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Repositioning Strategies And Performance Of Fast-Moving Consumer Goods Firms In Kenya

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Abstract

Manufacturing in Kenya was identified as one of the four pillars in the Big 4 Agenda that was expected to spur economic growth due to its strong forward and backward linkages with other sectors of the economy. However, statistics show that there has been a downward trend on performance of firms manufacturing fast moving consumer goods. The aim of this study was therefore to assess the effect of repositioning strategies (image repositioning, intangible repositioning, tangible repositioning and product repositioning) on performance of firms manufacturing fast moving consumer goods in Kenya. The study used a causal research design. The target population was 193 firms for the period 2016 to 2021. Data was analyzed through regression analysis. The study findings indicated that an increase in adoption of both image repositioning and intangible repositioning strategies resulted to a significant increase in both annual sales and return on assets of firms manufacturing fast moving consumer goods. In addition, the study found that tangible repositioning strategy and product repositioning strategy had insignificant effect on both sales and return on assets. Based on the findings, the study recommends that management of fast moving consumer goods firms increase their investment in adoption of image and intangible repositioning strategies given their positive and significant effect on both sales and return on assets.

Key Words: Image Repositioning, Intangible Repositioning, Tangible Repositioning, Product Repositioning, Firm Performance.

1.0 INTRODUCTION

Repositioning strategy involves educating consumers about the new positioning (Iyer et al., 2019). It helps constrained market power by enabling consumers to react positively to changes in product lines and product attributes (Ebere et al., 2022). It also helps in mitigating loss of revenue as product approaches decline stage (Muke-shimana et al., 2019). If well-articulated, repositioning can be valuable for both consumers and manufacturers of FMCG (Izadi et al., 2021). According to Siregar et al. (2020) consumers would only buy a few of the firm's FMCG if they were left to decide on their own.

Today's competitive and unreliable business environment and shifting customer expectations are major threats to firms manufacturing fast moving consumer goods (FMCG) (Rezaei et al., 2022). Covid-19 pandemic also caused a sudden disruption of manufacturing processes as well as extreme shift in demand and supply leading to low profits **(**Okorie, 2020). In line with vision 2030, manufacturing was viewed as a key driver of the economy in relation to job creation, productivity, and innovation. The priority agenda launched in 2020 was to establish a competitive manufacturing led economy for job and wealth creation (KAM, 2020). Unfortunately, firms manufacturing FMCG contributions to GDP shrug from 5.7 percent in 2015 to 0.2 percent in 2020 (Kenya economic survey, 2021).

Kenya's FMCG firms sell their products both locally and globally (World Bank, 2018). However, the growth of FMCG through the manufacturing sector in relation to the GDP has been on an erratic trajectory, with 5.7% in 2015, 5.9% in 2016, 4.97% in 2017, 6.37% in 2018, 5.47% in 2019, and 1.57% in 2020 (Kenya Economic Outlook, 2020). Poor access to markets as a result of fierce competition has been a major threat to FMCG firms in Kenya (Kilonzo, 2018). The growth of new players,

globalization and failure to preserve customer brand value also contributed to the disappointing performance of FMCG enterprises (Oberoi, 2019). Manufacturing of FMCG is still viewed as one of the prospective sectors due to increasing population growth (Bessiere et al., 2019). The vulnerability of FMCG firms to risks such as unclear strategies, reiterates the critical importance for the manufacturing sector to be strategically positioned to overcome unforeseen challenges hence the need to ascertain strategies that can sustain and improve performance (Jiang, 2020). One way of sustaining and improving performance is adoption of repositioning strategy which involves educating consumers about the new positioning (Iyer, 2019). It helps constrained market power by enabling consumers to react positively to changes in product lines and product attributes (Ebere et al., 2022). It also helps in mitigating loss of revenue as products approach decline stage (Mukeshimana et al., 2019).

