International Journal of Strategic Management (IJSM)

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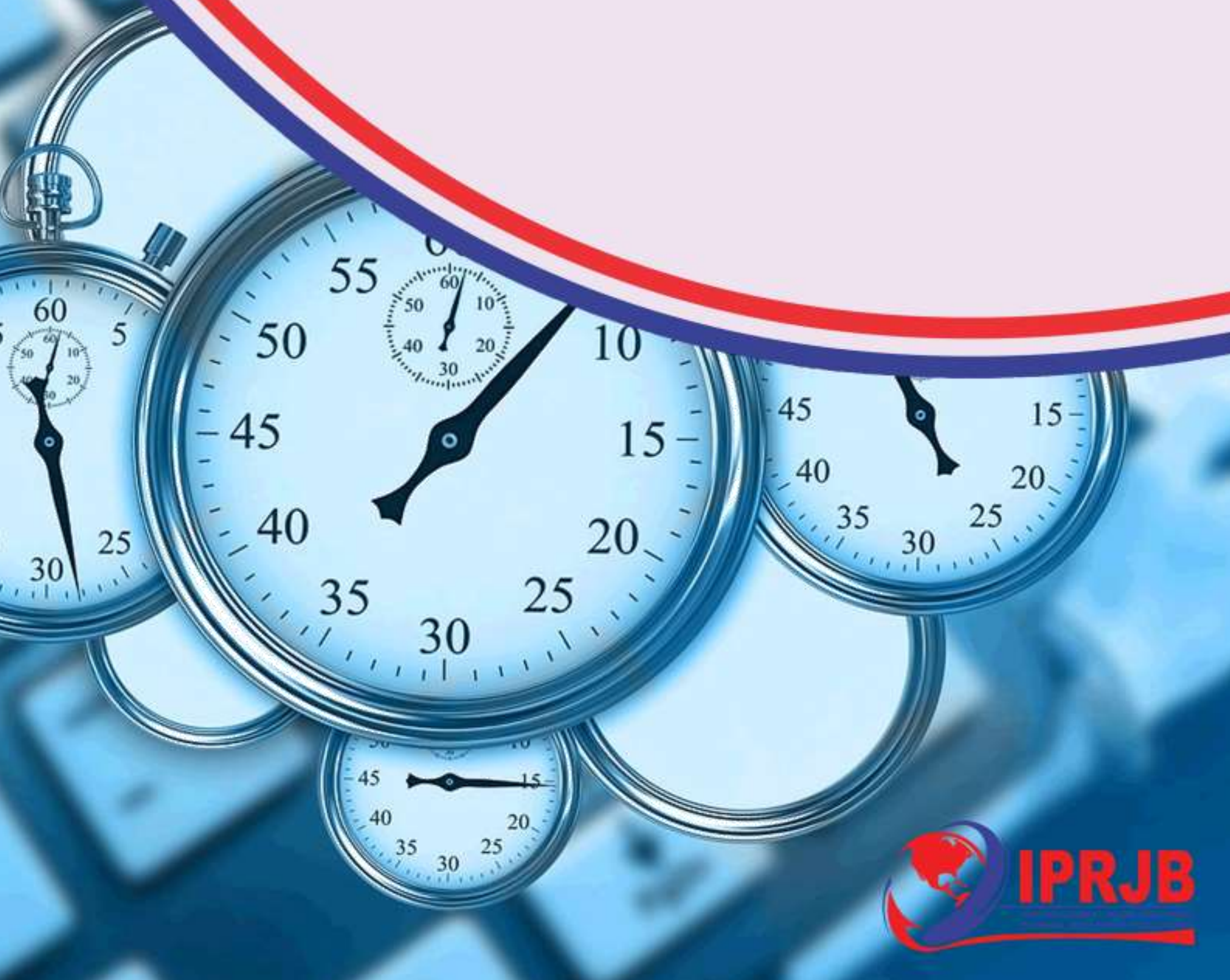

International Journal of Strategic Management
Vol.3, Issue 2, No.3, pp 33 - 49, 2024
ISSN: 2958-9681 (Online)

www.iprjb.org

Effect of Products Diversification on Performance of Transport Companies in Rwanda: A Case of Translift Limited

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Article History

Received 16th April 2024

Received in Revised Form 20th May 2024

Accepted 27thJune 2024

How to cite in APA format:

Bosco, N., & Njenga, S. (2024). Effect of Products Diversification on Performance of Transport Companies in Rwanda: A Case of Translift Limited. *International Journal of Strategic Management*, *3*(2), 33–49. https://doi.org/10.47604/ijsm.2711

Abstract

Purpose: The study's general objective was to assess the impact of product diversification on the performance of transport companies in Rwanda. Examining the impact of strategic positioning on firm performance, mainly through the lens of Translift Limited, offers valuable insight into the effectiveness of strategic management practices within the Rwandan context, aiding in the development of tailored strategies for sustainable business growth and economic development in the region. The research was grounded on Resource-Based View Theory.

