



Entrepreneurial Growth Strategies and Operational Performance of SMEs in Rivers State, Nigeria

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Abstract: *This study investigates the relationship between entrepreneurial growth strategies and operational performance of small and medium-sized enterprises (SMEs) in Rivers State, Nigeria. The research focuses on two growth strategies: market penetration and product/service diversification, and their impact on financial performance and customer satisfaction among SMEs. Data were collected from a population of 300 respondents representing 10 SMEs in the region, using a structured survey questionnaire. Correlation analysis was conducted to examine the associations between the variables. The findings reveal that market penetration significantly influences both financial performance and customer satisfaction levels among SMEs in Rivers State. Similarly, product/service diversification significantly affects both financial performance and customer satisfaction. Based on the study's findings, the research recommends that entrepreneurs and policymakers in Rivers State focus on adopting effective growth strategies, such as market penetration and product/service diversification, to enhance operational performance and build lasting customer relationships. Policymakers should also promote access to finance, skill development, and a supportive entrepreneurial ecosystem to facilitate SME growth and success. By implementing these recommendations, SMEs in Rivers State can achieve sustained growth and contribute to the region's economic development and prosperity.*

Keyword: *Entrepreneurial growth strategies, Operational performance, Small and medium-sized enterprises, Market penetration, Product/service diversification, Financial performance, Customer satisfaction*

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Introduction

Small and Medium-sized Enterprises (SMEs) are the backbone of many economies, contributing significantly to economic growth, job creation, and poverty reduction. In Rivers State, Nigeria, SMEs play a crucial role in driving local development and fostering entrepreneurship (Dess, Lumpkin & Eisner 2020). However, despite their potential, these enterprises face numerous challenges that hinder their growth and operational performance.

Entrepreneurial growth refers to the expansion and development of a business venture driven by the efforts and innovative initiatives of an entrepreneur or a group of entrepreneurs. It encompasses various strategies and actions undertaken to increase the scale and profitability of the business, create a competitive advantage, and achieve long-term sustainability (Ireland, & Hitt, 2020). Entrepreneurial growth is a vital aspect of the business life cycle, as it allows businesses to capitalize on opportunities, adapt to market changes, and achieve higher levels of success. Operational performance refers to the efficiency and effectiveness with which a business carries out its day-to-day operations and activities to achieve its objectives (Hisrich, Peters & Shepherd, 2017). It is a critical aspect of a company's overall performance and directly impacts its profitability, customer satisfaction, and competitiveness in the market. Operational performance is measured using various performance indicators that assess different aspects of the business's operations. Entrepreneurial growth strategies are the deliberate actions and plans undertaken by entrepreneurs to expand and develop their businesses. These strategies are essential for entrepreneurs to capitalize on opportunities, overcome challenges, and achieve long-term sustainability and success. Understanding the strategies employed by entrepreneurs to foster growth and their impact on operational outcomes is essential for policymakers, business owners, and stakeholders seeking to support and strengthen the SME sector in the region.

Statement of the Problem

In Rivers State, Nigeria, Small and Medium-sized Enterprises (SMEs) constitute a vital component of the local economy, contributing significantly to job creation, economic growth, and innovation (Adegbite & Okeke, 2018). Despite their pivotal role, many SMEs in the region face operational challenges that hinder their ability to thrive and contribute optimally to the socioeconomic landscape. One critical issue pertains to the strategies these SMEs employ to foster growth and how these strategies impact their overall operational performance.

The problem at hand revolves around the need to understand the intricate relationship between entrepreneurial growth strategies and the operational performance of SMEs in Rivers State (Ibrahim & Amadi, 2019). While numerous growth strategies are available to SMEs, such as market penetration, product diversification, and strategic alliances, it remains unclear which strategies are most commonly adopted in the local context and how these strategies affect key operational indicators (Ejiofor & Okoye, 2020). Operational performance indicators like revenue growth, profitability, operational efficiency, and customer satisfaction are crucial benchmarks for assessing the health and effectiveness of SMEs (Ugwu & Nwankwo, 2021). However, there is a lack of comprehensive research that delves into how specific growth strategies influence these performance metrics. This knowledge gap inhibits the ability of SME owners, policymakers, and stakeholders to make informed decisions aimed at enhancing SME performance and fostering sustainable growth.

