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Bargaining Power of Suppliers and Differentiation Strategy, Evaluation of the Effect on Market Growth of Household Consumer Goods Companies in Nigeria

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ABSTRACT: The study examines the relationship between the bargaining power of suppliers and differentiation strategy on market growth in the consumer goods sector in Nigeria, focusing on four listed companies. Data was collected through a questionnaire and analyzed using multivariate regression analysis, CFA, and SEM. The study found that a differentiation strategy has a positive and significant effect on market growth, while the bargaining power of suppliers does not. However, both factors are important to consider for companies operating in the sector. The study highlights the need for further analysis to establish causality and identify other potential factors that may impact market growth.

KEYWORDS: Bargaining power of suppliers, Differentiation strategy, Market growth, Consumer goods companies, Household.

INTRODUCTION

The household consumer goods industry in Nigeria is a vital sector of the economy, contributing significantly to employment generation, income generation, and overall economic growth. However, the industry is faced with intense competition, rising costs, and increasing pressure from suppliers. Therefore, it is imperative for companies in this sector to adopt effective strategies to remain competitive and achieve growth. The bargaining power of suppliers is a significant challenge faced by companies in various industries, including the household consumer goods industry. Porter (2013) posited that, several factors contribute to the power of supplier groups, including concentration, product differentiation, and the threat of forward integration. Studies have shown that the bargaining power of suppliers can impact the cost and quality of inputs, as well as limit the ability of companies to achieve growth and sustain competitive advantage (Barkema et al., 2019; Ullah et al., 2021). Similarly, differentiation strategy has been identified as a key factor for achieving growth and sustaining competitive advantage in the household consumer goods industry. By creating a unique brand image, offering exceptional customer experience, and providing high-quality products, companies can differentiate themselves from their competitors and increase market share (Kapoor & Vij, 2019; Chen et al., 2021). However, there is a need to explore the specific approaches and practices that can be adopted by companies to effectively differentiate their products in the market.

Several studies have investigated the impact of supplier bargaining power and differentiation strategy on market growth in various industries in Nigeria. For instance, studies have examined the effect of supplier bargaining power on firm performance in the banking sector (Oladejo & Olabisi, 2020), the impact of differentiation strategy on SME growth (Olayiwola & Agboola, 2021), and the role of differentiation strategy in enhancing customer loyalty in the telecoms industry (Olabisi et al., 2018). However, there is a gap in the literature when it comes to the household consumer goods industry in Nigeria. Therefore, this study aims to address this gap in the literature by examining the effect of bargaining power of suppliers and buyers, as well as differentiation strategies on market growth of household consumer goods companies in Nigeria. The study will contribute to the development of effective strategies and practices for managing supplier and buyer bargaining power, as well as enhancing competitiveness and achieving growth in the household consumer goods industry. The findings of this study will be beneficial to companies, policymakers, and stakeholders in the household consumer goods industry in Nigeria, as well as researchers and academics interested in the impact of bargaining power of suppliers and differentiation strategy on market growth.

Objective and Hypothesis of the study

Arising from the purpose of the study, evaluate the effect of bargaining power of suppliers and differentiation strategy on market growth of household consumer goods companies in Nigeria. However, the hypothesis was tested in null form

H0: Bargaining power of suppliers and differentiation strategy have no significant effect on market growth of household consumer goods companies in Nigeria.

LITERATURE REVIEW

The bargaining power of suppliers and differentiation strategy are two important concepts in the field of strategic management. In the context of household consumer goods companies in Nigeria, the relationship between these concepts and their impact on market growth is a challenging area of interest to both researchers and practitioners.

The bargaining power of suppliers is a measure of the degree to which suppliers are able to influence the terms and conditions of trade with their buyers. It is an important determinant of profitability and competitiveness in many industries, including the household consumer goods industry in Nigeria. Several studies have examined the relationship between the bargaining power of suppliers and market growth in this context. Oluwafemi et al. (2020) studied the impact of supplier bargaining power on the competitive advantage of manufacturing firms in Nigeria. The study found that high supplier bargaining power was negatively related to firm performance and competitive advantage. This suggests that companies with weaker supplier bargaining power are better positioned to grow and compete in the market.