Methodology: The study adopted a descriptive survey involving both qualitative and quantitative approaches. Qualitative analysis included a review of existing literature on strategic positioning, while quantitative analysis involved collecting and analyzing data from Translift Limited. The target population comprised 150 managers of Translift Limited. The sample size of 115 was determined using Slovin's formula. A combination of purposive and random sampling techniques was adopted. The study used both primary and secondary data. Primary data was collected through a questionnaire, while secondary data included peer-reviewed published journal articles. Qualitative data from interviews and open-ended survey responses were analyzed thematically. Data was coded to categorize responses and identify key concepts or ideas. This process helps organize the qualitative data for further analysis. Quantitative data from closed-ended survey questions was analyzed using descriptive statistics such as frequencies, percentages, means, and standard deviations. Qualitative and quantitative data were triangulated to corroborate findings and enhance the validity of the results. The data was presented in tables and figures where frequency, percentage, mean and standard deviation was used. The study interprets the analyzed data in light of the research objectives and theoretical framework.

Findings: The results from the regression analysis demonstrate that several predictor variables significantly influence firms' performance in Rwanda. Specifically, products diversification ($\beta = 0.214$, $p = 0.020$), exhibit positive standardized coefficients, indicating a positive relationship with firm performance. These findings suggest that firms in Rwanda can enhance their performance by diversifying their product offerings, investing in marketing activities, maintaining high-quality service standards, and building substantial trademark equity. However, it's worth noting that the perceived quality of service did not reach statistical significance at the conventional alpha level of 0.05. Overall, the model explains a significant portion of the variance in firms' performance, indicating the importance of these factors in driving business outcomes in Rwanda. In conclusion, the study underscores the importance of strategic factors such as product diversification, marketing efforts, perceived quality of service, and trademark equity in driving firm performance in Rwanda.

Unique Contribution to Theory, Practice and Policy: These findings provide valuable insights for businesses operating in the Rwandan market, highlighting the significance of adopting comprehensive strategies prioritizing customer satisfaction, brand development, and market differentiation to achieve sustained success. Based on the study's findings, it is recommended that firms in Rwanda focus on diversifying their product offerings, investing in marketing efforts, maintaining high-quality service standards, and building substantial trademark equity to enhance their performance in the market.

Keywords: *Strategic Positioning, Product Diversification, Firm Marketing, Perceived Quality of Service, Trademark Equity*

JEL Codes Classification: *L10, L25, M31, L15.*

INTRODUCTION

Strategic positioning stands as a cornerstone in the realm of business strategy, wielding a profound influence on the performance and competitiveness of firms worldwide (Kotler & Keller, 2016). The strategic choices made by organizations regarding how they differentiate themselves within their respective industries and target markets significantly shape their ability to achieve sustainable growth and profitability (Porter, 2016). As firms navigate the complexities of today's business environment, effective strategic positioning serves as a cornerstone for achieving sustainable growth and success (Hitt, Ireland, & Hoskisson, 2021). By strategically positioning themselves within their respective markets, firms can differentiate their offerings, target specific customer segments, and allocate resources efficiently to capitalize on opportunities while mitigating risks. Moreover, strategic positioning enables firms to build strong brand reputations, enhance customer loyalty, and adapt to evolving market dynamics (Chen & Miller, 2015).

According to Porter (2016), strategic positioning involves creating a unique and valuable position within an industry, differentiating oneself from competitors in ways that are meaningful to customers. Furthermore, a study by Barney (2021) underscores the significance of strategic positioning in leveraging firm resources and capabilities to achieve superior performance. In the United States, firms such as Apple Inc. and Tesla Inc. exemplify the power of strategic positioning in driving innovation, capturing market share, and delivering superior financial results (Rothaermel, 2019; Yoffie & Cusumano, 2017). However, the effectiveness of strategic positioning may vary across industries, regions, and economic conditions, necessitating a nuanced understanding of its impact on firm performance.

According to a study by Li and Liu (2019), strategic positioning in Asia is critical for firms to navigate complexities such as market saturation, technological advancements, and shifting consumer preferences. In addition, a study conducted by Peng and Delios (2016) highlights the significance of aligning strategic positioning with the particular market dynamics and competitive factors that are present in Asian nations. Therefore, it is crucial for companies aiming for long-term progress and achievement in this dynamic and swiftly evolving market to comprehend the intricacies of strategic positioning in Asia.