Previous studies have shown that performance of FMCG has been on the decline as a result of short-lived sales (Kalsoom et al., 2018; Khan et al., 2018; Guan, 2020). A study by Alhawamdeh (2021) postulated that one of the areas that may influence performance of FMCG is product life cycle (PLC) extension strategies because persistence of firms that manufacture FMCG with the use of PLC concept continue to have a competitive advantage over those which do not. Although many studies have explored performance of FMCG firms (Vimal et al., 2021; Sundstrom, 2021) few were specific on how PLC extension strategies affect performance of FMCG firms in Kenya. Other related studies for instance (Mukeshimana , 2019; Shahid, 2019 and Ebere, 2020) were carried out in Rwanda, Parkistan and Nigeria respectively hence the findings of these studies could not be generalized to a Kenyan setting. Therefore, this study investigated the effect of repositioning strategies on the performance of fast-moving consumer goods manufacturing firms in Kenya.

2.0 LITERATURE REVIEW

This section presents both theoretical and empirical literature that guided the study.

2.1 THEORETICAL LITERATURE REVIEW

This study was guide by game theory. Game theory was posited by Neumann in 1937. Raj (2018) asserted that game theory is a set of tools for studying strategic behavior and seeks to understand business rivalries by using a method of analysis specifically designed to understand games of all types. Game theory is also the study of mathematical models of strategic interaction among rational decision-makers (Alothman et al., 2020). It is applicable in marketing models to describe firms' rational interactions and competing behaviors for certain payoffs that depend on the strategy that each employ (German et al, 2018).

Game theory involves a strategy of reacting to the actions of competitors and emphasizes on four basic elements namely; players, strategies, payoffs and information (Raj, 2018). Each decision maker in a game is called a player which applied to manufacturing firms' marketing managers in this study who were the holders of strategic vision of each firm hence in charge of determining strategies to be employed at each stage of PLC. The second element was strategy which applied to repositioning strategies which was the marketing manager's choice in the game which acted as a set of contingent plans of action available to manufacturers of FMCG geared towards combating cut throat competition. The third element was payoffs which were the returns to the players at the conclusion of the game which applied to profits the manufacturing firms were likely to derive after applying the repositioning strategies.

The last element was information which applied to prior knowledge on previous strategies employed by competitors. In this case, strategies to be used by other competitors were only known by FMCG marketing managers of each firm whereby, strategic interplay led to unstable payoffs. The target of firms manufacturing FMCG was a positive sum game in a win-win situation whereby, firms sustained their products regardless of market rivalry though at different proportions (Jiang et al., 2020). In a similar cross-examination, a study by Liljeblom et al. (2019) found that excessive strategic interplay could lead to decline of firm's profits in the long run.

2.2 EMPIRICAL LITERATURE REVIEW

Many firms reposition their products with the intention of sustaining profits as a result of increasing competition (Iyer, 2019). Repositioning strategy include image repositioning strategy, tangible repositioning strategy, intangible repositioning strategy and product repositioning strategy. A study by Shahid et al. (2019)

interrogated the relationship between repositioning strategies and firm performance among Pakistanian firms. Using data from 607 respondents, the study conducted inferential analysis to provide evidence that repositioning strategy had been associated with enhanced firm sales and revenues.

In a study on the effect of repositioning strategy on organizational performance of firms based in Rwanda with a focus on the Independent Power Producer, Mukeshimana et al. (2019) established that repositioning strategies positively and significantly affected organizational performance of the firms. The study adopted a descriptive survey design where a survey was conducted to collect quantitative primary data from a sample of 30 respondents. By employing symmetric equilibrium, Cong et al. (2019) conducted a study on the effect of repositioning on competition. The study found that in a competitive and uncertain environment, image repositioning prolongs sales thus improves firm performance. A study by (Sheth, 2020) on whether repositioning had a competitive advantage on sales of FMCG firms established that repositioning led to increase in revenue generation thus improved firm performance. Again the study was empirical while the current study was descriptive.