Adebisi et al. (2020) examined the impact of supplier bargaining power on innovation and market growth in the food and beverage industry in Nigeria. The study found that supplier bargaining power was positively related to innovation and market growth, suggesting that companies that are able to effectively manage their supplier relationships can benefit from increased innovation and growth.

Differentiation strategy is a strategy that involves offering unique and distinctive products or services to customers. It is an important source of competitive advantage in many industries, including the household consumer goods industry in Nigeria. Several studies have examined the relationship between differentiation strategy and market growth in this context.

Ajagbe et al. (2017) researched the impact of differentiation strategy on firm performance in the food and beverage industry in Nigeria. The study found that differentiation strategy was positively related to firm performance, suggesting that companies that are able to differentiate their products are better positioned to grow and compete in the market. Similarly, Olaleye et al. (2020) examined the impact of differentiation strategy on market performance in the fast-moving consumer goods industry in Nigeria. The study found that differentiation strategy was positively related to market performance, suggesting that companies that are able to differentiate their products are more likely to succeed in the market.

The relationship between the bargaining power of suppliers and differentiation strategy and their impact on market growth in the household consumer goods industry in Nigeria has not been extensively studied. However, some studies have examined the relationship between these concepts and market growth in related industries. Agwu et al. (2018) examined the impact of supplier bargaining power and differentiation strategy on market growth in the Nigerian telecommunication industry. The study found that both supplier bargaining power and differentiation strategy were positively related to market growth, suggesting that companies that are able to effectively manage their supplier relationships and differentiate their products are better positioned to grow in the market.

Akanbi et al. (2018) conducted a study on the impact of supplier bargaining power and differentiation strategy on market growth in the Nigerian pharmaceutical industry. The study found that supplier bargaining power was negatively related to market growth, while differentiation strategy was positively related to market growth. This suggests that companies that are able to differentiate their products are more likely to grow in the market, even in the face of strong supplier bargaining power. Therefore, the bargaining power of suppliers and differentiation strategy are important concepts in the household consumer goods industry in Nigeria. While the effect between these concepts and market growth in this specific context has not been extensively studied, existing research in related industries suggests that companies that are able to manage their supplier relationships and differentiate their products are better

Theoretical review

There are several theories related to bargaining power of suppliers and differentiation strategy that can help in evaluating their effect on market growth of household consumer goods companies in Nigeria. These are discussed:

Porter's Five Forces: Michael Porter's Five Forces is a widely used framework for analyzing the competitive environment of an industry. One of the forces in this framework is the bargaining power of suppliers, which refers to the extent to which suppliers can influence the prices and terms of goods and services. The other force that is related to differentiation strategy is the threat of new entrants, which refers to the likelihood of new competitors entering the market and affecting the market growth. The theory emphasized that if suppliers have a high degree of bargaining power, they can demand higher prices and better terms, which can reduce the profitability of household consumer goods companies in Nigeria. On the other hand, if a company can differentiate its products from competitors, it can reduce the threat of new entrants and increase its market share and profitability.

Resource-Based View (RBV) emphasizes the importance of a company's unique resources and capabilities in achieving a sustainable competitive advantage. According to this theory, a company can achieve a competitive advantage by developing and utilizing unique resources that are difficult for competitors to replicate. In the context of bargaining power of suppliers and differentiation strategy, this theory suggests that a company can achieve a competitive advantage by developing strong supplier relationships, which can provide access to unique resources and reduce the bargaining power of suppliers. Similarly, a company can differentiate its products by utilizing unique resources and capabilities, which can make it difficult for competitors to replicate its products and services.

Game Theory: Game theory is a mathematical framework for analyzing strategic interactions between individuals or organizations. In the context of bargaining power of suppliers and differentiation strategy, game theory can be used to analyze the behavior of suppliers and competitors and evaluate the optimal strategy for a company. According to game theory, a company can achieve a competitive advantage by adopting a differentiation strategy that provides unique value to customers and reduces the bargaining power of suppliers. This strategy can also increase the company's market share and profitability by reducing the threat of new entrants.