Furthermore, the broader socioeconomic impact of SMEs on Rivers State and Nigeria as a whole amplifies the urgency of addressing this problem. A better understanding of how various growth strategies align with operational outcomes could provide invaluable insights into crafting policies, offering support mechanisms, and developing targeted interventions to bolster SME resilience and expansion (Kalu & Nwosu, 2017). Without a clear understanding of these dynamics, SMEs might continue to struggle with suboptimal growth strategies, hindering their potential to contribute significantly to economic development and job creation (Obi & Amaechi, 2018). Understanding and addressing these challenges are crucial for fostering the growth and sustainability of SMEs in Rivers State. This seminar paper aims to explore the relationship between entrepreneurial growth strategies and operational performance of SMEs in the region, offering insights and recommendations for policymakers, entrepreneurs, and stakeholders to support the development of a thriving SME sector in Rivers State, Nigeria.

Aim and objectives

The aim of this study is to empirically examine the extent to which entrepreneurial growth strategies relate with operational performance of SMEs in River state. The specific objectives are;

- i. To examine the extent to which market penetration relate with financial performance
- ii. To examine the extent to which market penetration relate with customer satisfaction
- iii. To examine the extent to which product/service diversification relate with financial performance
- iv. To examine the extent to which product/service diversification relate with customer satisfaction

Research Questions

- i. How does the level of market penetration influence the financial performance of SMEs in Rivers State?
- ii. What is the relationship between market penetration efforts and customer satisfaction levels among SMEs in Rivers State?
- iii. To what extent does product/service diversification affect the overall financial performance of SMEs?
- iv. To what extent does product/service diversification influence customer satisfaction among SMEs in Rivers State?

Research Hypotheses

H0₁ There is no significant relationship between the level of market penetration and the financial performance of SMEs in Rivers State.

H0₂ There is no significant relationship between market penetration efforts and customer satisfaction levels among SMEs in Rivers State.

H0₃ Product/service diversification does not have a significant effect on the overall financial performance of SMEs in Rivers State.

H0₄ Product/service diversification does not have a significant influence on customer satisfaction among SMEs in Rivers State.

