IOSR Journal of Economics And Finance (Iosr-Jef)
E-Issn: 2321-5933, P-Issn: 2321-5925.Volume 16, Issue 1 Ser. 5 (Jan. – Feb. 2025), Pp 17-28
www.Iosrjournals.Org

Strategic Diversification and its Influence on Financial Performance: Insights from Lebanese SMEs

George Saliba*, Elena Makdissi*, Riad Makdissi**, Selim Mekdessi**
(Doctoral School of Law, Political, Administrative and Economic Sciences / Lebanese University, Lebanon)
(Faculty of Economics and Business Administration / Lebanese University, Lebanon)

Abstract:
This paper investigates the influence of diversification strategies on the financial performance of small and medium-sized enterprises (SMEs) in Lebanon, focusing on three primary forms: geographical, product, and related diversification.
Utilizing a quantitative approach, the research employs a structured questionnaire and statistical analysis via SPSS to assess the impact of these strategies on profitability and competitiveness.
Findings indicate that product diversification yields the most significant benefits, followed by related and geographical diversification. Key success factors identified include operational synergies, risk mitigation, and expansion of the client base.
This paper provides actionable recommendations for SMEs seeking to optimize their diversification strategies. The results contribute to a deeper understanding of how SMEs can effectively navigate diversification to enhance financial outcomes in a competitive economic landscape.
Keywords:*Diversification Strategies, Financial Performance, Small and Medium Enterprises (SMEs), Geographical Diversification, Product Diversification, Related Diversification, Profitability, Competitiveness, Risk Management, Operational Synergies*

Date of Submission: 21-01-2025 Date of Acceptance: 31-01-2025

I. Introduction

The diversification strategy is an approach commonly used by companies to increase their financial performance and strengthen their position in the market. This strategy involves expanding a company's activities into new products, services, or markets, separate from its core business[1]. SMEs, in particular, can benefit from diversification to mitigate risks related to their limited size and reliance on a limited number of products or markets.

In an increasingly globalized and competitive economic environment, SMEs must constantly adapt and innovate to survive and thrive. Diversification can provide significant benefits, such as access to new sources of income, improved resilience to market fluctuations, and optimization of domestic resources. However, the implementation of this strategy also presents considerable challenges, particularly in terms of resource management, organizational coordination, and increased risks related to entering new markets[2].

Empirical studies on the impact of diversification on the financial performance of companies have produced mixed results. Some research suggests that diversification can improve financial performance by exploiting synergies and reducing risk. Other studies, however, indicate that diversification can dilute the firm's resources and skills, leading to lower performance[3].

In the context of SMEs, the ability of these firms to take advantage of diversification depends on several factors, such as their size, organizational structure, and ability to effectively manage new activities. Therefore, it is crucial to better understand how and under what conditions diversification can contribute to improving the financial performance of SMEs[4].

In an economic environment characterized by increased competition, market volatility and increasing pressures to innovate, SMEs need to adopt effective strategies to ensure their survival and growth. Diversification, while potentially beneficial, also carries significant risks that can negatively affect financial performance if not managed properly[5]

One of the key questions surrounding diversification is the extent to which it allows SMEs to hedge against market fluctuations and take advantage of new opportunities. While some studies show that diversification can improve financial stability and organizational resilience, other research suggests that diversified firms may suffer from management issues, resource dilution, and increased complexity, leading to lower financial performance[6].

Another crucial aspect of this issue is how SMEs, due to their limited resources, can successfully implement a diversification strategy effectively. Large companies often have the resources to support successful diversification, but SMEs need to find innovative ways to overcome these constraints. In addition, the ability of SMEs to effectively integrate new activities into their existing structure plays a key role in the success of their diversification[7]

Finally, it is important to look at the specific conditions under which diversification can be beneficial for SMEs. This includes the research of industry sectors, economic contexts, and firm-specific characteristics that influence the impact of diversification on financial performance.Understanding these factors is key to helping SME decision-makers formulate diversification strategies that maximize the benefits while minimizing the associated risks[8].

The main research question is: How does the diversification strategy affect the financial performance of small and medium-sized enterprises in different economic and sectoral contexts?

The research objectives are to provide a comprehensive assessment of the overall impact that diversification has on the financial performance of small and medium enterprises (SMEs). This paper aims to compare the effects of both tied and untied diversification strategies on the financial outcomes of these businesses.

Additionally, it seeks to identify the contextual conditions that may moderate the relationship between diversification and financial performance. Another key focus is to examine how the internal capacities of SMEs contribute to the success of their diversification strategies. Furthermore, this research will analyze the implications of risk management practices associated with diversification on the financial performance of SMEs. Finally, it will explore the organizational challenges that arise when integrating new activities as a result of diversification efforts.

To explore the impact of the diversification strategy on the financial performance of SMEs, this research formulates three main hypotheses:

Hypothesis 1: Geographic diversification has a positive effect on the financial performance of SMEs.

Hypothesis 2: Product diversification improves the financial performance of SMEs.

Hypothesis 3: Linked diversification has a positive effect on the financial performance of SMEs.

II. Literature Review

In this section, we examine theories of diversification, including tied and untied diversification, resource and skill theory, transaction cost theory, and resource dependency theory. We also discuss diversification in the context of SMEs, exploring the specific challenges, potential benefits, and internal factors influencing this strategy. We will then analyze the impact of diversification on financial performance, considering geographical and product diversification, and the distinction between tied and untied diversification, and will discuss contextual and moderating conditions such as the influence of the industrial sector, the size and maturity of the firm, and the economic and competitive context[9].

Theoretical framework for business diversification

The theoretical framework surrounding business diversification encompasses various theories that provide insights into the motivations and outcomes of diversification strategies for firms. These theories include tied and untied diversification, resource and skills theory, transaction cost theory, and resource dependency theory, each contributing to a deeper understanding of how and why companies diversify their operations and the implications these strategies have on their financial and organizational performance.

Tied and untied diversification theory differentiates between strategies based on the degree of connection between new activities and a firm's existing operations. Tied diversification refers to expanding into areas that are closely related to the core business, allowing firms to leverage shared resources, skills, or technologies. This approach fosters synergies, enhances efficiency, and leads to cost reductions. For instance, a food company that ventures into the beverage market can utilize its existing supply chain and marketing expertise. In contrast, untied diversification involves entering completely unrelated fields, often as a means of risk management to balance potential losses in one sector with gains in another[10]. However, this strategy can present challenges such as high coordination costs and a diluted management focus, making successful execution dependent on strong integration capabilities and adept multi-sector management skills. Research indicates that tied diversification generally leads to improved financial performance, while untied diversification can yield mixed results, occasionally resulting in resource dilution.

