017

Maulana, A. Zain, I. Z. and Dhaniswara H. (2021). The Impact of Cost Leadership Strategy on

Sales Volume in the Era of COVID-19 pandemic: A Case Study of Baby Product Company. Proceedings of the International Conference or Industrial Engineering and Operating management, Rome, Italy.

Modebe. N.J, Okoye, L.U; and Ahmed, A. (2017). Exchange rate movements and manufacturing capacity utilization in Nigeria.ESUT Journal of Accountancy, 8 (1), 27-38

Modebe. N.J, and Ezeaku, H.C. (2014). Dynamics of inflation and Manufacturing sector performance in Nigeria. Analysis of effect and causality. International Journal of Economics and Financial issues, 6(4),58-69.

Mohamed, M. B., Ndinya, A.and Ogada, M. (2019). Influence of Cost leadership Strategy on Performance of Medium-Scale Miners in Taisa Taveta County, Kenya. International Journal of Development and Management Review, 14(1), 151 – 154.

Naeem, A. M., Younis, J. A. Manhal, M. H. and Yassine, M. A. (2022). The Effect of the Blue Ocean Strategy on Realizing the above Average Model: An Applied Study at Zain Telecommunications – The case of Iraq. Journal of Research in Economics and Management, 7 (1), 88.

Ngugi, D. W., and Murugi, E. (2022). Competition Strategies and Performance of Telecommunication firms in Kenya. International Academic Journal of Human Resource and Business Administration, 4(1), 226 – 251.

Njuguna, S. N. (2021). Competitive Strategies and organizational performance: A case of insurance Companies in Nyeri County, Kenya A project Submitted to School of graduate Studies, Kenya in Partial fulfillment for the award of Master of Business Administration.

Olaide, E.O. (2019). The impact of bank credit on economic growth and inflation: The case of Nigeria. Journal of Business and Management, 21 (2), 71-83.

Otache, I. (2016). *Project Writing: Understanding the Rudiments. A Manual for Students in Tertiary Institutions. Idah, Kogi State, Adura printing Press.*

Ozkaya, H. E., Droge, C., Hult, GTM., Calantone, R. and Ozkaya, E. (2015). Market orientation, knowledge competence and innovation. International Journal of Research in Marketing, 32 (1), 309 – 318.

Stoian, O; Polozova, T; Didenko,E; Storozhenko, O; and Moskvichova .(2018). Strategies of Interaction with a consumer within the market Product Policy, Entrepreneurship and Sustainability issues, 6 (2), 1018-1027.

Thabet, A. M. T. and Ramadan, K. (2022). The Implications of the Blue Ocean Strategy on Marketing Performance: an Analytical Study of the Opinions of a Sample of Workers in Asiacell Telecom in Iraq, Journal of positive school psychology, 6(5), 1945 – 1957

Uchenna, A.C., Audu, S.J. (2021). Business Process Reengineering and Performance of Manufacturing Firms in North-Central Nigeria. Journal of Good Governance and Sustainable Development in Africa, 6(3),75-87. Retrieved from http://journals.rcmss.com/index.phb/jddsda/article/view/282.

Uchenna, A.C., Audu, S.J. (2022). Dynamic Capability and the Performance of West African Ceramics Limited Ajaokuta, Kogi State. International Journal of Democratic and Development Studies, 5(2),15-30. Retrieved from http://journals.rcmss.com/index.phb/ijdds/article/view/605.

Ugwuanyi, C.U and Charles, P.C. (2016). Impact of commercial bank credits on manufacturing sector in Nigeria. ARDL Approach. Journal of Science, 2 (4), 25-41

Vasiljeva, Ponkratov, Kuznetsov, Maramygin and Osiovskaya (2019). Implementation of the Blue Ocean Strategy using simulation: Firm-level Evidence from Russian Still market. Journal of Industrial Engineering and Management Systems, 18 (4), 857 – 871.

Wasfi, H. and Kostenko, O. (2014). The Impact of Complaints management on Customer Retention Master Thesis (Advanced Level Business and Administration, University of Gavle. www.economictimes.com what is market share visited on 22/09/2022.

Zairi, M. (2000). Managing Customer Satisfaction: A Best Practice Perspectives. The TQM Magazine, 12 (6), 42 – 56.

Zekeri, J. and Nedelea, A. (2011). Strategies for achieving competitive advantage. The Annals of the "Strefan celmare" University of sinceava. Fascicle of the Faculty of Economics and Public Administration, 63 – 74.