With its diverse economies and unique challenges, Sub-Saharan Africa presents both opportunities and complexities for businesses operating within its borders (Agyemang, 2018). Despite the region's vast potential, firms in Sub-Saharan Africa face numerous hurdles, including inadequate infrastructure, regulatory barriers, and political instability (Meyer, Mudambi, & Narula, 2021). Thus, crafting effective strategic positions becomes imperative for navigating these challenges and capitalizing on the region's growth prospects (Brouthers, Hennart, & Wakkee, 2016). Moreover, research by Makhbul and Karodia (2018) underscores the importance of strategic positioning in driving sustainable growth and innovation in Sub-Saharan Africa's emerging markets, particularly in sectors such as agriculture, telecommunications, and renewable energy.

As stated by Irefin, Bello, & Mathew (2018), strategic positioning is fundamental for firms in Nigeria to navigate the complexities of the domestic market while also capitalizing on emerging opportunities in the global arena. Moreover, Okpara and Wynn (2017) notes the importance of strategic positioning for Nigerian firms to achieve sustainable competitive advantage amidst increasing competition and market uncertainties. As noted by Afolabi and Ayodeji (2020), effective strategic positioning enables Nigerian firms to navigate competitive pressures, identify growth opportunities, and manage risks more adeptly, thereby bolstering their performance and resilience. Moreover, in a study by Olusegun et al. (2019), it was highlighted that strategic positioning facilitates resource optimization and innovation, enabling firms in Nigeria.

In Kenya's dynamic business environment, strategic positioning has emerged as a critical factor in sustaining growth and profitability (Muturi & Mureithi, 2019). Being the largest economy in East Africa, Kenya accommodates diverse industries such as agriculture, manufacturing, finance, and technology, all of which contend with fierce competition and shifting consumer trends (World Bank, 2021). Against this backdrop, Kenyan companies progressively recognize the significance of strategic positioning to differentiate themselves, capture market share, and achieve improved financial outcomes (Olomi, 2017).

In Rwanda, strategic positioning plays a pivotal role in driving firm performance amidst a rapidly evolving global marketplace. As the country continues to embrace economic reforms and foster a conducive business environment, firms are compelled to strategically position themselves to remain competitive and capitalize on emerging opportunities (Ngabonziza et al., 2020). With its commitment to innovation and technology-driven growth, Rwanda has attracted attention as a burgeoning hub for entrepreneurship and investment (Kabeja, 2019). Against this backdrop, understanding the effects of strategic positioning on firm performance is imperative for businesses seeking to thrive in Rwanda's dynamic market landscape.

Specifically, examining the effect of strategic positioning on transport firms' performance sheds light on the dynamics shaping Rwanda's transport landscape (Kaplinsky, 2018). Through a comprehensive review of literature on strategic management and transportation economics, coupled with empirical evidence gathered from Translift Limited and other relevant stakeholders employed by transport firms to gain a competitive edge in Rwanda's market. The transport sector plays a crucial role in the economic development of Rwanda, facilitating trade, connectivity, and mobility. Diversification of products and services is a strategic approach that transport companies, such as Translift Limited, employ to enhance their competitive edge and performance. Product diversification involves offering a variety of services to meet different customer needs, thereby potentially increasing revenue and market share (Grant, 2016). According to Kaluza, Blecker, and Bischof (2020), diversification strategies can mitigate risks associated with market fluctuations and improve overall firm performance. This study aims to investigate the impact of product diversification on the performance of Translift Limited, a leading transport company in Rwanda, providing insights into how such strategies can be leveraged to achieve sustainable growth.

Statement of the Problem

A company's capacity to adapt to and thrive in Rwanda's dynamic business environment is heavily dependent on its strategic positioning (Murekezi, 2019). However, despite the acknowledged importance of strategic positioning, there remains a dearth of empirical studies exploring its specific impact on firm performance. As such, there is a need to investigate how strategic positioning strategies adopted by firms like Translift Limited influence their overall performance in Rwanda's market. To succeed in Rwanda's economic environment, organizations need to have well-thought-out plans that consider the correlation between strategic positioning and company success (Kayizzi-Mugerwa, 2019; National Institute of Statistics of Rwanda, 2020).

Moreover, while Rwanda has made significant strides in promoting entrepreneurship and attracting foreign investment companies like Translift Limited have distinct difficulties and possibilities, but there is a dearth of specific insights into these factors. Factors such as market volatility, infrastructure limitations, and evolving consumer preferences further complicate the strategic decision-making process for businesses operating in Rwanda. Therefore, there is a pressing need for research that delves into the specific mechanisms through which strategic positioning impacts the performance of firms like Translift Limited, providing actionable recommendations for enhancing competitiveness and sustainable growth in the Rwandan market (Gatera, 2018; Rwanda Development Board, 2020).