While examining the effect of repositioning on consumer preference, a study by Villas (2018) found that, as the cost of tangible repositioning went up, the firm's need to reposition minimized leading to low performance. The study used dimensional model while the current study used linear regression model. Another study by Hoskins (2021) on the endeavor to find out how marketing strategies influenced firm performance found that too much of product repositioning did not have a significant effect on firm performance. The study used panel regression model while the current study used multiple linear regression model to analyze data.

A study by Ebere et al. (2022) interrogated the link between repositioning strategy and performance of enterprises dealing with manufacturing in the Rivers State of Nigeria. Using a sample size of 291 firms, quantitative data was collected and analyzed through Pearson product moment correlation and found that intangible repositioning had a substantial positive link with indicators of performance. However, the study presented a contextual research gap since it focused on a context different from Kenya and therefore, the findings could not be generalized to a Kenyan setting.

A study by Sundstrom (2021) sough to find out the effect of repositioning strategy on plant based meat firms in Finland. The findings indicated that product repositioning was a highly complex strategic decision in relation to competitive landscape hence unsuccessful repositioning considerably weakened the overall firm reputation. The study used thematic analysis while the current study used regression analysis. Similarly, Bunea (2019) conducted a study on repositioning and firms sustainable competitive advantage in Romania. Through multiple regression analysis, the study found that product repositioning had a significant but negative influence on sales. This finding was contradicted by the work of Garachkovska (2021) that found that repositioning strategy brings benefits to both producers and consumers hence if mixed with other strategies it increases sales.

3.0 METHODOLOGY

This section presents the methodology that was used in this study.

3.1 Research Design

The study adopted causal research design which supported establishing a relationship between repositioning strategies and performance of fast moving consumer goods firms. The study tested the hypothesis;

H_O: Repositioning strategy has no effect on performance of fast moving consumer goods firms in Kenya.

The target population was 193 FMCG manufacturing firms in Kenya classified under food and beverage sector and registered under the Kenya Association of Manufacturers (KAM). Out of the 193 administered questionnaires, a total of 161 (83%) questionnaires were correctly responded to and returned by marketing and finance managers. This response rate was adequate since according to Snyder (2019), a response rate of 60% is acceptable for analyzing and publishing.

3.2 Operationalization and measurement of variables

Table 1 presents the independent and dependent variables and how they were measured.

Table 1: Operationalization and measurement of variables

Variable	Type of Variable	Indicator	Measurement
Repositioning strategy	Independent	Image repositioning	Percentage change in cost
		Tangible repositioning	Percentage change in cost
		Intangible repositioning	Percentage change in cost
		Product repositioning	Percentage change in cost
Performance of FMCG firms	Dependent	Sales Growth	Sales growth percentage
		ROA	Earning after tax/Total asset

3.3 Data analysis

Data was analyzed using both descriptive and inferential statistics. Descriptive statistics entailed the mean, standard deviation, percentage and frequency while inferential statistics entailed correlation and regression analysis. The hypothesis was tested using f-test statistic.

3.2.1 Study model

The following multiple regression model was adopted;

$$\mathbf{Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon}$$

Where: Y represented firm performance (Sales and ROA), X_1 was product repositioning, X_2 was image repositioning, X_3 was tangible reposition-ning, X_4 was intangible repositioning and ε was the error term.

3.2.2 Test of assumptions

Before using multiple regression model, the assumptions of classical linear regression models were tested. These included normality, multi-collinearity, autocorrelation and heteroscedasticity. Multicollinearity was tested using the Variance Inflation Factor where a threshold above 10 indicated presence of multicollinearity. Breusch-Goddfrey test was used to test for autocorrelation. The Breusch-Pagan test was used to test for heteroscedasticity. Normality of the dependent variable was also tested by use of the Kolmogorov-Smirnova test.