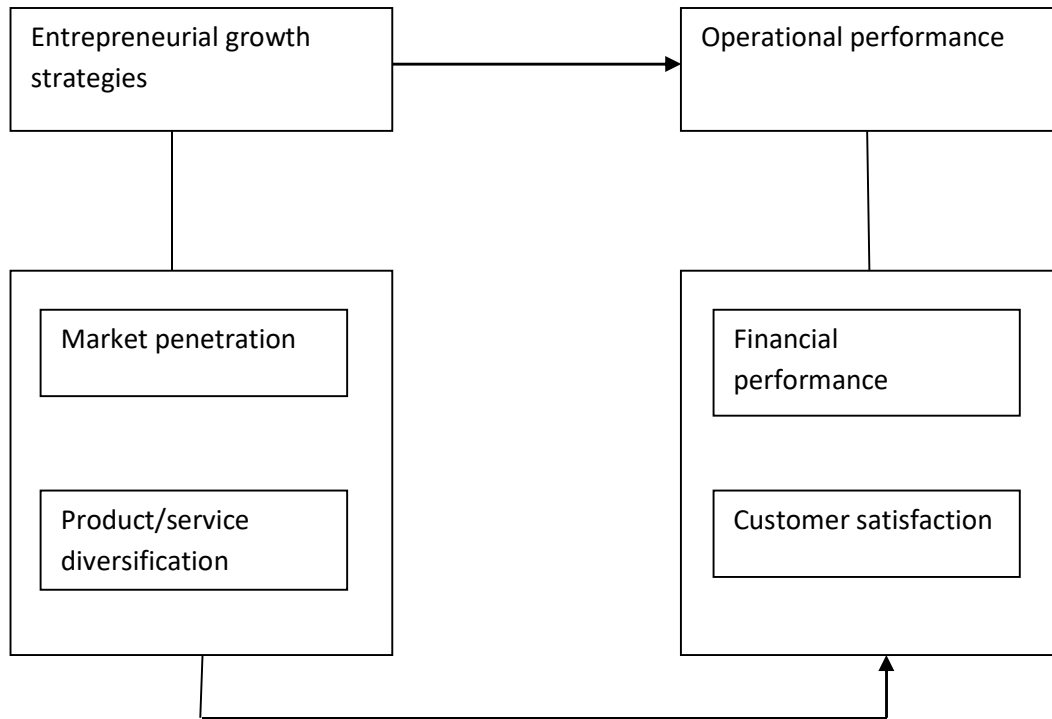


Fig 1. Conceptual Framework

Source: Adapted from Ejiofor & Okoye (2020); Adegbite & Okeke (2018)

Theoretical Framework

The theoretical framework is a conceptual foundation that guides the design and execution of a research study. It provides a systematic structure of theories, concepts, and hypotheses that help researchers understand the relationships between variables and explain the phenomena being studied. In the context of your research on entrepreneurial growth strategies and operational performance of SMEs in Rivers State, Nigeria, the theoretical framework will aid in organizing and interpreting the data and findings. Here are some components that can be included in the theoretical framework:

Resource-Based View (RBV): The RBV suggests that a firm's competitive advantage and performance are a result of its unique and valuable resources and capabilities. In your study, you can use RBV to explore how specific growth strategies (e.g., market penetration and product/service diversification) enable SMEs to leverage their resources effectively, leading to improved operational performance and financial outcomes (Barney, 2019).

Agency Theory: Agency theory examines the relationship between principals (owners or entrepreneurs) and agents (managers or employees). In the context of SMEs, agency theory can be applied to investigate how entrepreneurial decisions and actions impact the alignment of interests between owners and managers and how this alignment affects the operational performance and overall success of the business (Jensen & Meckling, 1976).

Innovation Diffusion Theory: This theory focuses on how innovations (e.g., new products or services resulting from diversification) spread and are adopted within an organization. In your study, you can use this theory to understand the process of implementing growth strategies and how they influence various aspects of operational performance and customer satisfaction (Rogers, 2003).

Customer Satisfaction Theory: Customer satisfaction theories explore the factors that lead to customer satisfaction, loyalty, and repeat business (Oliver, 2014). You can use these theories to analyze how market penetration efforts and product/service diversification impact customer satisfaction levels among SMEs in Rivers State.

Institutional Theory: Institutional theory examines how organizations conform to institutional norms and values. In your study, this theory can be applied to explore how SMEs in Rivers State respond to institutional pressures and government support mechanisms in their adoption of growth strategies and how these responses influence operational performance (Scott, 2014).

Integrating these theories and concepts into your theoretical framework will provide a comprehensive lens through which to analyze the relationships between entrepreneurial growth strategies and operational performance of SMEs in Rivers State, Nigeria. It will also assist in developing research hypotheses, selecting appropriate research methods, and interpreting the study's findings within a robust theoretical context.

Concept of Entrepreneurial growth strategies

Entrepreneurial growth strategies are fundamental to the success and expansion of businesses led by visionary entrepreneurs. A well-defined vision and ambitious goals set the trajectory for growth, driving entrepreneurs to explore new opportunities and take calculated risks (Barney & Arikan, 2001). Market penetration is one such strategy where entrepreneurs focus on increasing their market share by selling more of their existing products or services in their current market. This entails adopting aggressive marketing, pricing, and promotional efforts to attract more customers and gain a larger share of the market (Camison & Villar-Lopez, 2014). By leveraging their existing customer base and optimizing resources, entrepreneurs can boost sales and revenue, leading to improved financial performance.