Translift Limited, a prominent transport company in Rwanda, has faced significant challenges in leveraging product diversification to enhance its performance. While diversification is often heralded as a strategy for mitigating risks and capturing new market opportunities, Translift Limited has struggled to achieve these anticipated benefits. Specifically, the company has encountered difficulties in managing the complexities associated with offering a broader range of transport services, which has resulted in operational inefficiencies and inconsistent service quality (Porter, 2015; Barney, 202, Kim *et al.,* 2016). Additionally, the diversification efforts have led to increased costs without a corresponding rise in revenue, indicating a potential misalignment between the new service offerings and market demand ((Rugman & Verbeke, 2022; Dacin *et al.,* 2020). This oversight neglects crucial aspects of the problem, potentially leading to incomplete or inaccurate insights into the effectiveness of strategic positioning strategies for Rwandan firms. By addressing this gap, this study aims to contribute to theoretical development in the field by providing a deeper understanding of the strategic positioning-performance relationship within the Rwandan context. Through a mixed-methods approach involving qualitative interviews and quantitative analysis, this research explored the unique challenges and opportunities faced by Rwandan firms in formulating and executing strategic positioning strategies. This study aims to investigate the underlying issues contributing to these challenges and to evaluate the overall impact of product diversification on the performance of Translift Limited.

LITERATURE REVIEW

Products Diversification

As Ansoff (2017) outlined, product diversification entails strategically expanding a company's product offerings into new markets or industries. This approach is widely adopted by firms seeking to bolster their competitive edge and foster sustainable growth. By broadening their portfolio beyond existing markets or industries, companies can tap into fresh revenue streams, mitigate risks associated with market fluctuations, and capitalize on emerging opportunities, solidifying their market position and long-term viability. The literature underscores the importance of product diversification as a means to mitigate risks associated with market fluctuations and capitalize on emerging opportunities (Narver & Slater, 2020). According to Porter (2020), product diversification allows firms to spread risks across different product lines and market segments, reducing their vulnerability to competitive threats and economic downturns. Moreover, by offering a variety of products to cater to diverse customer needs and preferences, firms can enhance customer loyalty and strengthen their market position (Datta, Rajagopalan, & Rasheed, 2021). This strategic approach is particularly relevant in dynamic and competitive markets where innovation and differentiation are critical drivers of success (Kotler, 2017).

Empirical research has provided insights into the various dimensions and outcomes of product diversification strategies. For instance, a study by Palich, Cardinal, and Miller (2020) found that product diversification positively impacts firm performance, particularly when accompanied by effective strategic management practices and resource allocation. Similarly, Teece (2022) argues that product diversification can facilitate economies of scope and scale, leading to enhanced efficiency and profitability for firms operating across multiple product lines. However, the success of product diversification initiatives depends on factors such as market demand, competitive dynamics, and organizational capabilities (Hitt, Hoskisson, & Ireland, 2020). In a study examining the determinants of product diversification, Hoskisson and Hitt (2020) highlight the importance of strategic fit and coherence between existing and new product lines, suggesting that firms must carefully evaluate the alignment between their core competencies and diversification opportunities to maximize value creation.

The relationship between strategic positioning and company success at a global level has been explored in several empirical studies. Research by Barney (2021) and Peteraf (2018) has shown that organizations with a consistent competitive advantage tend to have a stronger strategic posture. Porter's (2015) research has highlighted the importance of strategic positioning in achieving a competitive edge and long-term profitability. Internationally, research has looked into the impact of strategic positioning on the success of companies across various sectors. Chen and Miller (2015) conducted empirical research and found a positive correlation between strategic positioning and financial success in different industries. In a study by Bowman and Ambrosini (2014), the authors examined how businesses in the automotive sector strategically position themselves. The study revealed that different positioning strategies, such as cost leadership or distinctiveness, influenced firm performance measures such as market share and profitability.

From a regional perspective, research conducted in the African environment has examined the correlation as well. In their study, Mokaya and K'Obonyo (2017) examined the strategic positioning methods used by enterprises in Kenya and assessed their influence on financial performance. Research has shown that companies that utilize differentiation strategies generally have better financial performance and gain a larger market share compared to their competitors. In Pakistan, Afzal and Sarwar (2018) found a direct relationship between strategic positioning and company performance, particularly in sectors with intense competition. Ibeh et al., (2019) analyzed the strategic positioning strategies of Nigerian companies and their impact on financial performance. They emphasized the importance of market orientation and innovation in enhancing competitive advantage and profitability. Kinyua and Kiama (2018) focused on SMEs in Kenya and their strategic positioning. The authors of the study concluded that customer-centric tactics are crucial for the success of these companies in the regional marketplace.