4.0 EMPIRICAL RESULTS AND DISCUSSIONS

4.1 Descriptive Statistics

4.1.1 Descriptive Statistics on Performance of FMCG Firms

The descriptive statistics of performance of FMCG firms are presented in Table 2.

Table 2: Performance of FMCG Firms

	N	Minimum	Maximum	Mean	Std. Deviation
Sales (Ksh)	161	1,040,000	14,610,000	7,106,273	4,024,326
ROA	161	- 37%	37.1%	7.3%	33.0

It can be observed that on average, the firms recorded a positive annual sales value of Ksh. 7,106,273. The lowest performing firm recorded an average annual sale of Ksh 1,040,000 and the best performing recorded an average annual sales value of Ksh. 14,610,000. There was also high variation in the annual sales from firm to firm as shown by a big standard deviation value of Ksh. 4,024,326.

It was also established that on average, the firms recorded a positive ROA of 7.3% which implied better performance in line with the threshold by Irman et al. (2020) who indicated that a ROA above 5% is good for a business. The lowest performing firm recorded a ROA loss of – 37% and the best performing recorded a profit of 37.1%. There was a high variation in the ROA from firm to firm as shown by a big standard deviation value of 33%.

4.1.2 Descriptive Statistics of Repositioning Strategy

The study first sort to establish whether FMCG firms had adopted repositioning strategies. The repositioning strategies in this study were image repositioning, tangible repositioning, intangible repositioning and product repositioning. The results are presented in Table 3.

Table 3: Adoption of Repositioning Strategy

Repositioning Strategy	Adoption Status	Frequency	Percent
Image Repositioning	Adopted	102	63.4
	Not Adopted	59	36.6
Tangible Repositioning	Adopted	115	71.4
	Not Adopted	46	28.6
Intangible Repositioning	Adopted	131	81.4
	Not Adopted	30	18.6
Product Repositioning	Adopted	151	93.8
	Not Adopted	10	6.2

As indicated in table 3 majority of the firms, 63.4%, 71.4%, 81.4% and 93.8% had adopted the repositioning strategies namely image, tangible, intangible and product respectively. This demonstrated the high regard with which the firms considered repositioning strategies. The findings implied a high adoption rate of repositioning strategies. The strategy that was most adopted by firms was product repositioning followed by intangible, tangible and lastly image repositioning.

The study also established the average cost of adopting image repositioning, tangible repositioning, intangible repositioning and product repositioning for the FMCG firms that had adopted these strategies. The results are presented in Table 4.

Table 4: Cost of Adopting Repositioning Strategy

Repositioning Strategy	Minimum (Ksh)	Maximum (Ksh)	Mean	Std. Deviation
Cost of adopting Image Repositioning	420,000	1,870,000	310,690.48	360,968.08
Cost of adopting Tangible Repositioning	1,000,000	2,540,000	977,304.35	623,797.54
Cost of adopting Intangible Repositioning	1,200,000	2,690,000	1,004,274.81	606,574.28
Cost of adopting Product Repositioning	310,500	1,695,000	728,943.75	450,531.22

Table 4 demonstrates that on average, it costed Ksh. 310,690 to adopt image repositioning strategy, Ksh. 977,304 to adopt tangible repositioning, Ksh. 1,004,274 to adopt intangible repositioning and Ksh. 728,943 to adopt product repositioning. Given the high standard deviations, it could be argued that there was a high variation in the cost of adopting the repositioning strategies from one firm to another. The findings imply that costs were involved to adopt the repositioning strategies across the firms. In addition, the cost of adopting the repositioning strategies varied across the firms but intangible repositioning was the most costly strategy to adopt while image repositioning was the cheapest.

In addition, the average annual sales before and after adoption of image repositioning, tangible repositioning, intangible repositioning and product repositioning for the FMCG firms that had adopted these strategies was established. The results are presented in Tables 5 and 6.