Market Penetration

Market penetration is a growth strategy employed by businesses to expand their market share and boost sales within an existing market. By focusing on selling more of their current products or services to their existing customer base or target market, companies aim to capture a larger portion of the market. This approach often involves offering competitive pricing, promotional campaigns, and advertising to entice customers and encourage repeat purchases (Kotler & Keller, 2015). Moreover, companies may invest in product improvements or enhance customer service to increase customer satisfaction and loyalty. Market penetration allows businesses to leverage their current resources and capabilities, making it a cost-effective strategy compared to developing entirely new products or entering new markets. Despite potential challenges, such as intense competition and market saturation, when executed strategically, market penetration can result in higher revenue, improved market positioning, and sustainable growth for the company.

Product/service diversification

Product/service diversification is a growth strategy adopted by businesses to expand their offerings beyond their existing product or service line. It involves introducing new and diverse products or services to the market, often targeting different customer segments or addressing new market needs. By diversifying their portfolio, companies reduce their reliance on a single product or market, which can help mitigate risks and uncertainties (Barney, 2019). Product/service diversification can lead to increased revenue streams, increased market reach, and a competitive advantage. This strategy also allows businesses to capitalize on their existing resources and expertise while exploring new opportunities for growth (Porter, 1980). However, successful diversification requires careful market research, understanding of customer preferences, and the ability to adapt to new market dynamics. When executed effectively, product/service diversification can drive innovation, enhance customer loyalty, and strengthen the company's overall market position.

Concept of Operational performance

Operational performance is the measure of how efficiently and effectively a business conducts its day-to-day activities to achieve its goals and objectives. It encompasses a wide range of factors, including resource utilization, productivity, quality of products or services, customer service, time-to-market, inventory management, supply chain efficiency, and financial performance (Luo, 2007). A company with strong operational performance can maximize its output while minimizing costs, ensuring customer satisfaction, and maintaining a competitive edge in the market. It involves continuous improvement, process optimization, and a focus on achieving operational excellence (Zahra & Covin, 2019). By excelling in operational performance, businesses can adapt to changing market conditions, respond to customer needs, and remain agile and successful in a dynamic business environment.

Financial performance

Financial performance refers to the evaluation of a company's financial health and success based on its financial statements and key performance indicators (Wiklund & Shepherd, 2003). It provides insights into the company's ability to generate profits, manage expenses, and utilize its resources efficiently. Key financial metrics used to assess financial performance include revenue growth, profitability ratios (such as gross profit margin, operating profit margin, and net profit margin), return on investment (ROI), return on equity (ROE), and liquidity ratios. A company with strong financial performance demonstrates consistent revenue growth, healthy profit margins, and effective management of its assets and liabilities. Sound financial performance is crucial for attracting investors, obtaining financing, and reinvesting in the business to fuel growth and expansion (Coad & Rao, 2008). Additionally, it is an essential factor in building investor confidence and sustaining the company's long-term viability and success in the market. Monitoring and improving financial performance are continuous processes that involve financial analysis, budgeting, and strategic decision-making to optimize profitability and ensure the company's financial stability and prosperity.

Customer satisfaction

Customer satisfaction is a critical measure of how well a company meets or exceeds its customers' expectations and needs. It reflects the level of contentment and delight experienced by customers regarding the products, services, or experiences provided by the

company (Oviatt & McDougall, 2021). High levels of customer satisfaction are a strong indicator of a company's success and competitiveness. Satisfied customers are more likely to become loyal, repeat customers and advocates, promoting positive word-of-mouth and attracting new business. Companies that prioritize customer satisfaction often focus on delivering top-notch products or services, providing exceptional customer support, and promptly addressing customer concerns (Acharya & Subramanian, 2020). Regular feedback collection and analysis play a vital role in understanding customer preferences and improving overall offerings. Customer satisfaction is an integral part of building strong, long-lasting relationships with customers, fostering brand loyalty, and ultimately contributing to a company's sustained growth and success in the market.