When focusing on the situation in Rwanda, there is a lack of particular empirical study on Translift Limited or other comparable firms. Nevertheless, Munyankiko (2019) and Nkurunziza (2016) have conducted research that examine several facets of strategic management and the impact on company performance in Rwanda. These studies provide valuable understanding of the difficulties and advantages encountered by companies operating in Rwanda's distinctive socio-economic setting. In their study, Rwigema and Nsengiyumva (2017) examined the strategic positioning strategies used by companies in Rwanda and how they influenced performance. They emphasized the significance of innovation and market responsiveness in enhancing competitiveness and achieving sustainable growth. In addition, Uwizeyimana et al., (2020) conducted a research that investigated the correlation between strategic positioning and financial performance in Rwandan manufacturing companies. The study highlighted the significance of strategic agility and adaptation in successfully navigating the local business landscape.

For instance, Palich, Cardinal, and Miller (2020) found that moderate levels of diversification enhance firm performance due to resource synergies and risk reduction, while excessive diversification may lead to inefficiencies and coordination challenges. Similarly, Lee and Li (2022) reported positive effects of diversification on market share and profitability in the logistics sector, attributing these outcomes to increased market opportunities and customer base expansion. However, some studies, like that of Wan and Hoskisson (2023), highlight the potential downsides of diversification, such as the dilution of core competencies and increased managerial complexity. In the context of the transport industry, Wang, Wang, and Liu (2019) observed that diversified transport companies tend to perform better due to their ability to offer integrated services, though they also noted the significant capital and operational costs associated with such strategies. Despite these findings, there is a lack of focused research on the transport sector in emerging markets like Rwanda. Existing studies often overlook the unique challenges faced by transport companies in these regions, such as infrastructural deficits and market instability. This study aims to fill this gap by examining how product diversification affects the performance of Translift Limited, providing insights that are specific to the Rwandan context.

Resource Based Theory

Barney (2021) explains that the Resource-Based View (RBV) provides insights into how companies can gain a competitive advantage by maximizing their unique assets. Firms with precious, uncommon, unique, and non-substitutable resources have an advantage over rivals, according to this viewpoint. The RBV recommends that businesses prioritize making the most of their current assets in order to facilitate product diversification initiatives. A company's ability to diversify into new product categories may be enhanced by capitalizing on its strengths, such as its research and development skills or its well-established brand recognition.

Product diversification is the expansion of a firm's product portfolio into new markets or product categories. It is seen as a strategic response to changing market conditions and opportunities (Hitt et al., 2021). The goal is to spread risk, capture new revenue streams, and take advantage of synergies between different product lines. However, the success of product diversification depends on the firm's ability to manage and deploy its resources and capabilities effectively. From an RBV perspective, firms that possess diverse and complementary resources are better equipped to pursue product diversification strategies. For instance, a company with strong manufacturing capabilities may diversify into related product categories to capitalize on economies of scale and operational efficiencies.

Empirical research has provided support for the relationship between the Resource-Based View and product diversification on firms' performance outcomes. For example, a study by Peteraf (2018) found that firms with greater resource diversity were more likely to engage in product diversification activities and achieve superior performance. In a similar vein, Winter (2018) found that companies with diverse skill sets and resources were better equipped to deal with product diversification's pitfalls and seize opportunities in emerging markets. The significance of coordinating resource allocation choices with long-term goals for improving company performance in product diversification programmes is shown by these results.

Applying the Resource-Based View (RBV) theory to the effect of product diversification on the performance of transport companies in Rwanda suggests that the strategic allocation and utilization of internal resources and capabilities play a crucial role in achieving competitive advantage. In the context of Translift Limited, diversifying its product offerings beyond traditional transportation services could leverage its existing resources such as fleet, infrastructure, and operational expertise to penetrate new market segments or offer value-added services. By effectively deploying these resources, Translift can enhance its competitive positioning and overall performance. For instance, expanding into logistics solutions or specialized transport services like cold chain logistics or last-mile delivery could capitalize on existing capabilities while tapping into new revenue streams and meeting evolving customer needs. This strategic diversification not only enriches Translift's service portfolio but also strengthens its market position and resilience against industry fluctuations, thereby contributing to long-term success and sustainability in Rwanda's transport sector.

Applying the RBV framework to Translift Limited, it is clear that the company's existing resources, such as its fleet of vehicles, infrastructure, and operational expertise, play a critical role in its diversification strategies. For instance, Translift's well-maintained fleet can be leveraged to offer new services like refrigerated transport for perishable goods or specialized transport for oversized cargo, thus tapping into new market segments. Additionally, the company's established infrastructure, including maintenance facilities and logistics hubs, can support diversified operations, reducing the marginal cost of adding new services. Translift's operational expertise, developed through years of managing complex logistics and transport operations, provides a strong foundation for efficiently integrating and managing diversified service offerings. This expertise ensures that the company can maintain high service quality and operational efficiency, even as it expands its service portfolio. By effectively utilizing these resources, Translift can achieve a sustainable competitive advantage, aligning with the RBV framework's emphasis on leveraging unique internal capabilities for strategic growth.