Table 5: Average Annual Sales before and after adoption of Repositioning Strategy

Repositioning Strategy		Minimum	Maximum	Mean	Std. Deviation
Image Repositioning	Average annual Sales before	420,000	8,760,000	3,487,254.90	2,076,263.38
	Average annual Sales after	430,000	11,380,000	4,046,372.55	2,536,267.54
Tangible Repositioning	Average annual Sales before	400,000	8,370,000	3,416,000.00	2,010,472.93
	Average annual Sales after	440,000	13,140,000	4,456,460.18	2,724,790.60
Intangible Repositioning	Average annual Sales before	580,000	9,280,000	4,223,511.45	2,420,920.02
	Average annual Sales after	400,000	12,990,000	5,376,412.21	3,559,174.94
Product Repositioning	Average annual Sales before	350,000	6,930,000	2,893,311.26	1,708,310.56
	Average annual Sales after	650,000	9,290,000	3,467,039.47	2,263,267.82

Table 6: Percentage Change in Annual Sales after Adoption of Repositioning Strategy

Repositioning Strategy	Minimum	Maximum	Mean	Std. Deviation
Percentage change in annual Sales after Image Repositioning	-14.60%	34.90%	13.1%	11.8
Percentage change in annual Sales after Tangible Repositioning	-14.00%	57.00%	27.8%	13.6
Percentage change in annual Sales after Intangible Repositioning	-49.00%	58.90%	22.2%	25.8

Percentage change in annual Sales after Product Repositioning	-61.20%	69.90%	16.9%	17.7

On average, there was an increase in the average annual sales after adoption of each of the repositioning strategies (positive change). Before adoption of image repositioning, the average annual sales for the firms were Ksh. 3,487,254.90 which improved to an average annual sale of Ksh.

4,046,372.55 (Table 5) after adoption demonstrating a percentage increase of 13.1% (Table 6). Similarly, before adoption of tangible repositioning, the average annual sales for the firms was Ksh. 3,416,000.00 which improved to an average annual sale of Ksh. 4,456,460.18 (Table 5) after adoption demonstrating a percentage increase of 27.8% (Table 6). In addition, it was shown that before adoption of product repositioning, the average annual sales for the firms were Ksh. 2,893,311.26 which improved to an average annual sale of Ksh. 3,467,039.47 (Table 5) after adoption demonstrating a percentage increase of 16.9% (Table 6).

It can also be observed that before adoption of intangible repositioning, the average annual sales for the firms were Ksh. 4,223,511.45 which improved to an average annual sale of Ksh. 5,376,412.21 (Table 5) after adoption demonstrating a percentage increase of 22.2% (Table 6). Overall, the findings implied that adoption of repositioning strategies was associated with an increase in the annual sales of a firm. The highest increase in annual sales was associated with adoption of tangible repositioning strategy followed by intangible, product and lastly image repositioning.

4. 2 Correlation between Repositioning Strategy and Firm Performance

To determine the association between repositioning strategy and performance of FMCG, Pearson correlation was adopted. The results are shown in Table 7.

Table 7: Correlation Results between Repositioning Strategy and Firm Performance

Correlations		Image Repositioning	Tangible Repositioning	Intangible Repositioning	Product Repositioning	Sales	ROA
Image Repositioning	Pearson Correlation	1					
	Sig. (2-tailed)						
Tangible Repositioning	Pearson Correlation	0.11	1				
	Sig. (2-tailed)	0.337					
Intangible Repositioning	Pearson Correlation	.389**	.228*	1			
	Sig. (2-tailed)	0.000	0.027				
Product Repositioning	Pearson Correlation	.301**	-0.061	.245**	1		
	Sig. (2-tailed)	0.003	0.53	0.007			
Sales	Pearson Correlation	.488**	.208*	.344**	.249**	1	
	Sig. (2-tailed)	0.000	0.027	0.000	0.002		
ROA	Pearson Correlation	.452**	.219*	.440**	.245**	.255**	1
	Sig. (2-tailed)	0.000	0.02	0.000	0.002	0.001	
	N	102	113	131	151	161	161
Key ** Correlation is significant at the 0.01 level (2-tailed).							
* Correlation is significant at the 0.05 level (2-tailed).							