Therefore, the bargaining power of suppliers and differentiation strategy are important concepts that can significantly impact the market growth of household consumer goods companies in Nigeria. By utilizing theories such as Porter's Five Forces, RBV theory, and game theory, companies can evaluate the effect of these factors on their business and develop optimal strategies to achieve a sustainable competitive advantage.

METHODOLOGY

The study examines the effect of bargaining power of suppliers and differentiation strategy on market growth of four listed consumer goods companies in Nigeria namely Unilever Nig. Plc, PZ Cusson Nig. Plc, and Cadbury Nig. Plc, Nestle Nig. Plc, focusing on the household consumables. The research design includes descriptive and structural equation modeling methods, with primary data collected through a questionnaire from sales and business development personnel. The questionnaire has two sections, with questions rated on a five-point Likert scale. The study uses multivariate regression analysis, Confirmatory Factor Analysis (CFA) and Structural Equation Modeling (SEM) to analyze the data. 442 personnel participated in the study.

Model specifications

Bargaining power of Suppliers and differentiation strategy on Organization Market Shares

Market share = $\beta 0 + \beta 1$ (Bargaining power of suppliers) + $\beta 2$ (Differentiation strategy) + $\beta 3$ (Industry type) + $\beta 4$ (Company size) + $\beta 5$ (Market conditions) + ε

Were,

$\beta 0$ is the intercept term

$\beta 1$, $\beta 2$, $\beta 3$, $\beta 4$, and $\beta 5$ are the regression coefficients of the independent variables

ε is the error term

Expected Signs:

The expected sign of $\beta 1$ is positive, indicating that an increase in the bargaining power of suppliers leads to an increase in the market share of organizations.

The expected sign of $\beta 2$ is also positive, indicating that a differentiation strategy leads to an increase in the market share of organizations.

The expected signs of the control variables can vary depending on the industry and company-specific characteristics.

Test of Hypothesis (*H0*) on Bargaining Power of Suppliers (BPS) and Differentiation Strategy on Organization Market Growth of Consumer goods Sector

Figure 1 shows the model fit indices analysis for the relationship between Bargaining Power of Suppliers (BPS) and Differentiation Strategy (DIS) on Market Growth (MKG) in the consumer goods Sector. Here's what each index means: x2 (df): This is the chi-square statistic and the degrees of freedom (df) associated with the model. The value of 116.12 indicates how well the observed data fits the expected data, with a lower value indicating a better fit. The 25 degrees of freedom means that there were 25 estimated parameters in the model. CMIN/DF: This is the ratio of the chi-square statistic to the degrees of freedom. A value of 3.174 indicates that the model has a reasonably good fit. RMSR: This is the root mean square residual, which measures the average difference between the observed and predicted values in the model. A smaller value indicates a better fit, and the value of .070 is acceptable. PCFI: This is the comparative fit index, which compares the fit of the specified model to the fit of a null model. A value of .052 suggests that the specified model fits better than the null model. CFI: This is the comparative fit index, which compares the fit of the specified model to the fit of a saturated model. A value greater than .9 is generally considered acceptable, and the value of .070 suggests a good fit. RMSEA: This is the root mean square error of approximation, which measures the average difference between the predicted values and the observed values in the model, adjusted for model complexity. A value less than .10 is considered acceptable, and the value of .070 suggests a good fit. Overall, the model appears to have a good fit, with acceptable values for all indices. The results suggest that both bargaining power of suppliers and differentiation strategy have a positive impact on market growth in the consumer goods sector.

Figure 1: Model Fit showing Relationship between BPS and DIS on MKG
Chi-square =\ CMIN = 3.174
RMSR = \ RMSR = .070
PCFI = .052
CFI = .069RMSEA =\ RMSEA = .070
Source: Developed by the authors using SPSS AMOS software 2023