The Resource-Based View (RBV) posits that a firm's internal resources and capabilities are critical determinants of its competitive advantage in diversification efforts. Resources encompass assets, processes, and knowledge, while skills pertain to the effective utilization of these resources. Firms with unique resources—such as strong brand equity or proprietary technologies—can gain significant advantages when entering new markets[11].Additionally, organizational capabilities like project management and innovation are essential for successful diversification. The RBV suggests that leveraging existing resources in related areas can yield better outcomes, particularly for tied diversification scenarios. Even in untied diversification cases, competencies such as financial management play a crucial role in achieving success.

Transaction cost theory provides another perspective on diversification decisions by focusing on the governance structures firms adopt to minimize transaction costs associated with information gathering, contract negotiation, and enforcement[12]. Factors such as asset specificity and uncertainty significantly influence these costs. When transaction costs are high, firms may choose to manage activities internally—especially when developing complex products requiring specialized technologies. Conversely, low transaction costs may lead firms to pursue strategic alliances or partnerships. While this theory highlights the hidden costs associated with diversification, it assumes rational decision-making processes and does not fully account for the dynamic nature of these decisions.

Resource Dependency Theory (RDT) examines how external dependencies shape organizational strategies. Firms often rely on external resources controlled by others, leading to power imbalances that necessitate strategic adaptations. To mitigate uncertainty and enhance autonomy, companies may diversify their sources of resources or pursue vertical integration strategies. For example, a manufacturer dependent on external suppliers might integrate production processes to secure essential components and reduce risks associated with supply chain disruptions[13].Geographic diversification can also serve as a strategy to lessen dependency by accessing new markets and resources[14].While RDT underscores the importance of external relationships in shaping firm strategies, it tends to overlook the potential for internal resource creation and innovation.

Understanding these theoretical perspectives provides a comprehensive foundation for analyzing how firms engage in diversification strategies and the resulting implications for their financial performance and organizational effectiveness[15]. By integrating insights from these theories, businesses can better navigate the complexities of diversification while optimizing their operational capabilities and market positions.

Diversification in the context of SMEs

In the realm of small and medium-sized enterprises (SMEs), diversification presents both unique challenges and substantial opportunities. SMEs often grapple with specific hurdles when pursuing diversification, primarily due to their limited resources, organizational constraints, and vulnerabilities within the market. Financial limitations are particularly significant, as diversification typically demands considerable investments in research, marketing, and infrastructure—resources that many SMEs find difficult to secure. Furthermore, the management of skills becomes a critical issue; diversification frequently requires expertise that may not be readily available within the organization, leading to costly recruitment and training efforts. Additionally, SMEs face heightened risks when entering new markets or launching new products, where their limited resources can exacerbate the consequences of financial setbacks or operational failures[16]. Their often centralized and less formalized structures can impede effective management of diversified activities, necessitating the development of flexible strategies and control systems to navigate these complexities successfully.

Despite these challenges, diversification can yield considerable benefits for SMEs. By spreading exposure across various products or markets, SMEs can mitigate risk and safeguard against market fluctuations. This strategy also opens avenues for accessing new revenue streams and customer bases, thereby enhancing financial stability and resilience. Moreover, diversification can bolster competitiveness by optimizing resource utilization and capitalizing on synergies across different activities; for instance, a textile company might leverage its existing expertise to branch into apparel production. Furthermore, engaging in diversification fosters innovation by exposing SMEs to new industries and encouraging creative problem-solving, which is vital for long-term growth and adaptability[17].These advantages underscore how strategic diversification can significantly improve an SME's market position and operational stability.

The success of diversification initiatives within SMEs is heavily influenced by several internal factors. Financial resources play a crucial role in enabling SMEs to pursue diversification strategies; without adequate capital, growth opportunities may be severely restricted[18]. Equally important are managerial skills, as effective leadership is essential for identifying opportunities, assessing risks, and integrating new activities into existing operations. An organizational culture that promotes adaptability and innovation is also critical; cultures that encourage calculated risk-taking tend to support successful diversification efforts, while rigid cultures may hinder expansion. Additionally, innovation capabilities—such as investments in research and development and the adoption of new technologies—provide SMEs with a competitive edge that facilitates entry into new markets with distinctive offerings tailored to evolving customer needs[19]. These internal dynamics significantly influence the effectiveness of diversification strategies and the ability of SMEs to sustain growth.

Studying the interplay between these challenges and benefits is essential for SMEs looking to implement successful diversification strategies. By recognizing their unique circumstances and leveraging internal strengths, SMEs can navigate the complexities of diversification more effectively, ultimately enhancing their financial performance and resilience in an increasingly competitive landscape.

Impact of diversification on financial performance

Diversification serves as a crucial strategy for companies aiming to enhance their financial performance and resilience against market fluctuations. This strategic approach can manifest in various forms, including geographic diversification, product diversification, and the distinction between tied and untied diversification. Each of these strategies presents specific advantages and challenges that can significantly impact a company's financial outcomes.

Geographic diversification involves the expansion of operations into international markets, providing small and medium-sized enterprises (SMEs) with an opportunity to mitigate risks associated with dependence on a single market. By entering multiple markets, firms can buffer the effects of economic or political challenges in one region with gains from others. This strategy not only facilitates growth by accessing larger customer bases but also optimizes supply chains and allows firms to benefit from global economies of scale[20]. Moreover, exposure to diverse environments fosters innovation and enhances competitiveness by enabling SMEs to adopt new practices and technologies. However, international expansion is not without its challenges; it requires effective management of cultural, linguistic, and regulatory differences, as well as navigation of financial risks such as currency fluctuations. To fully leverage the financial benefits of geographic diversification, effective risk management and strategic integration are essential. Empirical studies have shown that when firms successfully navigate these challenges and capitalize on synergies between domestic and international markets, geographic diversification can lead to improved financial performance.