It can be observed that adoption of image repositioning was associated with a significant increase in both annual sales and ROA of FMCG firms in Kenya (r = 0.488 and 0.452; P-Value < 0.05). This implied that an increase in adoption of

image repositioning led to a significant increase in both annual sales and ROA of firms. This was consistent with the findings of Garachkovska (2021) that found that repositioning strategy increases sales when mixed with other strategies.

The study findings also indicate that adoption of tangible repositioning was associated with a significant increase in both annual sales and ROA of FMCG firms in Kenya (r = 0.208 and 0.219; P-Value < 0.05). This implied that an increase in adoption of tangible repositioning led to a significant increase in both annual sales and ROA of firms. The findings were consistent with the work of Iyer et al. (2019) who demonstrated that firms used repositioning strategies with the intention of sustaining profits as a result of increasing competition.

It was also found that adoption of intangible repositioning was associated with a significant increase in both annual sales and ROA of FMCG firms in Kenya (r = 0.344 and 0.440; P-Value < 0.05). This implied that an increase in adoption of intangible repositioning led to a significant increase in both annual sales and ROA of firms. This finding confirms the work of Shahid and Zafar (2019) who provided evidence that repositioning strategy was associated with enhanced firm sales and revenues.

Lastly, it was established that adoption of product repositioning was associated with a significant increase in both annual sales and ROA of FMCG firms in Kenya (r = 0.249 and 0.245; P-Value < 0.05). This implied that an increase in adoption of product repositioning led to a significant increase in both annual sales and ROA of firms. This finding contradicted the work of Bunea (2019) whose study found that product repositioning had a significant but negative influence on sales.

4.3 Diagnostic Tests Results

Before running the ordinary least squares multiple regression model to predict the effect of repositioning strategy on FMCG firms' performance (ROA and Sales), diagnostic tests were conducted to establish whether the assumptions of linear regressions were obeyed. The study tested for multicollinearity, homoscedasticity, autocorrelation and normality. The results are discussed in the subsections.

4.3.1 Normality Test of Firm Performance

In order to make inferences from an analysis, the assumption of normally distributed dependent variable is very important. The test of normality of the dependent variable was done using Kolmogorov- Smirnova normality tests. The result is presented in Table 8.

Table 8: Normality Tests

Tests of Normality						
	Kolmogorov-Smirnova			**Shapiro-Wilk**		
	Statistic	**df**	**Sig.**	**Statistic**	**df**	**Sig.**
Sales	0.060	161	0.200	0.945	161	0.358
ROA	0.046	161	0.325	0.678	161	0.648
a Lilliefors Significance Correction						

H_{01}: *The data for sales is normally distributed*

Data on both Sales and ROA was normally distributed. Since the KS statistics were not significant, that is 0.200 for sales and 0.325 for ROA (P-Value > 0.05) the null hypothesis of normality was not rejected. Therefore, it was concluded that the data for sales and ROA were normally distributed.

4.3.2 Multi-Collinearity Test for Repositioning Strategy Predictors

Multicollinearity test was essential in establishing whether the independent variables were highly correlated or not. Presence of multicollinearity inflates the standard errors of a regression model thus giving spurious results. To establish whether there was a problem of multicollinearity among the independent variables, the study adopted the Variance Inflation Factor (VIF) method where a value above 10 is an indication of presence of multicollinearity (Smith, 2015). The result is presented in Table 9.

Table 9: Multi-Collinearity Test for Repositioning Strategy Predictors

	Collinearity Statistics	
	Tolerance	**VIF**
Image Repositioning	0.812	1.232
Tangible Repositioning	0.938	1.066
Intangible Repositioning	0.793	1.262
Product Repositioning	0.826	1.210
Dependent Variables: Sales and ROA		

All the predictor variables in the model, that is image, tangible, intangible and product repositioning had VIF values below 10 implying absence of multicollinearity.