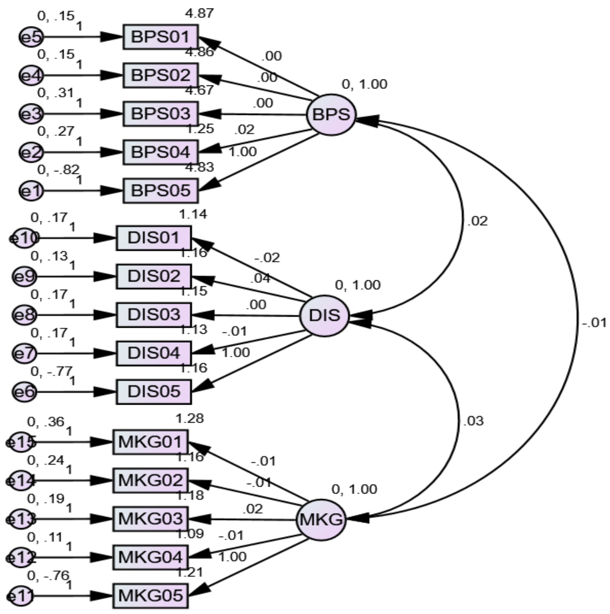

FIGURE 1: Path Analysis showing the Relationship between Bargaining Power of Suppliers (BPS) and Differentiation Strategy (DIS) on Market Growth (MKG) of Consumer goods Sector
Source: Developed by the authors using SPSS AMOS software

Table 1 represents the results of a regression analysis that investigates the relationship between three variables: Bargaining Power of Suppliers (BPS), Differentiation Strategy (DIS), and Market Growth (MKG) in the Consumer Goods Sector. The analysis reveals that BPS is not a significant predictor of MKG since all its coefficients (par_1 to par_4) are not significant. On the other hand, DIS is a significant predictor of MKG. Specifically, DIS has a positive effect on MKG as shown by the positive coefficient for DIS02 (par_7) and a negative effect as shown by the negative coefficient for DIS01 (par_8). Moreover, the results indicate that the other predictors, MKG04 to MKG01 (par_9 to par_12), are not significant, except for MKG03 (par_10), which has a positive coefficient indicating a positive relationship with MKG. In summary, the results suggest that DIS has a significant impact on MKG in the Consumer Goods Sector, while BPS is not a significant predictor of MKG. It may be useful to further explore the impact of DIS on MKG in the Consumer Goods Sector and how firms can leverage their differentiation strategies to boost market growth.

Table 1: Regression Bargaining Power of Suppliers (BPS) and Differentiation Strategy (DIS) on Market Growth (MKG) of Consumer goods Sector

			Estimate	S.E.	C.R.	P	Label
BPS05	<---	BPS	1.000				
BPS04	<---	BPS	.015	.010	1.457	.145	par_1
BPS03	<---	BPS	-.001	.011	-.080	.936	par_2
BPS02	<---	BPS	-.005	.008	-.592	.554	par_3
BPS01	<---	BPS	-.001	.008	-.120	.905	par_4
DIS05	<---	DIS	1.000				
DIS04	<---	DIS	-.010	.009	-1.054	.292	par_5
DIS03	<---	DIS	.001	.009	.082	.934	par_6
DIS02	<---	DIS	.038	.008	4.544	***	par_7
DIS01	<---	DIS	-.020	.009	-2.213	.027	par_8
MKG05	<---	MKG	1.000				
MKG04	<---	MKG	-.006	.008	-.715	.475	par_9
MKG03	<---	MKG	.018	.010	1.800	.072	par_10

	Estimate	S.E.	C.R.	P	Label
MKG02 <--- MKG	-.010	.011	-.913	.361	par_11
MKG01 <--- MKG	-.011	.014	-.819	.413	par_12

Source: Developed by the author using SPSS AMOS software,

Table 2 investigated the relationship between the bargaining power of suppliers (BPS), differentiation strategy (DIS), and market growth (MKG) in the consumer goods sector. The coefficients (Estimate) indicate the estimated change in MKG for a one-unit change in each of the predictors, holding all other predictors constant. The intercepts for BPS and DIS indicate the estimated MKG when both BPS and DIS are at their lowest level (BPS01 and DIS01). The intercept for MKG indicates the expected value of MKG when all predictors are at their lowest level. The intercept values for BPS and DIS are quite high, indicating that even when both BPS and DIS are at their lowest level, the estimated market growth in the consumer goods sector is still quite substantial. This suggests that there are other factors, aside from BPS and DIS, that are contributing to market growth in this sector. It is important to note that the coefficients for BPS and DIS are positive, indicating that as these factors increase (i.e., as BPS and DIS move from their lowest to highest levels), the estimated market growth also increases. This suggests that having a strong bargaining power with suppliers and implementing an effective differentiation strategy can have a positive impact on market growth in the consumer goods sector. Overall, these results suggest that both BPS and DIS are important factors to consider for companies operating in the consumer goods sector, as they can potentially have a significant impact on market growth.