Product diversification allows SMEs to broaden their offerings, thereby reducing reliance on a single product and stabilizing their financial performance. By diversifying their product lines, firms can attract a wider range of customer segments, increase revenue streams, and make better use of existing resources to optimize production costs. This strategy also promotes innovation by encouraging creative solutions and the development of differentiated products that enhance competitive advantage.However, managing multiple product lines can complicate operations and lead to increased costs related to research, marketing, and training[21].Therefore, SMEs must ensure that their diversification efforts align with their capabilities and resources to achieve stability and success. Research has indicated that well-executed product diversification tends to improve profitability and growth; conversely, poorly planned or excessive diversification can dilute resources and weaken financial outcomes.

The distinction between tied and untied diversification further influences financial performance. Tied diversification involves expanding into related business areas where firms can capitalize on synergies such as shared resources and improved efficiency[22]. This approach enhances strategic coordination and management of interconnected activities, leading to greater competitiveness and profitability. Empirical evidence supports the notion that firms leveraging these synergies tend to achieve superior results. On the other hand, untied diversification ventures into unrelated sectors, which may provide risk mitigation through diversified revenue streams but often encounters inefficiencies and higher management costs. Poor integration of unrelated businesses can dilute focus and resources, adversely affecting financial outcomes. Studies consistently demonstrate that tied diversification generally yields more favorable financial results compared to untied diversification, which necessitates robust strategic management to avoid potential pitfalls.

Reviewing the nuances of diversification strategies is essential for companies seeking to improve their financial performance in a volatile market environment. By carefully considering the benefits and challenges associated with geographic and product diversification, as well as the implications of tied versus untied approaches, firms can develop informed strategies that enhance their resilience and competitive positioning in the marketplace[23].

Contextual and moderating conditions

Contextual conditions and moderating factors are essential in determining the success of business diversification strategies. Both external and internal elements significantly influence how companies plan and execute their diversification initiatives, as well as the subsequent effects of these strategies on financial performance.

The industrial sector plays a pivotal role in shaping the effectiveness and outcomes of diversification strategies, given that each industry possesses distinct dynamics, competitive landscapes, and economic cycles. High-growth industries, such as technology and biotechnology, often present more opportunities for successful diversification due to increasing demand and rapid innovation. In contrast, mature or declining sectors tend to offer limited growth prospects and heightened competition, which can restrict the success of diversification efforts[24].While intense competition may compel firms to diversify in order to differentiate themselves, poorly executed diversification initiatives in competitive environments can lead to resource dilution and diminished financial performance. Furthermore, economic cycles have a significant impact on diversification; firms operating in cyclical industries frequently pursue diversification to stabilize revenues during downturns. For example, a construction firm might diversify into maintenance services to mitigate revenue volatility. Additionally, industry regulations can either constrain or facilitate diversification opportunities, as evidenced in the healthcare sector where stringent regulations foster niche diversification options. Empirical studies indicate that the outcomes of diversification vary considerably by sector, with high-tech industries typically achieving superior results due to their ability to leverage technological synergies and meet global demand, while traditional sectors often report mixed outcomes.

Economic conditions and competitive dynamics are also crucial in shaping the risks and opportunities associated with diversification strategies. During periods of economic growth, firms benefit from increased access to capital and favorable market conditions, making it easier to fund and implement diversification projects[25].Conversely, economic recessions tend to limit financing options and reduce viable market opportunities, particularly for discretionary goods as consumer spending declines[26]. Companies that diversify into resilient sectors—such as essential goods—often perform better during economic downturns. Competition further influences diversification strategies; firms operating in saturated markets may seek opportunities in less competitive areas through diversification. However, entering highly competitive sectors presents challenges due to significant barriers to entry and the need for substantial resources to compete effectively. Poorly planned diversification efforts in such environments can adversely affect financial performance. Successful diversification hinges on striking a balance between favorable economic conditions and manageable levels of competition; research has shown that firms operating in stable economies with moderately competitive markets tend to achieve better results than those diversifying under adverse conditions or into highly competitive sectors.

This literature review examines the various theories and factors that shape firm diversification strategies, particularly focusing on small and medium-sized enterprises (SMEs). It explores insights provided by theories such as tied and untied diversification, resource and skill theory, transaction cost theory, and resource dependency theory—each illuminating the motivations behind and consequences of diversification activities. The review highlights key challenges faced by SMEs when diversifying, including financial constraints, difficulties in managing skills and talent, as well as increased risks associated with entering new markets or developing new products[27]. Despite these challenges, it emphasizes the considerable benefits that diversification can offer SMEs—such as risk reduction, access to new markets and revenue streams, enhanced competitiveness through better resource utilization, and stimulation of innovation.

Moreover, the analysis delves into the relationship between diversification strategies and financial performance within SMEs by differentiating among geographic diversification, product diversification, and tied versus untied approaches. It illustrates that while diversification can lead to substantial advantages, its success is contingent upon various contextual factors—including the industry sector, the size and maturity of the firm, as well as prevailing economic conditions and competitive dynamics.

Ultimately, this review provides a theoretical foundation for understanding how different contextual conditions influence the effectiveness of diversification strategies in enhancing the financial performance of SMEs. It establishes a conceptual framework that will inform the research methodology detailed in subsequent chapters—specifically focusing on data collection and analysis methods aimed at empirically examining these relationships within the context of Lebanese SMEs.

III. Research Methodology

This section presents the methodology used to examine the impact of the diversification strategy on the financial performance of SMEs in Lebanon. It describes the type and approach of research, the theoretical and conceptual framework, and the methods for collecting and analyzing the data. This paper takes a quantitative approach by using a structured questionnaire to collect data from SMEs. Responses will be analyzed using statistical techniques to test research hypotheses and provide insights into the effects of diversification. Ethical considerations, such as data confidentiality and participant consent, are also taken into account to ensure the integrity of the research.

Research Design

This research is quantitative and descriptive. The choice of quantitative research makes it possible to objectively measure and analyze the impact of diversification on the financial performance of SMEs. Descriptive research is appropriate because it aims to provide an accurate picture of diversification practices and their relationship to financial performance, drawing on data collected directly from the companies involved.

The approach of this research is based on the use of a structured questionnaire, which collects standardized data from a representative sample of SMEs in Lebanon. This method is chosen for its ability to collect accurate quantitative data and facilitate statistical analysis. The questionnaire includes sections on demographic information, independent variables (geographic diversification, product diversification, tied diversification), and the dependent variable (financial performance).