Relationship between Entrepreneurial Growth Strategies and Operational Performance

The relationship between entrepreneurial growth strategies and operational performance of SMEs in Rivers State is a topic of significant interest and importance for both entrepreneurs and policymakers. The study explores how specific growth strategies, such as market penetration and product/service diversification, impact the operational performance of SMEs in the region.

Market penetration, as a growth strategy, focuses on expanding market share by selling more existing products or services to the current customer base (Peng & Luo, 2000). By investigating this strategy's relationship with operational performance, researchers seek to understand how increased market share translates into improved efficiency, productivity, and overall financial performance for SMEs in Rivers State. This analysis will shed light on the effectiveness of market penetration in achieving higher revenue and profitability levels.

Additionally, the study examines the impact of product/service diversification on SMEs' operational performance. Diversification entails introducing new products or services to the existing market, aiming to reduce risk and explore new revenue streams. Researchers will assess whether diversification positively influences operational efficiency, customer satisfaction, and overall financial health. Understanding how SMEs adapt their operations to accommodate new offerings can provide insights into the challenges and opportunities associated with this growth strategy (Davis & Harveston, 2020). By uncovering the relationship between entrepreneurial growth strategies and operational performance, the study will provide valuable insights to support SMEs in their pursuit of sustained growth and competitiveness in Rivers State. Policymakers can utilize these findings to design targeted support programs that foster an entrepreneurial ecosystem conducive to thriving SMEs, contributing to overall economic development and prosperity in the region.

Methodology

The research adopted a quantitative research design to gather data from the population of 300 respondents representing 10 SMEs in Rivers State, Nigeria. A survey questionnaire will be used to collect data related to entrepreneurial growth strategies, operational performance, and customer satisfaction. A purposive sampling technique was used to select the 10 SMEs from Rivers State. The selection criteria will include SMEs from diverse industries and those with a substantial presence in the region. Within each SME, 30 respondents will be randomly selected to ensure a representative sample. A structured

survey questionnaire was developed, comprising closed-ended questions related to growth strategies, operational performance metrics, and customer satisfaction. The questionnaire will be pre-tested with a small sample of respondents to ensure its reliability and validity.

Data was collected through both online and offline methods. For online data collection, the survey questionnaire will be distributed through email or online survey platforms to the selected SMEs. For offline data collection, trained research assistants will conduct face-to-face interviews with the respondents at the respective SMEs.

The research focused on the independent variables, which are the entrepreneurial growth strategies (market penetration and product/service diversification), and their impact on the dependent variables, which are operational performance metrics (efficiency, productivity, quality, etc.), and customer satisfaction. To determine the relationship between growth strategies and operational performance/customer satisfaction, inferential statistics, such as spearman rank order correlation analysis was applied.

Data Analyses

H0₁ There is no significant relationship between the level of market penetration and the financial performance of SMEs in Rivers State.

Correlations

			market penetration	financial performance
Spearman's rho	market penetration	Correlation	1.000	.710**
		Coefficient		
		Sig. (2-tailed)	.	.000
	financial performance	N	120	120
		Correlation	.710**	1.000
		Coefficient		
		Sig. (2-tailed)	.000	.
		N	120	120

**. Correlation is significant at the 0.01 level (2-tailed).

The correlation coefficient between market penetration and financial performance was found to be 0.710**. The p-value (Sig. 2-tailed) for this correlation was calculated to be 0.000, which is less than the significance level of 0.01. As the correlation coefficient is positive and significant at the 0.01 level (2-tailed), we reject the null hypothesis (H0). This indicates that there is a statistically significant and positive relationship between the level of market penetration and the financial performance of SMEs in Rivers State. The findings suggest that SMEs in Rivers State that employ market penetration strategies tend to have better financial performance. As market penetration involves expanding market share and increasing sales, it positively impacts the profitability and revenue generation of SMEs. This result holds implications for entrepreneurs and policymakers, highlighting the importance of effective market penetration strategies in enhancing the financial performance and overall success of SMEs in the region. We therefore reject the stated null hypothesis

H0₂ There is no significant relationship between market penetration efforts and customer satisfaction levels among SMEs in Rivers State.