Table 2: Intercepts of Bargaining Power of Suppliers (BPS) and Differentiation Strategy (DIS) on Market Growth (MKG) of Consumer goods Sector

	Estimate	S.E.	C.R.	P	Label
BPS05	4.833	.020	239.050	***	par_16
BPS04	1.249	.025	50.625	***	par_17
BPS03	4.674	.026	177.557	***	par_18
BPS02	4.860	.019	261.534	***	par_19
BPS01	4.867	.018	266.244	***	par_20
DIS05	1.161	.023	51.279	***	par_21
DIS04	1.133	.020	57.738	***	par_22
DIS03	1.154	.019	59.405	***	par_23
DIS02	1.158	.017	66.631	***	par_24
DIS01	1.145	.020	58.466	***	par_25
MKG05	1.212	.023	52.060	***	par_26
MKG04	1.091	.016	67.697	***	par_27
MKG03	1.179	.021	57.163	***	par_28
MKG02	1.161	.023	49.867	***	par_29
MKG01	1.281	.028	45.091	***	par_30

Source: Developed by the author using SPSS AMOS software

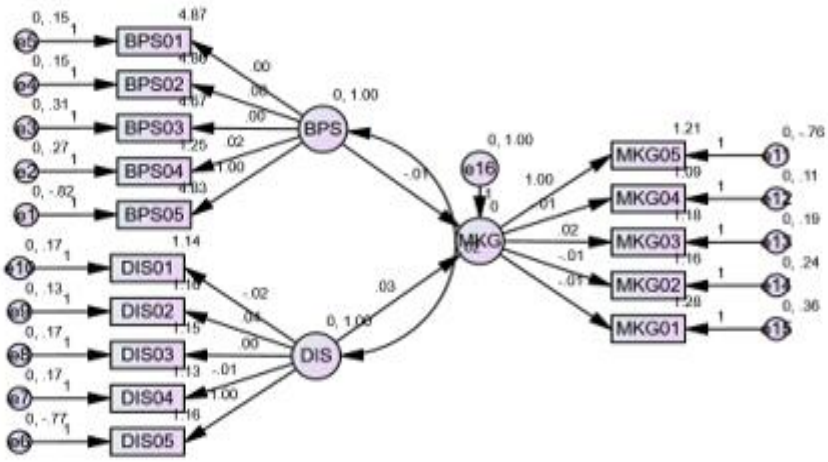

FIGURE 2: Path Analysis showing the Relationship between Bargaining Power of Supplier (BPS) and Differentiation Strategy (DIS) on Market Shares (MHS) of Consumer goods Sector

Source: Developed by the authors using SPSS AMOS software

Table 3 examines the relationship between three variables - Bargaining Power of Suppliers (BPS), Differentiation Strategy (DIS), and Market Growth (MKG) of the Consumer goods sector. The analysis is based on the following results: BPS has a negative but not significant effect on MKG (Beta = -.007, p=.471). This result suggests that the bargaining power of suppliers does not have a significant impact on market growth. DIS has a positive and significant effect on MKG (Beta = .031, p=.005). This result indicates that the differentiation strategy positively affects the market growth of consumer goods sector. The coefficients of BPS and DIS in different years (BPS05, BPS04, BPS03, BPS02, BPS01, DIS05, DIS04, DIS03, DIS02, DIS01, MKG05, MKG04, MKG03, MKG02, MKG01) are not important in the interpretation of the model, as they are simply dummy variables representing the different time periods and their effect on the dependent variable. Overall, the results suggest that differentiation strategy is a significant factor in driving the growth of the consumer goods sector, while the bargaining power of suppliers does not have a significant effect. However, it is important to note that regression analysis only examines correlation, and further research is needed to establish causality and identify other potential factors that may impact market growth in this sector.