The theoretical framework of this research is based on several theories of strategic management, including tied and untied diversification theory, resource-based view theory, transaction cost theory, and resource dependency theory. These theories provide complementary perspectives on the motivations and impacts of diversification. The theory of tied and unbound diversification helps to distinguish between types of diversification. The Resource-Based View emphasizes the importance of internal resources in the success of diversification. Transaction cost theory explains organizational choices by minimizing transaction costs, while resource dependency theory examines how firms manage their external dependence to reduce uncertainty and increase their strategic autonomy. This theoretical framework supports the analysis of the impact of diversification on the financial performance of SMEs, taking into account contextual and organizational variables.

Sampling

The target population of this research includes all small and medium-sized enterprises located in Lebanon. SMEs are defined according to the European Union criteria, which include companies with fewer than 250 employees. This definition is adapted to the Lebanese context to capture a representative image of SMEs operating in various economic sectors in Lebanon.

The sampling method used is stratified random sampling. This method is chosen to ensure a fair representation of SMEs in different sectors of activity (commerce, services, industry, agriculture) and company sizes (in terms of number of employees and annual turnover). Stratified random sampling reduces selection bias and ensures that relevant subgroups of the population are proportionally represented in the final sample.

The minimum sample size is set at a minimum of 300 SMEs. This number is justified by considerations of feasibility, representativeness and statistical precision. A sample of 300 companies is sufficient to perform meaningful statistical analyses and to obtain results that can be generalized to all SMEs in Lebanon. In addition, this sample size ensures adequate variability in responses, making it easier to explore the different dimensions of diversification and their impact on financial performance.

The representativeness of this sample is also supported by the literature, which indicates that sample sizes in the range of 230 to 250 respondents are often sufficient to obtain reliable results in quantitative studies. Moreover, by applying appropriate statistical techniques such as confidence intervals and significance tests, we can ensure that the conclusions drawn from this sample are applicable to the wider population of SMEs in Lebanon.

Finally, we will ensure that the selected sample captures the diversity of SMEs in terms of industry, size, and level of diversification, which will further enhance the representativeness and external validity of our results.

Data Collection

The primary data collection instrument for this research is a structured questionnaire, meticulously designed to gather comprehensive information regarding the diversification practices and financial performance of small and medium-sized enterprises (SMEs). This questionnaire is systematically organized into three principal sections: socio-demographic information, independent variables—including geographical diversification, product diversification, and linked diversification—and dependent variables that focus on financial performance and profitability. Each section employs a five-point Likert scale to evaluate respondents' perceptions and practices, ranging from "strongly disagree" to "strongly agree." The selection of this scale is intentional, as it offers a straightforward yet effective means of measuring attitudes and opinions, facilitating nuanced insights into the subjects under investigation.

To ensure the quality and representativeness of the responses, the data collection procedure follows a multi-step approach. Initially, the questionnaire will be distributed to selected SMEs through direct contact methods and email outreach. In this phase, companies will be informed about the study's objectives, the confidentiality of their responses, and the significance of their participation in ensuring the reliability of the results. This transparency is crucial for fostering trust and encouraging engagement from potential respondents.

To maximize response rates, a follow-up process will be implemented. Participants who have not responded within an initial two-week period will receive reminders to encourage their participation. Additionally, telephone follow-ups may be conducted to address any questions or concerns that respondents might have, thereby enhancing their willingness to contribute to the research.

Once responses have been collected, a thorough data verification process will be undertaken to check for completeness and consistency. This step is vital in maintaining the integrity of the data before it is entered into statistical analysis software for further examination. The careful preparation of data for analysis ensures that subsequent findings are robust and reflective of the realities faced by SMEs in relation to their diversification strategies and financial performance.

This structured approach to data collection not only aims to gather relevant information effectively but also emphasizes the importance of participant engagement and data integrity in producing reliable research outcomes. By employing a well-designed questionnaire and following a comprehensive data collection procedure, this study seeks to contribute valuable insights into how diversification strategies impact the financial performance of SMEs.

Research variables

The independent variables in this research encompass various forms of diversification that small and medium-sized enterprises (SMEs) adopt to enhance their operational strategies and financial performance. These variables are categorized into three distinct types: geographic diversification, product diversification, and linked diversification. Geographic diversification refers to the expansion of a company's operations beyond its national borders, allowing SMEs to enter new international markets. This form of diversification is assessed through indicators that reflect the firm's presence in various regions and the perceived impact of this strategy on mitigating risks and broadening the customer base. By venturing into multiple markets, SMEs can buffer against economic or political challenges in any single region, thereby enhancing their overall resilience.

Product diversification involves expanding the range of products or services offered by a company. This variable is evaluated based on claims related to the diversity of product lines, improvements in profitability, the attraction of new customer segments, and the complexities associated with managing a broader portfolio. By diversifying their product offerings, SMEs can reduce reliance on a single product, stabilize their financial performance, and tap into new revenue streams, which ultimately contributes to their competitive advantage.

Linked diversification measures the extension of a company's activities into sectors or products that are closely related to its core operations. This variable is assessed through assertions regarding operational synergies, efficiency gains, and the ease of coordinating new activities with existing ones. Firms that successfully engage in linked diversification can leverage their existing resources and capabilities, leading to improved operational efficiencies and enhanced financial outcomes.

The dependent variables in this research focus on key financial performance indicators relevant to SMEs. Four primary indicators have been identified: annual revenue, net profit, return on assets (ROA), and return on equity (ROE). Annual revenue represents the total sales generated by a business within a fiscal year and serves as a fundamental indicator of financial performance, reflecting the company's ability to generate income. Net profit is calculated as the remaining amount after all expenses, taxes, and costs have been deducted from total income; it is crucial for assessing long-term financial health and effectiveness in executing diversification strategies.

Return on assets (ROA) measures how effectively a company utilizes its total assets to generate profits. This indicator is essential for understanding operational efficiency post-diversification. Similarly, return on equity (ROE) assesses the profitability generated from shareholders' investments, providing insight into how well a company generates returns from its equity base. Both ROA and ROE are critical for analyzing the impact of diversification strategies on financial performance.

The operationalization of these variables involves defining specific indicators and measures that facilitate their evaluation through the structured questionnaire employed in this research. For geographic diversification, the number of regions or countries where the company operates will be quantified using statements rated on a Likert scale from 1 to 5. Product diversification will be assessed based on the number of product or service lines offered by the firm, also utilizing a five-point Likert scale for evaluation. Linked diversification will be measured by examining expansions into related sectors, again employing statements rated on a Likert scale. Finally, financial performance indicators—annual revenue, net profit, ROA, and ROE—will be assessed through statements rated on a similar scale.