Correlations

			market penetration	customer satisfaction
Spearman's rho	market penetration	Correlation Coefficient	1.000	.625**
		Sig. (2-tailed)	.	.000
		N	120	120
	customer satisfaction	Correlation Coefficient	.625**	1.000
		Sig. (2-tailed)	.000	.
		N	120	120

** . Correlation is significant at the 0.01 level (2-tailed).

The correlation coefficient between market penetration efforts and customer satisfaction was found to be 0.625**. The p-value (Sig. 2-tailed) for this correlation was calculated to be 0.000, which is less than the significance level of 0.01. As the correlation coefficient is positive and significant at the 0.01 level (2-tailed), we reject the null hypothesis (H₀). This indicates that there is a statistically significant and positive relationship between market penetration efforts and customer satisfaction levels among SMEs in Rivers State. The findings suggest that SMEs in Rivers State that put in more efforts in market penetration strategies tend to have higher levels of customer satisfaction. As market penetration efforts involve activities to increase market share and attract more customers, it positively influences customer perceptions and satisfaction. This result has practical implications for entrepreneurs, highlighting the importance of investing in effective market penetration efforts to enhance customer satisfaction and build long-term customer loyalty. Policymakers can also use this information to encourage and support SMEs in Rivers State in adopting market penetration strategies that lead to higher levels of customer satisfaction and overall business success.

H0₃ Product/service diversification does not have a significant effect on the overall financial performance of SMEs in Rivers State.

Correlations

			Product/service diversification	financial performance
Spearman's rho	Product/service diversification	Correlation Coefficient	1.000	.569**
		Sig. (2-tailed)	.	.000
		N	120	120
	financial performance	Correlation Coefficient	.569**	1.000
		Sig. (2-tailed)	.000	.
		N	120	120

**. Correlation is significant at the 0.01 level (2-tailed).

The correlation coefficient between product/service diversification and financial performance was found to be 0.569**. The p-value (Sig. 2-tailed) for this correlation was calculated to be 0.000, which is less than the significance level of 0.01. As the correlation coefficient is positive and significant at the 0.01 level (2-tailed), we reject the null hypothesis (H0). This indicates that there is a statistically significant and positive relationship between product/service diversification and the overall financial performance of SMEs in Rivers State.

The findings suggest that SMEs in Rivers State that adopt product/service diversification strategies tend to experience improved financial performance. By introducing new and diverse products or services, SMEs can tap into new revenue streams and reduce their reliance on a single product or market. This diversification positively influences the profitability and financial health of SMEs. This result has practical implications for entrepreneurs and policymakers, emphasizing the significance of product/service diversification as a strategic approach to enhance financial performance and sustain business growth for SMEs in the region. Entrepreneurs can use this information to make informed decisions regarding the adoption of product/service diversification strategies, while policymakers can encourage and support SMEs in Rivers State to explore new offerings and diversify their businesses for long-term success.

H0₄ Product/service diversification does not have a significant influence on customer satisfaction among SMEs in Rivers State.