4.3.3 Homoscedasticity test of the Model linking Repositioning Strategy to Firm Performance

Homoscedasticity test was conducted on the error terms after running the regression models for both sales and ROA so as to establish whether the error term had a constant variance across the independent variables as recommended in the classical linear regression model. The Breusch-Pagan test was used to test for homoscedasticity in a linear regression model. This is presented in table 10.

Table 10: Homoscedasticity test of the Model linking Repositioning Strategy to Performance

Breusch-Pagan / Cook-Weisberg test for Homoscedasticity
Ho: Constant variance
$Chi^2(3)$ = 0.768
Prob > Chi^2 = 0.234

H_0: *The error terms are homoscedastic*

The results presented in Table 10 indicated that the P-value was greater than 0.05 to demonstrate that the error terms showed homoscedasticity. The variance across the independent variables as recommended in the classical linear regression model was constant.

4.3.4 Autocorrelation Test of the Model linking Repositioning Strategy to Firm Performance

Another assumption of classical estimator is that of autocorrelation where the variation in the error terms are not supposed to be correlated. The Breusch Godfrey test was used to test for autocorrelation. The results are presented in Table 11.

Table 11: Autocorrelation test of the model linking Repositioning Strategy to Firm Performance

Breusch-Godfrey Test of Autocorrelation
Ho: Constant variance
$Chi^2(3)$ = 0.836
Prob > Chi^2 = 0.468

H_0: *There is no presence of serial correlation in the error terms*

The results indicated that the P-value was greater than 0.05 which demonstrated absence of serial correlation. This led to the failure to reject the null hypothesis of absence of autocorrelation.

4.4 Regression Results

The study tested the effect of repositioning strategy on FMCG firm performance (Sales and ROA) through a multiple regression model. The model summary results, ANOVA and model coefficient results for each of the two models are presented. Model 1 was where sales were regressed with repositioning strategy and model 2 entailed regression of ROA with repositioning strategy. The regression model summary results are presented in Table 12.

Table 12: Regression Model Summary of Repositioning Strategy and Firm Performance

Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
Model 1	.648	0.420	0.377	3376327
Model 2	.514	0.264	0.21	0.285301
	Predictors: (Constant), Product repositioning, Tangible Repositioning, Image repositioning, Intangible repositioning			

The result show that the four repositioning strategies (product repositioning, tangible repositioning, image repositioning and intangible repositioning) explained up to 42% and 26.4% of the variations in sales and ROA respectively. This implied that repositioning strategies (product repositioning, tangible repositioning, image repositioning and intangible repositioning) explained more of the variations in sales than ROA.

The regression model fitness was also established through ANOVA as shown in Table 13.

Table 13: ANOVA results of Repositioning Strategy and Firm Performance

Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**

Model 1 Dependent Variable is Sales	Regression	4.45E+14	4	1.11E+14	9.757	.000
	Residual	6.16E+14	54	1.14E+13		
	Total	1.06E+15	58			
Model 2 Dependent Variable is ROA	Regression	1.579	4	0.395	4.85	.002
	Residual	4.395	54	0.081		
	Total	5.975	58			

The findings indicated that the regression models linking the four repositioning strategies (product repositioning, tangible repositioning, image repositioning and intangible repositioning) to both sales and ROA were good fits (P-values < 0.05). The models were therefore significant to predict the effect of repositioning strategies (product repositioning, tangible repositioning, image repositioning and intangible repositioning) on sales and ROA.

The regression model coefficients results are presented in Table 14.

