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Organic Growth Strategies and Adaptive Capacity of Fast Food Businesses in Rivers State

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Abstract: *This study examined the link between fast food companies' ability to adapt and organic development strategy in Rivers State, Nigeria. The study aim was to look at how the organic growth strategies influences adaptive capacity. A structured questionnaire was used to gather information from 104 workers of ten carefully chosen fast food businesses as part of a cross-sectional study design. Face and content validation were used to guarantee the instrument's validity, and Cronbach's alpha was used to verify its reliability. Using SPSS version 26, Spearman's Rank Order Correlation was used to examine the data. The results revealed that all four dimensions of organic growth strategies have significant positive relationships with adaptive capacity. Specifically, diversification had the strongest correlation, followed by market penetration, market development, and product development accordingly. These findings suggest that fast food firms that adopt balanced organic growth strategies are more likely to enhance their adaptive capacity and competitiveness in dynamic environments. The study concludes that organic growth strategies are critical drivers of resilience and adaptability among fast food firms. It recommends that managers prioritize diversification alongside customer-focused market penetration, expansion into new markets, and continuous product innovation to strengthen adaptive capacity and ensure sustainable growth.*

Keywords: Organic Growth Strategies, Adaptive Capacity Performance, Product Development, Diversification, Market Penetration.

Introduction

The competitive and dynamic business environment worldwide and particular in developing nations like Nigeria, the fast food industry has become one of the most competitive sectors of the service economy with changing dynamics such as increasing customer demands, urbanization and rapid expansion. The service sector in Nigeria has been faced with several challenges particularly rising cost of running the business, changing consumer preferences, stiff competition as well as government policies all which are capable of distorting the smooth running and survival of businesses. Therefore, it has become important for managers and owners of fast food firms to possess the adaptive capacity to help them navigate these changing demands. Adaptive capacity refers to the ability of firms to foresee, respond appropriately and adjust in the best way to changes in the business environment. According to Burnard and Bhamra (2011), adaptive capacity is the ability of a firm to respond to challenges and they unfold through creative thinking and based on experience and adapting to the changes in order to environment that they don't disrupt the business operations. Furthermore, Wang and Ahmed (2007) noted that adaptive capacity refers to the degree to which a firm is able to identify and capitalize on new business possibilities by adjusting to changes in business environment.

Staber and Sydow (2002) noted that adaptive capacity does not only mean the identification and re-engineering of the market needs and utilizing the resources available to the firm, but how effective the firm is able to deploy the resources to ensure smooth business operations. The fast food business environment is characterized by challenges such as fluctuating consumer purchasing power, regulatory requirements, economic instability, as well as health and safety concerns. Therefore, firms with strong adaptive capacities are better positioned to withstand unexpected disruptions, seize emerging opportunities, and align their operations with customer expectations and market dynamics. However, one of the factors responsible for enhanced organizational adaptive capacity is organic growth strategies which has to do with the use of internal mechanisms of the firm to grow rather than external influence.

Durmaz and Ilhan (2015), noted that organic growth strategies include the development of firm's resources, creating effective client relations, and the application of innovation management and technology to focus on product-related activities. In the same vein, Öncer (2012) referred to organic growth strategy as those that involves the use of endogenous growth or internal growth in terms of physical, social, financial and resources that are internal to the firm without any form of external input. Furthermore, organic growth often happens when firms extend their production capacities resulting in increases in capital stock, equity, feedstock, energy input, people count, and development of the corporate structure. Organic growth strategies include product development, market penetration, innovation, process improvement, customer relationship management, and brand differentiation. It emphasizes building internal capacities and leveraging existing competencies to achieve expansion and performance improvements.

Although studies have been carried out on various ways to enhance the adaptive capability vis-à-vis resilience of firms, there still exist literature gap especially how organic growth strategies influence the adaptive capacity of fast food firms. It is important to

understand the link between organic growth strategies and adaptive capacity of firms, which is what has informed this study the link between organic growth strategies and adaptive capacity of fast food firms in Rivers State.