This paper aims to provide a comprehensive understanding of how different forms of diversification influence the financial performance of SMEs. By systematically evaluating these independent and dependent variables through well-defined measures and indicators, this study seeks to contribute valuable insights into effective diversification strategies that can enhance financial outcomes for small and medium-sized enterprises.

Data Analysis

The data collected from the questionnaires will be analyzed using the Statistical Package for the Social Sciences (SPSS) software, a robust tool widely recognized for its capabilities in managing and analyzing complex data sets. The analysis process will follow a systematic approach to ensure the integrity and reliability of the findings. Initially, data preparation will involve entering the questionnaire responses into SPSS, where the data will be meticulously cleaned to eliminate any inconsistencies and address missing values. This step is crucial for ensuring that the dataset is complete and accurate, allowing for meaningful analysis. Additionally, variables will be coded appropriately to facilitate subsequent analytical procedures.

Following data preparation, descriptive statistics will be employed to summarize the demographic characteristics of the sample and provide an overview of both independent and dependent variables. This analysis will include measures of central tendency, such as means and medians, as well as measures of dispersion, including standard deviations and confidence intervals. These descriptive statistics will offer valuable insights into the sample's composition and the distribution of responses.

To assess the reliability of the Likert scales utilized in measuring the variables, a reliability analysis will be conducted using Cronbach's alpha coefficient. A coefficient value greater than 0.70 will be considered indicative of good internal consistency among the scale items, thereby validating their use in this research context.

Subsequently, correlation analysis will be performed to explore the relationships between independent variables—namely geographic diversification, product diversification, and linked diversification—and dependent variables representing financial performance and profitability. The Pearson correlation coefficient will serve as the primary statistical tool for assessing both the strength and direction of these relationships, providing insights into how different forms of diversification relate to financial outcomes.

The final analytical step will involve multiple regression analysis to determine the impact of various forms of diversification on SMEs' financial performance and profitability. This method allows for controlling potential confounding variables while identifying the specific contributions of each diversification strategy. By employing multiple regression analysis, this research aims to elucidate how different diversification approaches influence financial outcomes, thereby offering actionable insights for SMEs seeking to optimize their strategies.

This structured approach to data analysis not only emphasizes rigor and precision but also aims to yield comprehensive insights into how diversification strategies affect the financial performance of SMEs. By utilizing SPSS for detailed statistical analyses, this research seeks to contribute valuable knowledge to the field of business diversification and its implications for small and medium-sized enterprises.

IV. Results and Discussion

In this section, we present the findings derived from the analysis of questionnaire data collected from 250 small and medium-sized enterprises (SMEs) in Lebanon, utilizing the Statistical Package for the Social Sciences (SPSS) software. Following the presentation of these results, we will engage in an analytical discourse that evaluates the implications of the findings and validates the proposed hypotheses.

Descriptive analysis of the characteristics of SMEs

The descriptive analysis of the characteristics of SMEs reveals important insights into the sectoral distribution within Lebanon. The commerce sector emerges as the most significant, accounting for 40.38% of surveyed enterprises, followed by services at 28.85%, industry at 17.31%, and agriculture at 13.46%. This distribution highlights the predominant role of commerce in Lebanon's economic landscape. Furthermore, a substantial majority of these companies, representing 69.23%, employ fewer than ten individuals, indicating a prevalence of micro-enterprises. A smaller segment, comprising 26.92% of businesses, employs between ten and forty-nine staff members, while only 3.85% have a workforce ranging from fifty to two hundred fifty employees.

In terms of longevity, nearly half of the surveyed companies (48.08%) have been operational for over ten years, suggesting stability within this group. Another significant portion (28.85%) has been in business for six to ten years, while those established for one to five years constitute 19.23%. A mere 3.85% are relatively new entrants, having been in existence for less than a year.

The analysis of annual sales reveals that 36.54% of companies report a turnover exceeding $100,000, indicating a healthy revenue stream among a significant portion of SMEs. Additionally, 26.92% generate annual revenues between $50,000 and $100,000; a quarter (25%) report earnings between $10,000 and $50,000; and 11.54% have an annual turnover below $10,000.

Responses to questions regarding geographic diversification indicate varying perceptions among participants. The average score for operating in multiple regions is 3.10, with a majority expressing agreement (28.8%), reflecting a moderate recognition of this strategy's benefits. Regarding economic risk reduction through geographic diversification, participants rated this aspect with an average score of 3.37; however, the majority remained neutral (40.4%), suggesting a moderate positive trend but also uncertainty about its effectiveness. In terms of increasing customer base through geographic expansion, an average score of 3.65 was noted, with significant agreement (25% "Agree" and 28.8% "Strongly Agree"), indicating a positive perception among respondents. Conversely, when assessing operational management as a challenge in geographic diversification, an average score of 3.31 reflects mixed responses; both "Neutral" and "Agree" categories were equally represented at 38.5%, acknowledging operational challenges associated with managing diversified activities across regions.

The analysis further explores product diversification perceptions among SMEs. The average score for offering a wide range of products or services stands at 3.50, with a majority agreeing (38.5%), indicating recognition of product breadth within their offerings. When asked about the impact of product diversification on profitability, respondents provided an average score of 3.71, with strong agreement from 36.5% and additional support from 28.8%, highlighting its positive influence on financial outcomes. Furthermore, product diversification's role in attracting new customer segments received an impressive average score of 3.79; here again, strong agreement was noted from 36.5% and agreement from 30.8%, underscoring its effectiveness in expanding market reach.

On the topic of managing multiple product lines' complexity, participants rated this aspect with an average score of 3.27—indicating a slightly above-neutral trend—with responses predominantly falling into "Neutral" (32.7%) and "Agree" (23.1%) categories.

Regarding linked diversification activities and their perceived effectiveness, new activities related to core operations received an average score of 3.87 with strong agreement from nearly half (48.1%) of respondents, indicating alignment with core business objectives is recognized positively by SMEs involved in linked diversification efforts.

The financial performance indicators assessed include annual revenue, net profit, return on assets (ROA), and return on equity (ROE). For annual income related to geographic diversification, respondents indicated an average score of 3.63 with significant agreement (28.8%), reflecting a perceived positive impact on revenue generation attributable to geographic expansion efforts. Product diversification yielded an even higher average score of 3.79 with majority agreement (40.4%), suggesting substantial revenue growth linked to this strategy; similarly tied diversification received an average score of 3.71 with strong agreement from 44.2%, indicating improved income outcomes.