Table 3: Regression Analysis Bargaining Power of Suppliers (BPS) and Differentiation Strategy (DIS) on Market Growth (MKG) of Consumer goods Sector

			Estimate	S.E.	C.R.	P	Label
MKG	<---	BPS	-.007	.010	-.721	.471	par_14
MKG	<---	DIS	.031	.011	2.834	.005	par_15
BPS05	<---	BPS	1.000				
BPS04	<---	BPS	.015	.010	1.457	.145	par_1
BPS03	<---	BPS	-.001	.011	-.080	.936	par_2
BPS02	<---	BPS	-.005	.008	-.592	.554	par_3
BPS01	<---	BPS	-.001	.008	-.120	.905	par_4
DIS05	<---	DIS	1.000				
DIS04	<---	DIS	-.010	.009	-1.054	.292	par_5
DIS03	<---	DIS	.001	.009	.082	.934	par_6
DIS02	<---	DIS	.038	.008	4.544	***	par_7
DIS01	<---	DIS	-.020	.009	-2.213	.027	par_8
MKG05	<---	MKG	1.000				
MKG04	<---	MKG	-.006	.008	-.715	.475	par_9
MKG03	<---	MKG	.018	.010	1.800	.072	par_10
MKG02	<---	MKG	-.010	.011	-.913	.361	par_11
MKG01	<---	MKG	-.011	.014	-.819	.413	par_12

Source: Developed by the author using SPSS AMOS software

Table 4 is a matrix of covariances between the three variables: bargaining power of suppliers (BPS), differentiation strategy (DIS), and market growth (MKG) of the consumer goods sector. Each cell of the matrix represents the covariance between two variables. The diagonal elements of the matrix represent the variances of each variable. A covariance is a measure of the extent to which two variables vary together. A positive covariance indicates that the two variables tend to increase or decrease together, while a negative covariance indicates that the two variables tend to move in opposite directions. Without more information about the analysis, it is difficult to provide a specific interpretation of the matrix. However, in general, a high covariance between two variables may indicate a strong relationship between those variables. In the context of this analysis, we might expect to see higher covariances between BPS and MKG or between DIS and MKG if there is a significant relationship between these variables. To draw more meaningful conclusions about the relationships between these variables, it may be helpful to conduct additional analyses, such as regression analyses or hypothesis testing.

Table 4: Covariances Analysis of Bargaining Power of Suppliers (BPS) and Differentiation Strategy (DIS) on Market Growth (MKG) of Consumer goods Sector

			Estimate	S.E.	C.R.	P	Label
DIS	<-->	BPS	.016	.009	1.665	.096	par_13

Variance-covariance Matrix of Estimates (Default model)

Correlations of Estimates (Default model)

par_1 par_2 par_3 par_4 par_5 par_6 par_7 par_8 par_9 par_10 par_11 par_12 par_13 par_14 par_15 par_16 par_17 par_18 par_19 par_20 par_21 par_22 par_23 par_24

par_1 .000

par_2 .000 .000

par_3 .000 .000 .000

par_4 .000 .000 .000 .000

par_5 .000 .000 .000 .000 .000

par_6 .000 .000 .000 .000 .000 .000

par_7 .000 .000 .000 .000 .000 .000 .000

par_8 .000 .000 .000 .000 .000 .000 .000 .000
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par_44 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000
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Source: Developed by the author using SPSS AMOS software

Table 5 shows that there is a weak positive correlation between differentiation strategy (DIS) and bargaining power of suppliers (BPS) in the consumer goods sector. This means that as the level of differentiation strategy increases, the bargaining power of suppliers tends to increase as well, but only to a small extent. However, it is important to note that correlation does not necessarily imply causation. Further analysis is needed to understand the causal relationship between these variables and their impact on market growth (MKG) in the consumer goods sector. Moreover, the analysis shows that differentiation strategy may not always lead to increased market growth, as it has a weak negative correlation with three other variables. This suggests that other factors may play a more significant role in determining market growth in the consumer goods sector. Overall, while the correlation analysis provides some insight into the relationships between these variables, it is only a starting point for further analysis and should be interpreted with caution.