Conceptual Framework

A conceptual framework serves as the foundation for understanding and interpreting research findings, guiding scholars in their exploration of complex phenomena. According to Maxwell (2018), it provides a systematic structure that delineates the relationships between variables, offering a roadmap for researchers to conceptualize and organize their study. Moreover, Bryman (2015) asserts that a well-developed conceptual framework enhances the coherence and rigor of research by clarifying the theoretical underpinnings and guiding the formulation of hypotheses. Through its ability to integrate existing knowledge and inform the research process, a conceptual framework facilitates the advancement of scientific inquiry (Bazeley & Jackson, 2018).

Independent variable

Products Diversification
- Product Portfolio Mix
- Number of Product Lines
- Customer Segmentation

→

Dependent variable

Firms Performance
- Customer Satisfaction
- Reduced Administrative Costs
- Revenue Growth

Figure 1: Conceptual framework

Source: Researcher, 2023

METHODOLOGY

In order to thoroughly investigate how strategic positioning impacts business performance, this study used a descriptive survey methodology that combines qualitative and quantitative approaches. The particular emphasis was on Translift Limited in Rwanda. Surveys were sent out to a cross-section of Translift's clientele, workers, and upper management in order to gather quantitative data. The surveys used proven scales to gauge how people perceive the company's strategic positioning and key performance metrics. The study conducted semi-structured interviews with executives, managers, and industry experts to collect qualitative data. This enable us to explore the elements that influence strategic choices and performance results in detail. To further evaluate the correlation between strategic positioning factors and KPIs for the company, statistical tools like regression analysis was used (Hair *et al.*, 2019). Ensuring validity, reliability, and triangulation of data from many sources, this research design allowed a comprehensive study into the research issue (Creswell & Creswell, 2017).

The target population comprised of 150 managers of Translift Limited. These included 25 individuals representing top-level management, 75 individuals representing middle-level management, and 50 individuals representing lower-level management within Translift Limited.

Table 1: Target Population

Category	Population
Top-Level Management	25
Middle-Level Management	75
Lower-Level Management	50
Total	**150**

Source: Human Resource Translift Limited (2024)

Additionally, Hulley *et al.* (2018) emphasize the importance of considering the target population's characteristics and the study's research questions when determining an appropriate sample size. Slovin's formula, commonly used in social sciences, provides a straightforward method for calculating the appropriate sample size. The formula is expressed as:

$n = \frac{N}{1+N\,(e)^2}$.. (Equation 1)

Using Slovin's formula, the sample size from the target population of 150 was determined. Assuming a desired margin of error (e) of 5%, which is commonly used in many research studies, the calculation would be as follows:

$$n = \frac{150}{1 + 150(0.05)^2} \approx 114.07 = 115$$

Table 2: Sampling Frame

Category	Population	Sample Size	Sampling Technique
Top-Level Management	25	19	Stratified
Middle-Level Management	75	58	Stratified
Lower-Level Management	50	38	Purposive
Total	**150**	**115**	

The research used a stratified sample strategy to choose participants from various hierarchical levels at Translift Limited in Rwanda. Primary data collection methods such as surveys and interviews were utilized to gather firsthand information from employees, managers, and executives within Translift Limited, allowing for insights into their perspectives, strategies, and experiences related to strategic positioning. Additionally, secondary data sources such as industry reports, government publications, and existing literature would be leveraged to provide background information and contextual understanding of Rwanda's business environment.

According to Polit and Beck (2016), content validity guarantees that the research instruments fully address all pertinent facets of business performance and strategic positioning in the Rwandan environment. In order to verify that the instruments accurately measure the target constructs, construct validity was evaluated using methods such factor analysis (Hair, *et al.*, 2019).

Table 3: Content Validity Index

Rater	Total items	Valid items	Validity index
1	45	38	0.8444
2	41	38	0.9268
3	40	38	0.9500
4	39	38	0.9744
Average			**0.9239**

Source: Pilot Data Results, (2024)

Table 3 presents the content validity index (CVI) for four raters assessing the total and valid items of a study in Rwanda, sourced from Pilot data results (2023). The CVI values range from 0.8444 to 0.9744, indicating high levels of agreement among the raters regarding the relevance and appropriateness of the items in the study. Raters 1, 2, and 3 each assessed 45, 41, and 40 total items, respectively, with 38 items deemed valid, resulting in CVIs of 0.8444, 0.9268, and 0.9500, respectively. Rater 4 assessed 39 total items, with all 38 items considered valid, resulting in a CVI of 0.9744. The average CVI across all raters is calculated as 0.9239, indicating a strong overall content validity of the items. These findings suggest a high degree of agreement among the raters regarding the relevance and appropriateness of the items in the study (Polit & Beck, 2016).