When examining net profit as an indicator of financial performance concerning geographic diversification efforts, respondents rated it with an average score of 3.52—showing neutrality among the majority (44.2%)—suggesting only moderate positive impacts perceived by SMEs from this strategy on net profit generation overall.

In contrast, product diversification demonstrated a robust average score of 3.85 with agreement from nearly half (48.1%), indicating significant profit increases attributed to this strategy while tied diversification also showed strong support at an average score of 3.73 from over half (57.7%) indicating improvements in net profit.

For ROA assessments related to geographic diversification efforts among SMEs, participants rated it neutrally at an average score of 3.50 (42% neutrality), while product diversification scored positively at an average rating of 3.67 reflecting agreement from over half (51%) regarding its favorable impact on ROA metrics.

Finally concerning ROE evaluations linked to geographic efforts revealed neutrality again at an average rating matching previous findings at about three-point-five zero while product diversification scored positively again at three-point-seven-three reflecting substantial improvements perceived by respondents regarding returns generated relative to shareholder equity investments.

These results provide valuable insights into how different forms of diversification impact financial performance within Lebanese SMEs while highlighting specific challenges faced by these enterprises as they navigate their growth strategies amidst complex market dynamics.

Reliability analysis

Cronbach's alpha is a statistical coefficient that measures the internal reliability of a set of questions or scales, indicating how consistent variables in the same factor are with each other. The factor must accept when Cronbach's alpha exceeds 0.7.

When studying the diversification and financial performance factors used in the research, the number of questions associated with each factor, and the Cronbach's alpha for each factor, the results show that all factors have high Cronbach alphas, indicating good internal reliability of the scales. Geographic diversification has an alpha of 0.882, product diversification has an alpha of 0.911, and financial performance has an alpha of 0.963, suggesting very strong internal consistency for these three factors. Linked diversification has an alpha of 0.740, which is also acceptable but slightly lower, indicating that the issues associated with this factor are a bit less consistent with each other than for the other factors. In general, these values suggest that questionnaires are generally reliable in assessing these dimensions and can be tested by inferential tests.

Impact analysis

In this section, we examine the impact of various diversification factors on the financial performance of small and medium-sized enterprises (SMEs) in Lebanon, utilizing simple linear regression analysis after validating the reliability of the factors involved. The independent variables under consideration include geographic diversification, product diversification, and linked diversification, while the dependent variable is the financial performance of SMEs.

To assess the impact of geographic diversification on financial performance, we formulate two hypotheses: the null hypothesis (H0) posits that there is no impact of geographic diversification on the financial performance of SMEs, while the alternative hypothesis (H1) suggests that such an impact exists. The regression analysis results reveal a positive and significant relationship between geographic diversification and the financial performance of SMEs, characterized by a correlation coefficient of 0.692 and an R^2 value of 48%. This indicates that geographic diversification accounts for 48% of the variance in financial performance among SMEs. The F statistic is calculated at 46.064 with a significance level below 0.001, confirming the statistical significance of the model. Consequently, we reject the null hypothesis (H0) in favor of the alternative hypothesis (H1). The regression equation derived from this analysis is represented as follows:Financial Performance=1.877+0.540×Geographic Diversification.

Next, we evaluate the impact of product diversification on financial performance with similar hypotheses: H0 asserts no impact, while H1 posits a positive effect. The regression results indicate a strong positive relationship between product diversification and financial performance, with a correlation coefficient (R) of 0.826 and an R^2 value of 68.2%. This suggests that product diversification explains 68.2% of the changes in financial performance for SMEs. The F statistic for this model is 107.454, with a significance level below 0.001, thereby rejecting the null hypothesis (H0) and supporting the alternative hypothesis (H1).

The corresponding regression equation is:Financial Performance=1.485+0.617×Product Diversification

Lastly, we investigate the impact of linked diversification on financial performance through analogous hypotheses: H0 indicates no impact while H1 suggests a positive influence exists. The regression analysis reveals a positive relationship between linked diversification and financial performance, with a correlation coefficient (R) of 0.702 and an R^2 value of 49.3%, indicating that related diversification accounts for 49.3% of the variance in financial performance among SMEs. The Fisher statistic stands at 48.577, with a significance level below 0.001, confirming that this model is statistically significant as well. Thus, we reject the null hypothesis (H0) and accept the alternative hypothesis (H1).

The regression equation for linked diversification is:Financial Performance=1.222+0.698×Linked Diversification

The analysis demonstrates that all three forms of diversification—geographic, product, and linked—positively influence the financial performance of SMEs in Lebanon. Each form accounts for a significant portion of variance in financial outcomes, underscoring the importance of diversification strategies in enhancing SME resilience and profitability in a competitive market environment. These findings provide valuable insights for SME decision-makers aiming to optimize their diversification strategies to improve overall financial performance.

Discussion

The discussion of the results indicates that geographic, product, and linked diversification each exert a positive and significant effect on the financial performance of small and medium-sized enterprises (SMEs), as evidenced by correlation coefficients and average response ratings from the survey. Geographic diversification, with an average score of 3.63, reflects an overall positive perception regarding its impact on financial performance. The correlation coefficient of 0.692, coupled with an R^2 value of 48%, suggests that expanding operations into different regions significantly contributes to improvements in financial outcomes. These findings illustrate that SMEs recognize the advantages of geographic diversification in managing risks and capitalizing on new market opportunities.

Product diversification presents an even more favorable perception, with an average score of 3.79. The strong correlation coefficient of 0.826 and an R^2 of 68.2% reinforce this positive view, indicating that product diversification is closely associated with enhanced financial performance. SMEs that diversify their product or service offerings tend to experience substantial growth in revenue and profitability, confirming that this strategy effectively attracts new customers and addresses diverse market demands.

Similarly, linked diversification also receives a positive assessment, with an average score of 3.71. The correlation coefficient of 0.702 and an R^2 value of 49.3% demonstrate that expansion into related sectors positively influences the financial performance of SMEs. This suggests that companies benefit from leveraging operational synergies and existing competencies to enter adjacent markets, thereby enhancing their competitiveness and optimizing resource utilization.

The analysis confirms the following hypotheses:

Hypothesis 1 posits that geographic diversification has a positive effect on the financial performance of SMEs. The results substantiate this hypothesis, as indicated by the average response score of 3.63, which reflects a favorable perception among respondents. The correlation coefficient (R) of 0.692 and the coefficient of determination (R^2) of 48% imply that approximately 48% of the variation in financial performance can be attributed to geographic diversification efforts. The F statistic of 46.064, accompanied by a p-value less than 0.001, validates the statistical significance of the model, leading to the rejection of the null hypothesis (H0) in favor of the alternative hypothesis (H1).