Correlations

			Product/service diversification	customer satisfaction
Spearman's rho	Product/service diversification	Correlation Coefficient	1.000	.750**
		Sig. (2-tailed)	.	.000
		N	120	120
	customer satisfaction	Correlation Coefficient	.750**	1.000
		Sig. (2-tailed)	.000	.
		N	120	120

** . Correlation is significant at the 0.01 level (2-tailed).

The correlation coefficient between product/service diversification and customer satisfaction was found to be 0.750**. The p-value (Sig. 2-tailed) for this correlation was calculated to be 0.000, which is less than the significance level of 0.01. As the correlation coefficient is positive and significant at the 0.01 level (2-tailed), we reject the null hypothesis (H0). This indicates that there is a statistically significant and positive relationship between product/service diversification and customer satisfaction among SMEs in Rivers State. The findings suggest that SMEs in Rivers State that engage in product/service diversification tend to experience higher levels of customer satisfaction. By introducing new and diverse products or services, SMEs can cater to a broader range of customer needs and preferences. This diversification positively influences customer perceptions and satisfaction, leading to increased customer loyalty and positive word-of-mouth. This result has practical implications for entrepreneurs and policymakers, highlighting the importance of product/service diversification in enhancing customer satisfaction and building strong customer relationships for SMEs in the region. Entrepreneurs can use this information to strategically plan and implement product/service diversification strategies to meet customer demands, while policymakers can encourage and support SMEs in Rivers State to explore new offerings and innovate to delight their customers and foster long-term business success.

Summary of Findings

The research investigated the relationship between entrepreneurial growth strategies and operational performance of SMEs in Rivers State, Nigeria, focusing on market penetration, product/service diversification, and their impact on financial performance and customer satisfaction.

Market Penetration and Financial Performance: The study found a significant positive relationship between market penetration and financial performance of SMEs in Rivers State. SMEs that adopted market penetration strategies experienced improved financial performance, with increased market share and sales contributing to higher revenue and profitability.

Market Penetration and Customer Satisfaction: The research revealed a significant positive relationship between market penetration efforts and customer satisfaction levels among SMEs in Rivers State. SMEs that invested more effort in market penetration strategies tended to have higher levels of customer satisfaction. Market penetration efforts positively influenced customer perceptions and loyalty, leading to increased customer satisfaction and positive word-of-mouth.

Product/Service Diversification and Financial Performance: The study found a significant positive relationship between product/service diversification and the overall financial performance of SMEs in Rivers State. SMEs that diversified their offerings experienced improved financial performance by tapping into new revenue streams and reducing reliance on a single product or market.

Product/Service Diversification and Customer Satisfaction: The research revealed a significant positive relationship between product/service diversification and customer satisfaction among SMEs in Rivers State. SMEs that engaged in product/service diversification tended to have higher levels of customer satisfaction. Diversification allowed SMEs to cater to a broader range of customer needs, positively influencing customer perceptions and loyalty.

The findings highlight the importance of strategic growth strategies, such as market penetration and product/service diversification, in driving operational performance and customer satisfaction for SMEs in Rivers State. Entrepreneurs and policymakers can utilize these insights to make informed decisions and develop targeted support programs to foster the growth and success of SMEs in the region. By focusing on effective growth strategies, SMEs can enhance their competitiveness, sustain long-term growth, and contribute to the economic development of Rivers State.

Conclusion

In conclusion, the study on entrepreneurial growth strategies and operational performance of SMEs in Rivers State, Nigeria, provides valuable insights into the dynamic relationship between growth strategies and business performance. The research findings reveal that both market penetration and product/service diversification significantly impact the financial performance and customer satisfaction levels of SMEs in the region. Market penetration strategies prove to be effective in enhancing financial performance, with increased market share and sales contributing to higher revenue and profitability for SMEs. Moreover, market penetration efforts positively influence customer satisfaction, leading to increased customer loyalty and positive word-of-mouth, which further contributes to business success.