To ensure their reliability, the research instruments utilized in the study examining the effect of strategic positioning on Translift Limited's performance in Rwanda was extensively evaluated and verified. The reliability of the questionnaires used to gather data on strategic positioning strategies and firm performance metrics, was assessed using established Cronbach's alpha (Bryman, 2016). The study team also pre- and pilot-test the research equipment to find and fix any problems with bias or inaccurate measurements (DeVellis, 2016). The test was conducted at Intra Freight company at Magerwa where 12 questionnaires were administered to the respondents.

Table 4: Reliability Analysis

Variable	Cronbach's Alpha	Comments
Products diversification	0.732	Reliable
Firm Performance	0.745	Reliable

Source: Pilot Data Results, (2024)

Table 4 presents the results of a reliability analysis conducted on various variables related to firm performance in Rwanda, based on pilot data obtained in 2024. The variables examined include product diversification, firms marketing efforts, perceived quality of service, trademark equity, and firm performance. The reliability of each variable was assessed using Cronbach's Alpha, with values ranging from 0.732 to 0.745. According to the results, all variables demonstrated acceptable levels of reliability, with Cronbach's Alpha coefficients exceeding the commonly accepted threshold of 0.70, indicating internal consistency within the measurement scales.

Firstly, in order to guarantee the quality and dependability of the data, it was carefully cleaned including the detection and handling of missing values, outliers, and inconsistencies. Following data cleaning, coding was employed to categorize qualitative data and assign numerical codes to facilitate quantitative analysis, enabling researchers to identify patterns, themes, and relationships within the dataset (Bazeley & Jackson, 2018). The quantitative insights into the influence of strategic choices on Translift's performance may be obtained by using statistical approaches like regression analysis to analyse the link between strategic positioning factors and firm performance indicators (Hair *et al.*, 2019).

Multiple regression analysis may be utilized to control for potential confounding variables and assess the unique contribution of each aspect of strategic positioning to firm performance outcomes. The investigation also included regression analysis:

$Y = \alpha + \beta_1 X_1 + \mu$……………………………………………….………………(Equation 2)

Y= Dependent variable – Firms' performance

X_1 = Product Diversification

X_2 = Firms marketing

RESULTS AND FINDINGS

Descriptive Results on Products Diversification

Table 5 presents respondents' views on product diversification within Translift Limited, a company in Rwanda. The table outlines the distribution of responses regarding the impact of product diversification on various aspects of the company's performance, ranging from competitiveness enhancement, resilience to market fluctuations, meeting consumer needs, revenue and profitability, to long-term success.

Table 5: Respondents Views on Products Diversification

Statement on Products diversification	NS	A	SA	Mean	Std Dev.
Diversifying our product range has enhanced our competitiveness in the Rwandan market	1 0.9%	38 35.8%	67 63.2%	4.62	.506
Product diversification has improved our resilience to market fluctuations and economic uncertainties in Rwanda.	1 0.9%	45 42.5%	60 56.6%	4.56	.518
Product diversification has improved our firm's ability to meet the diverse needs of Rwandan consumers.	4 3.8%	30 28.3%	72 67.9%	4.64	.555
Introducing new products positively impacts our firm's revenue and profitability in Rwanda.	10 9.4%	29 27.4%	67 63.2%	4.54	.664
The diversification of our product portfolio reduces our firm's vulnerability to market fluctuations in Rwanda.	2 1.9%	49 46.2%	55 51.9%	4.50	.539
The ability to adapt and innovate with multiple products is crucial for our company's long-term success in Rwanda.	4 3.8%	34 32.1%	68 64.2%	4.60	.564

Source: Primary Data, (2024).

Table 5 presents the respondents' views on product diversification and its impact on firm performance in Rwanda. The majority of respondents strongly agreed (63.2%) that diversifying their product range has enhanced their competitiveness in the Rwandan market (M = 4.62, SD = 0.506). Similarly, a significant proportion strongly agreed (56.6%) that product diversification has improved their resilience to market fluctuations and economic uncertainties in Rwanda (M = 4.56, SD = 0.518). Moreover, a vast majority (67.9%) strongly agreed that product diversification has improved their firm's ability to meet the diverse needs of Rwandan consumers (M = 4.64, SD = 0.555). Furthermore, respondents largely agreed (63.2%) that introducing new products positively impacts their firm's revenue and profitability in Rwanda (M = 4.54, SD = 0.664). Additionally, a substantial portion (51.9%) strongly agreed that the diversification of their product portfolio reduces their firm's vulnerability to market fluctuations in Rwanda (M = 4.50, SD = 0.539). Finally, respondents expressed strong agreement (64.2%) that the ability to adapt and innovate with multiple products is crucial for their company's long-term success in Rwanda (M = 4.60, SD = 0.564). These findings underscore the perceived importance of product diversification for enhancing competitiveness, resilience, consumer satisfaction, revenue generation, and long-term success among firms operating in the Rwandan market. These findings align with existing literature emphasizing the importance of product diversification for enhancing competitiveness, resilience, customer satisfaction, and overall business performance (Li & Kuo, 2020; Zhang *et al.*, 2018).