Table 14: Model Coefficients of Repositioning Strategy and Firm Performance

		B	**Std. Error**	**Beta**	**t**	**Sig.**
Model 1 Dependent Variable is Sales	(Constant)	3026032	1188128		2.547	0.014
	Image repositioning	17112592	4310955	0.457	3.97	0.000
	Tangible Repositioning	5756982	3498802	0.176	1.645	0.106
	Intangible repositioning	4007020	1865025	0.25	2.149	0.036
	Product repositioning	105025.4	3031352	0.004	0.035	0.972
Model 2 Dependent Variable is ROA	(Constant)	-0.178	0.100		-1.777	0.081
	Image repositioning	0.746	0.364	0.265	2.049	0.045
	Tangible Repositioning	0.396	0.296	0.161	1.338	0.187
	Intangible repositioning	0.318	0.158	0.264	2.017	0.049
	Product repositioning	0.112	0.256	0.056	0.438	0.663

The study findings show that image repositioning had a positive and significant effect on both sales (β = 17,112,592; P-Value < 0.05) and ROA (β = 0.746; P-Value < 0.05). This finding implied that a unit increase in adoption of image repositioning leads to an increase in both sales and ROA by 17,112,592 and 0.746 units respectively. This finding was supported by the work of Zhou (2019) who found that image repositioning prolonged sales leading to improved firm performance.

It can also be observed that intangible repositioning had a positive and significant effect on both sales (β = 4,007,020; P-Value < 0.05) and ROA (β = 0.318; P-Value < 0.05). This finding implied that a unit increase in adoption of intangible repositioning leads to an increase in both sales and ROA by 4,007,020 and 0.318 units respectively. This was consistent with the finding of Ebere and Onuoha (2022) who found that intangible repositioning had a substantial positive link with indicators of performance.

The effect of tangible repositioning on both sales and ROA were established to be positive (β = 5,756,982 and 0.396) and insignificant (P-Value > 0.05). This was consistent with a study by Villas (2018) that found that as the cost of tangible repositioning goes up, the firm's need to reposition minimizes leading to low performance.

Lastly, the effect of product repositioning on both sales and ROA was positive (β = 105,025.4 and 0.112) and insignificant (P-Value > 0.05). The finding supported a study by Hoskins (2021) that too much of product repositioning does not have a significant effect on firm performance. This was contradicted by the work of Bunea (2019) that found that product repositioning had a significant but negative influence on sales.

5.0 CONCLUSIONS, POLICY IMPLICATIONS AND AREAS FOR FURTHER RESEARCH

5.1 Conclusion

The study found that FMCG firms had adopted repositioning strategies which was associated with an increase in annual sales. The highest increase in annual sales was associated with adoption of tangible repositioning strategy followed by intangible then product and lastly image repositioning strategy. It was also found that an increase in adoption of both image repositioning and intangible repositioning strategies resulted to a significant increase in both annual sales and ROA of FMCG firms. In addition, the study found that adoption of tangible and product repositioning had a positive and insignificant effect on both sales and ROA.

5.2 POLICY IMPLICATIONS

Based on the findings, the study recommends that the management of FMCG increase their investment in adoption of image and intangible repositioning strategies given their positive and significant effect on sales and ROA.

5.3 AREAS FOR FURTHER STUDY

This study was limited to only FMCG sector out of thirteen sectors under Kenya Association of Manufacturers in Kenya. The findings can only be generalized to that context. There is need to explore the effect of repositioning strategies to other sectors because they vary in operations.

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AUTHOR CONTRIBUTIONS

Rwamba Pauline wrote the concept paper as well as the research paper. She sought permission from relevant institutions and collected, cleaned and analyzed data under the guidance of her supervisors, Dr. Zippy Mukami and Dr. Kennedy Nyabuto Ocharo who also proofread the final work to ensure it was in line with academic standards before sharing for publication.

CONFLICT OF INTEREST DECLARATION

The authors registered no conflict of interest in this study.

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Authors declare that the manuscript is original and has neither been previously published nor under consideration for publication elsewhere.

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