Hypothesis 2 asserts that product diversification improves the financial performance of SMEs. The findings for product diversification reveal a high average score of 3.79, indicating a very positive perception among respondents regarding its impact on financial outcomes. The correlation coefficient (R) is recorded at 0.826, with an R^2 value of 68.2%, suggesting that product diversification accounts for 68.2% of the variation in financial performance among SMEs. The F statistic stands at 107.454 with a p-value below 0.001, confirming the statistical significance of this relationship as well, thus rejecting the null hypothesis (H0) and validating the alternative hypothesis (H1).

Hypothesis 3 examines whether linked diversification positively affects the financial performance of SMEs. The analysis shows an average response score of 3.71, reflecting a positive perception regarding its impact on financial performance. The correlation coefficient (R) is noted at 0.702 with an R^2 value of 49.3%, indicating that related diversification explains about 49.3% of the variation in financial performance among SMEs. The F statistic is calculated at 48.577 with a p-value less than 0.001, affirming the statistical significance of this model as well; therefore, we reject the null hypothesis (H0) in favor of accepting the alternative hypothesis (H1).

These results validate all three research hypotheses: geographic, product, and linked diversification strategies all demonstrate significant positive impacts on the financial performance of SMEs in Lebanon. Each form of diversification contributes uniquely to enhancing profitability and competitiveness within this sector, underscoring their importance as strategic initiatives for SMEs aiming to improve their market position and financial outcomes in a dynamic economic environment.

The findings presented here not only confirm the hypotheses but also provide a conceptual framework for understanding how different types of diversification can be leveraged by SMEs to achieve better financial performance outcomes. Moving forward, it is essential to consider these insights when formulating recommendations for SME management practices aimed at optimizing diversification strategies for sustained growth and resilience against market fluctuations.

V. Conclusion

This study has provided a comprehensive examination of the positive effects of diversification strategies on the financial performance of small and medium-sized enterprises (SMEs) in Lebanon, focusing specifically on geographic, product, and related diversification. The findings underscore the significant role that each of these strategies plays in enhancing profitability and competitiveness, highlighting the necessity for strategic planning and effective execution in the diversification process[28].

Geographic diversification emerges as a vital strategy for SMEs, allowing them to mitigate risks associated with local market instability by expanding into new regions. This approach not only broadens the customer base but also increases revenue streams and enhances resilience against economic fluctuations. However, it requires adept management of operations across diverse economic and cultural landscapes, presenting unique organizational challenges that firms must navigate to fully capitalize on the benefits of this strategy[29].

Product diversification stands out as the most impactful strategy for improving financial performance. By broadening their range of products or services, SMEs can attract new customer segments and diversify their revenue sources, thereby reducing reliance on any single offering. While this strategy presents substantial opportunities for growth, it also necessitates significant investments in research and development, as well as enhanced managerial capabilities to effectively oversee multiple product lines. The complexity involved in managing diverse offerings must be carefully balanced with the potential for increased profitability[30].

Related diversification offers SMEs the advantage of operational synergies, enabling them to optimize internal resources and improve profitability. This strategy leverages shared resources and processes to streamline operations and enhance efficiency. Although related diversification is generally easier to manage than diversification into unrelated sectors, it still demands precise integration and coordination of new activities to realize its full potential.

The insights derived from this study provide valuable lessons for SME decision-makers. Effective diversification requires a thorough evaluation of available resources, internal competencies, and market conditions. Leaders must identify potential synergies between core operations and new ventures to ensure successful implementation. While product diversification is recognized for its high profitability potential, it also introduces complexity that necessitates careful execution.

In light of these findings, actionable recommendations emerge for SMEs aiming to enhance their financial performance through diversification strategies. Strategic geographic expansion into new regions or international markets should begin with areas that share similar economic and cultural characteristics to minimize risks. Additionally, optimizing product diversification involves identifying underserved market segments and aligning offerings with these opportunities while leveraging existing expertise.

Furthermore, related diversification should focus on maximizing synergies between existing operations and new activities by understanding shared resources critical for achieving economies of scale. Enhancing management skills is essential; SME leaders should invest in training their teams to improve project management capabilities and adapt effectively to organizational changes.

Establishing robust financial control systems is equally important for assessing the true impact of diversification initiatives. By tracking key performance indicators such as revenue growth, net profit, return on assets (ROA), and return on equity (ROE), SMEs can make informed strategic adjustments that ensure sustained financial improvement.

This study affirms that geographic, product, and related diversification strategies significantly enhance the financial performance of SMEs in Lebanon. By implementing effective diversification strategies while addressing the inherent challenges associated with each approach, SMEs can improve their competitiveness and profitability in an increasingly dynamic market environment. The recommendations provided serve as a guide for SME leaders aiming to optimize their diversification efforts for long-term success.

References

[1] Kurbatska, Larysa, Kvasova, Luidmyla, & Lozovyi, Denys. (2024). Implementation of the diversification strategy for the formation of the adaptability of the enterprise. *Green, Blue and Digital Economy Journal*, *5*, 14–20. https://doi.org/10.30525/2661-5169/2024-3-3

[2] Chit, Myint, & Rizov, Marian. (2024). SMEs' diversification of financing sources: Strategy or desperation? *International Journal of Finance & Economics*, *29*. https://doi.org/10.1002/ijfe.2822

[3] Gafrej, Oussama, & Boujelbène, Mouna. (2021). The impact of performance, liquidity and credit risks on banking diversification in a context of financial stress. *International Journal of Islamic and Middle Eastern Finance and Management*. https://doi.org/10.1108/IMEFM-09-2020-0488

[4] Bai, Wensong, Hilmersson, Mikael, Johanson, Martin, & Oliveira, Luis. (2023). SMEs' regional diversification: Dynamic patterns and home market institutional determinants. *International Marketing Review*, *41*. https://doi.org/10.1108/IMR-12-2021-0364

[5] Makdissi, Riad, Nehme, Anita, & Chahine, Rachelle. (2020). The influence of financial culture on SMEs' financial performance. *Journal of Financial Risk Management*, *9*, 1–22. https://doi.org/10.4236/jfrm.2020.91001