Correlation Analysis

Correlation analysis is a statistical method used to assess the relationship between two variables (Mukaka, 2022). It measures how changes in one variable correspond to changes in another, providing insights into their relationship (Dancey & Reidy, 2017). The correlation coefficient, denoted as 'r,' is a numerical indicator ranging from -1 to 1. Values close to 1 indicate a strong positive correlation, values close to -1 indicate a strong negative correlation, and values close to 0 suggest minimal to negligible correlation (Field, 2018). This method is extensively employed across disciplines such as psychology, economics, and biology to explore connections between variables and inform research hypotheses (Cohen *et al.*, 2018).

Table 6: Correlation and the Coefficient of Determination

		Firms' performance	Products diversification
Firms' performance	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	106	
Products diversification	Pearson Correlation	.342**	1
	Sig. (2-tailed)	.000	
	N	106	106

Source: Primary Data, (2024).

Table 6 presents correlations and the coefficient of determination between firms' performance and various factors including products diversification, firms' marketing efforts, perceived quality of service, and trademark equity. A significant positive correlation was found between firms' performance and products diversification ($r = .342$, $p < .01$). The coefficient of determination provides insights into the proportion of variability in firms' performance explained by each predictor variable, aiding in the understanding of their relative importance in predicting firms' success (Cohen, 2018). This analysis underscores the importance of considering multiple factors in assessing and improving firms' performance in competitive markets (Cohen, 2018).

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

In summary, the examination of the impact of product diversification on firms' performance in Rwanda provides insights into important strategic business dynamics within the local market. The results highlight product diversification as a key factor that drives improved firm performance, showing that companies that expand their product portfolios tend to achieve higher levels of success. This strategic move enables firms to access new sources of revenue, protect themselves against market volatility, and strengthen their competitive position in Rwanda's dynamic market. Furthermore, the positive relationship between product diversification and firm performance emphasizes the importance of smart decision-making and adaptability in navigating Rwanda's unique business environment. Ultimately, these findings offer valuable guidance for enterprises seeking to optimize their operations and promote sustainable growth in Rwanda's evolving economy.

Recommendations

This study significantly enhances the theoretical understanding of the Resource-Based View (RBV) in the context of product diversification within the transport industry, particularly in emerging markets like Rwanda. By explicitly linking Translift Limited's unique resources—such as its fleet, infrastructure, and operational expertise—to successful diversification strategies, this research provides concrete examples of how RBV can be applied in real-world scenarios. It extends the RBV theory by demonstrating how specific resources contribute to competitive advantage and firm performance in a dynamic and developing market. Additionally, the study offers insights into the moderating effects of market-specific challenges, such as infrastructural deficits and market instability, on the relationship between diversification and performance, thereby enriching the theoretical discourse.

For practitioners, this study provides actionable insights into how transport companies like Translift Limited can effectively leverage their existing resources for diversification. The findings suggest that companies should focus on identifying and utilizing their unique resources, such as a well-maintained fleet and operational expertise, to expand into new service areas. For example, Translift could diversify into specialized transport services, such as refrigerated or oversized cargo transport, to attract new customer segments and increase revenue. The study also highlights the importance of maintaining high service quality and operational efficiency during diversification, which can be achieved by leveraging existing infrastructure and expertise. These practical recommendations can guide managers in making informed decisions about diversification strategies, ultimately enhancing firm performance.

From a policy perspective, the study underscores the need for supportive frameworks that enable transport companies to diversify and grow. Policymakers in Rwanda and similar emerging markets can use these findings to develop initiatives that facilitate resource utilization and operational efficiency in the transport sector. For instance, policies aimed at improving infrastructure, such as road networks and logistics hubs, can significantly benefit companies like Translift Limited, enabling them to expand their service offerings. Additionally, the study highlights the potential benefits of providing financial incentives or support for companies investing in specialized transport services. By creating a conducive environment for diversification, policymakers can help transport companies enhance their performance and contribute to economic growth.

Suggestions for Further Studies

For further studies, researchers could explore the dynamic interplay between trademark equity and other determinants of firm performance within the Rwandan context, such as innovation, corporate social responsibility, and supply chain management practices. Additionally, investigating the impact of cultural factors and consumer behavior on trademark valuation and protection strategies could provide valuable insights for businesses operating in Rwanda. Furthermore, longitudinal studies tracking the evolution of trademark portfolios and their effects on firm performance over time could offer a comprehensive understanding of the long-term implications of trademark management strategies. Finally, comparative studies across different industries or regions within Rwanda could help identify industry-specific challenges and opportunities related to trademark development and protection, facilitating targeted interventions and policy recommendations.

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