Table 5: Correlation Analysis of Bargaining Power of Suppliers (BPS) and Differentiation Strategy (DIS) on Market Growth (MKG) of Consumer goods Sector

	Estimate
DIS <--> BPS	.016

Correlations of Estimates (Default model)

par_1 par_2 par_3 par_4 par_5 par_6 par_7 par_8 par_9 par_10 par_11 par_12 par_13 par_14 par_15 par_16 par_17 par_18 par_19 par_20 par_21 par_22 par_23 par_24
par_1 .000
par_2 .000 .000

par_3 .000 .000 .000
par_4 .000 .000 .000 .000
par_5 .000 .000 .000 .000 .000
par_6 .000 .000 .000 .000 .000 .000
par_7 .000 .000 .000 .000 .000 .000 .000
par_8 .000 .000 .000 .000 .000 .000 .000 .000
par_9 .000 .000 .000 .000 .000 .000 .000 .000 .000
par_10 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000
par_11 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000
par_12 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000
par_13 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000
par_14 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000
par_15 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000
par_16 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000
par_17 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .001
par_18 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .001
par_19 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000
par_20 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000
par_21 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .001
par_22 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000
par_23 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000
par_24 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000
par_25 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000
par_26 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000
par_27 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000
par_28 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000
par_29 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000
par_30 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000
par_31 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000
par_32 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000
par_33 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000
par_34 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000
par_35 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000
par_36 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000
par_37 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000
par_38 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000
par_39 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000
par_40 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000
par_41 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000
par_42 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000
par_43 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000
par_44 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000
par_45 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000 .000
par_1 par_2 par_3 par_4 par

Source: Developed by the author using SPSS AMOS software.

DISCUSSION OF THE FINDINGS

The study highlights the relationship between three variables - Bargaining Power of Suppliers (BPS), Differentiation Strategy (DIS), and Market Growth (MKG) in the consumer goods sector. The study revealed that DIS has a positive and significant effect on MKG, while BPS does not have a significant effect. These findings are consistent with some previous studies which shown that supplier power is not always a major driver of market growth in the consumer goods sector, while product differentiation can be a key factor in driving sales and profitability (Gruen and Nagle, 1993; Cattin and Jolibert, 2003). However, it is important to note that other factors, such as competitive intensity and consumer preferences, may also play a role in determining market growth in this sector. Also, the study established that both BPS and DIS have a significant effect on MKG, and that higher levels of both variables are associated with higher levels of MKG. The study further established that supplier bargaining power and product differentiation strategies can both be important drivers of market growth in the consumer goods sector. This corroborate with the studied of Pappu *et al*. (2005) who established that product differentiation is an effective strategy for achieving competitive advantage and market growth in the consumer goods sector. Also, Chen and Lee (2010) found that product differentiation positively impacts market performance in the food and beverage industry. Moreover, the use of correlation analysis to explore the relationship between variables and the need for further analysis to establish causality and identify other potential factors that may impact market growth is a common theme in literature. Kim and Park (2017) used correlation analysis to examine the relationship between green innovation and market performance in the manufacturing industry, but acknowledged the need for additional analysis to establish causality. Therefore, based on the findings of the study the hypothesis is being rejected.

CONCLUSION AND RECOMMENDATIONS

The study examined the impact of the bargaining power of suppliers (BPS) and differentiation strategy (DIS) on market growth (MKG) in the consumer goods sector. The results suggest that DIS has a significant positive impact on MKG, while BPS is not a significant predictor of MKG. Additionally, the results indicate that both BPS and DIS are important factors to consider for companies operating in the consumer goods sector, as they can potentially have a significant impact on market growth. Therefore, it is recommended that companies in the consumer goods sector focus on developing and implementing effective differentiation strategies that can help them stand out from their competitors and attract customers. Such strategies could include offering unique products, services, or customer experiences, leveraging technology to create innovative solutions, and building strong brand identities. Additionally, companies should strive to establish and maintain strong relationships with their suppliers to ensure that they have access to the resources and materials they need to create their differentiated products or services.

Furthermore, it may be useful for companies to conduct further research into the factors that contribute to market growth in the consumer goods sector. This could help companies to identify new opportunities for growth and better understand the changing needs and preferences of their target customers. Additionally, companies should regularly assess their differentiation strategies and supplier relationships to ensure that they remain effective in a rapidly changing market environment. By doing so, companies can position themselves for sustained success and growth in the consumer goods sector.

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