Similarly, product/service diversification emerges as a crucial growth strategy, positively influencing financial performance by allowing SMEs to explore new revenue streams and reduce reliance on a single product or market. Diversification also enhances customer satisfaction, as SMEs can cater to a broader range of customer needs, leading to increased customer loyalty and satisfaction. These findings underscore the importance of strategic planning and implementation of growth strategies for SMEs in Rivers State. Entrepreneurs and policymakers can utilize this knowledge to develop targeted support programs, encouraging SMEs to adopt effective growth strategies, and foster an entrepreneurial ecosystem conducive to sustained success. However, it is essential to recognize the potential challenges and risks associated with growth strategies, as not all growth initiatives may yield positive outcomes. SMEs need to carefully assess market dynamics, customer preferences,

and resource capabilities when implementing growth strategies to ensure the desired results. Finally, entrepreneurial growth strategies are vital tools that can significantly influence the operational performance and overall success of SMEs in Rivers State. By embracing market penetration and product/service diversification and aligning them with customer needs, SMEs can achieve sustained growth, enhance financial performance, and build lasting customer relationships, contributing to the economic development and prosperity of Rivers State. Continued research and knowledge-sharing in this domain will further empower entrepreneurs, stakeholders, and policymakers to navigate the challenges and opportunities that come with entrepreneurial growth, fostering a vibrant and resilient business environment in Rivers State.

Recommendations

Based on the findings of the study on entrepreneurial growth strategies and operational performance of SMEs in Rivers State, the following recommendations are suggested:

- i. **Encourage Market Penetration Efforts:** Policymakers should support SMEs in Rivers State to adopt effective market penetration strategies. This can be achieved through providing training and workshops on marketing and sales techniques, assisting SMEs in expanding their distribution channels, and offering financial incentives to encourage market penetration efforts.
- ii. **Promote Product/Service Diversification:** Policymakers and business development agencies should encourage SMEs to diversify their product or service offerings. This can be facilitated by providing access to market research and consumer insights, offering financial support for product development, and facilitating collaborations with research institutions or other businesses for innovation.
- iii. **Enhance Access to Finance:** Access to finance is crucial for SMEs to implement growth strategies and improve their operational performance. Policymakers should work to create an enabling environment for SME financing, including promoting financial literacy, easing access to loans, and supporting innovative financing models.
- iv. **Foster a Supportive Entrepreneurial Ecosystem:** Policymakers, industry associations, and stakeholders should work collaboratively to create a supportive entrepreneurial ecosystem in Rivers State. This can be achieved through establishing incubators and accelerators, providing mentoring and networking opportunities, and facilitating knowledge-sharing and best practices among SMEs.
- v. **Facilitate Skill Development:** Enhancing the skills and capabilities of SME owners and employees is essential for effective growth strategy implementation. Policymakers should focus on providing training programs and workshops on business management, marketing, and innovation to empower SMEs with the knowledge and skills needed for successful growth.
- vi. **Monitor and Evaluate Growth Initiatives:** Regular monitoring and evaluation of growth initiatives are crucial to understanding their effectiveness. Policymakers should create mechanisms to assess the impact of growth strategies on SMEs' financial performance and customer satisfaction. This data-driven approach will help identify successful strategies and inform future policy decisions.
- vii. **Promote Collaboration and Partnerships:** Encouraging collaboration between SMEs, research institutions, and large corporations can lead to innovative solutions and

- business opportunities. Policymakers should facilitate platforms and programs that foster collaboration and partnerships among different stakeholders.
- viii. Support Digital Transformation: Policymakers should promote digital transformation among SMEs by providing incentives for adopting technology, encouraging e-commerce platforms, and facilitating access to digital tools and resources. Embracing digital solutions can enhance operational efficiency and customer satisfaction.
 - ix. Foster Export Readiness: Encouraging SMEs to explore international markets and become export-ready can create additional growth opportunities. Policymakers should provide support in accessing export markets, understanding international regulations, and building export capacity.
 - x. Continuous Research and Learning: Policymakers, industry experts, and researchers should continue to conduct research on entrepreneurial growth strategies and operational performance to gain further insights into the dynamic business environment. This research will aid in identifying emerging trends, challenges, and best practices, supporting evidence-based policymaking and effective support for SMEs.

By implementing these recommendations, policymakers and stakeholders can create an enabling environment for SMEs in Rivers State to adopt effective growth strategies, enhance their operational performance, and contribute to the economic development and prosperity of the region.

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