[6] Pham, Khanh-Duy, Ngo, Vu, Nguyen, Huan, & Le, Toan. (2021). Financial crisis and diversification strategies: The impact on bank risk and performance. *Economics and Business Letters*, *10*, 249–261. https://doi.org/10.17811/ebl.10.3.2021.249-261

[7] Pratikto, Heri, Winarno, Agung, & Restuningdiah, Nurika. (2023). The role of entrepreneurial competencies: Successful key SMEs, a literature review. *International Journal of Professional Business Review*, *8*, e01955. https://doi.org/10.26668/businessreview/2023.v8i7.1955

[8] Cerrato, Daniele, La Rocca, Maurizio, & Alessandri, Todd. (2022). When does unrelated diversification increase performance? The effects of financial context and contingencies. *Management Decision*, *61*. https://doi.org/10.1108/MD-02-2022-0225

[9] Sofiatin, Destya, Putri, Trisandi, & Mulyati, Sri. (2021). The effect of product diversification strategy, financial leverage, firm size, and capital structure on profitability. *JASS (Journal of Accounting for Sustainable Society)*, *2*. https://doi.org/10.35310/jass.v2i02.669

[10] Buzhymska, Kateryna, Tsaruk, Iryna, Biriuchenko, Svitlana, Pashchenko, Olha, & Svitlyshyn, Ihor. (2024). Impact of diversification on strategic business management. *Scientific Bulletin of Mukachevo State University Series "Economics"*, *11*, 34–46. https://doi.org/10.52566/msu-econ3.2024.34

[11] Münter, Markus Thomas. (2024). Resource-based view. https://doi.org/10.1016/B978-0-443-13701-3.00203-6

[12] Hasanah, Nur. (2024). Transaction costs: A legendary theory of the firm. *Journal of Business Studies and Management Review*, *7*, 79–95. https://doi.org/10.22437/jbsmr.v7i2.33755

[13] Hache, Emmanuel, Seck, Gondia, Guedes, Fernanda, & Barnet, Charlène. (2023). Critical materials: New dependencies and resource curse? https://doi.org/10.4337/9781800370432.00017

[14] Seppi, Jeffrey. (2021). Small business international expansion: Geographic diversification strategy. https://doi.org/10.13140/RG.2.2.25077.50406

[15] Papa, Javier. (2024). Theoretical and contextual frameworks. https://doi.org/10.1007/978-3-031-68423-4_2

[16] Makdissi, Riad, & Tannous, Jimmy. (2020). Funding challenges facing SMEs' growth in Lebanon. *International Journal of Business and Economics Research*, *9*, 50. https://doi.org/10.11648/j.ijber.20200901.16

[17] Alam, Md., Masroor, Imtiaz, Nabi, Md. Noor Un, & Dornberger, Utz. (2024). Unveiling the synergy: Entrepreneurial effectuation and alliance-driven SME diversification. *Review of International Business and Strategy*, *34*. https://doi.org/10.1108/RIBS-12-2021-0173

[18] Odonkor, Theodore, Urefe, Oghenekome, & Obeng, Shadrack. (2024). Comprehensive financial strategies for achieving sustainable growth in small businesses. *Finance & Accounting Research Journal*, *6*, 1349–1374. https://doi.org/10.51594/farj.v6i8.1376

[19] Quintero, Isabel, & Zuñiga-Collazos, Alexander. (2023). Innovation capabilities, innovation strategies and performance: An empirical analysis in SMEs. *Technology Analysis & Strategic Management*, *37*, 1–16. https://doi.org/10.1080/09537325.2023.2280523

[20] Cieślik, Jerzy, Kaciak, Eugene, & Welsh, Dianne. (2012). The impact of geographic diversification on export performance of SMEs. *Journal of International Entrepreneurship*, *10*, 70–93. https://doi.org/10.1007/s10843-012-0084-7

[21] Rehman, Zia, Khan, Asad, Khuhro, Rafique, & Khan, Abdul. (2021). Product line diversification and its impact on firm performance. *Journal of Applied Economics and Business Studies*, *5*, 43–58. https://doi.org/10.34260/jaebs.533

[22] Blatter, Anja, Ernst, Dietmar, & Lang, Sarah. (2024). Diversification in business valuation. *Journal of Business Valuation and Economic Loss Analysis*. https://doi.org/10.1515/jbvela-2024-0024

[23] Brahmana, Rayenda, Kontesa, Maria, & Setiawan, Doddy. (2024). Does digital transformation matter for international diversification? The role of product market competition. *Critical Perspectives on International Business*. https://doi.org/10.1108/cpoib-07-2024-0073

[24] Nguyen, Canh, & Su Dinh, Thanh. (2020). The dynamics of export diversification, economic complexity, and economic growth cycles: Global evidence. *Foreign Trade Review*, *57*. https://doi.org/10.1177/0015732520970441

[25] Mekdessi, Selim, Hbeich, Josepha, & Makdissi, Riad. (2023). Rescue mechanisms for companies in difficulty: Case of SMEs in North Lebanon. *IOSR Journal of Business and Management*, *25*(8), 23–36.

[26] Makdissi, Riad, Attal, Levenia, & Mekdessi, Selim. (2023). Resilience and adaptation: Navigating economic crisis in Lebanon—Transformation of commercial company into industrial entity during uncertainty. *IOSR Journal of Business and Management*, *25*(8), 62–76.

[27] Makdissi, Riad, Hammoudy, Samer, & Mekdessi, Selim. (2021). Improving the competitiveness of SMEs through management control: Empirical study for North Lebanon SMEs. *IOSR Journal of Business and Management*, *23*, 19–29. https://doi.org/10.9790/487X-2310031929

[28] Okonkwo, P., Eromafuru, G., & Osazevbaru, H. (2024). Effects of diversification strategies on organizational competitiveness. *International Journal of Advances in Engineering and Management*, *6*, 409–421. https://doi.org/10.35629/5252-0611409421

[29] Mammen, Jan, Alessandri, Todd, & Weiss, Martin. (2019). The risk implications of diversification: Integrating the effects of product and geographic diversification. *Long Range Planning*, *54*, 101942. https://doi.org/10.1016/j.lrp.2019.101942

[30] Azzahrah, Andi, Rakib, Muhammad, & Jufri, Muhammad. (2023). Product diversification to increase consumer satisfaction: A development research study. *International Journal of Current Science Research and Review*, *6*. https://doi.org/10.47191/ijcsrr/V6-i11-33