Statement of the Problem

Fast food firms in Nigeria operate in a highly dynamic and competitive environment characterized by changing consumer preferences, rising operational cost, regulatory pressures, resource constraints and high competition, adaptive capacity is important for business sustainability and survival (Asongu & Odiambo, 2019; Skouloudis et al., 2020). Importantly, for firms to remain competitive, there is need to enhance their growth strategies through organic growth by looking inward through improvement in the quality of service, innovation, quality customer relationship, market penetration among others. Evidence however, suggest that many firms are rather reactive in their approach to disruptions instead of being proactive which ultimately result in great loss to the business. The resultant effect of this inability to adapt quickly to the environmental changes often result in low patronage, closure of business, poor customer service, pricing problems, low customer loyalty among other effects. Aldianto et al. (2021) argue that adaptive capacity involves the capability, behaviours, and knowledge to pursue business sustainability after a crisis. However, despite the importance of organic growth to the adaptive capacity, there is limited studies that have looked into the link between the two various and it is as a result of this observed lacuna that have informed this study to look as how adaptive capacity can be enhanced from the point of organic growth strategies of fast food firms in Rivers State.

Aim and Objectives

The aim of the study is to examine how organic growth strategies influences the adaptive capacity of fast food firms in Rivers State. The specific objectives are as follows:

i. examine the link between market penetration and adaptive capacity.
ii. ascertain the relationship between market development and adaptive capacity.
iii. find out the relationship between product development and adaptive capacity.
iv. determine the role of diversification on adaptive capacity of fast food firms.

Research Hypothesis

Ho_1: Market penetration does not have a significant relationship with adaptive capacity.

Ho_2: Market development does not have a significant relationship with adaptive capacity.

Ho_3: Product development does not have a significant relationship with adaptive capacity.

Ho_4: Diversification does not have a significant relationship with adaptive capacity.

2.0 Literature Review

Organic Growth Strategies

All forms of business growth that occurs within a business without outside intervention is referred to as organic growth, also known as internal growth or endogenous growth (Öncer, 2012). When a company's present operations are improved by either boosting sales or introducing new items, organic growth results. As an alternative, companies often rely on their own resources when they expand organically. The process of organic growth involves internal financing, borrowing, and the discovery of new capital stocks (Durmaz & İlhan, 2015). Development of a company's assets, efficient client relationship management, technology use, innovation management, and an emphasis on product-related activities are all examples of organic growth (Durmaz & İlhan, 2015). Organic development can be planned and managed easily because it is gradual and requires little adjustment. (Çolpan ve Hikino, 2008).

Businesses usually experience organic development as a result of enhancement of capacity as well as collaboration with other businesses outside the shores of the nation. Organic growth results in increases in business capacity, staff, and company structure expansion. Furthermore, an improvement in a business's reputation and perceived worth in the eyes of the public is also seen as organic development. (Öncer, 2012). Using diversification strategies for organic development, a business may extend its workforce and boost sales, endorsements, and equity. By using diversification strategies, businesses may expand organically with market, product, service, and production sizes and break into new business sectors (Karaevli, 2008). Businesses aim to reduce risk by operating in many locations. There are three categories for organic growth plans. These include plans for modernization, diversification, and rapid expansion (Yükselen, 2013).

Market Penetration

Penetrating the market with modern items is known as market penetration (Mucuk, 2010). According to Timothy, Parpairis, MacDonald, and Tosun (2005), market penetration is a strategy for market expansion that seeks to increase the market share of items that are already on hand. By utilizing its current product line in its current market, the company hopes to increase its market share through this strategy (Fink & Kraus, 2009). This tactic, which is also known as a consolidation strategy, aims to maintain market share rather than expand it. Because it makes use of a large number of the company's current assets and competencies, this growth plan is the least hazardous of the four. If rivals hit their capacity limit, there may be possibilities to expand market share. In a rising market, growth can be achieved merely by retaining market share. Market penetration has its limitations, though, and if the company wants to keep expanding, it will need to adopt a different technique whenever the market is close to saturation. Sije and Oloko (2013) investigated the connection between Kenyan SMEs' performance and penetration. According to the study, SMEs' performance and penetration strategy were strongly positively correlated. Under the penetration strategy (growing usage of existing product in present market), Pearce & Robinson (2012) list particular choices.

Market Development

Creating new market segments for existing firm items is the goal of this approach (Timothy, Parpairis, MacDonald, & Tosun, 2005). It is a tactic for reaching specific markets with new items. On the other hand, market development is a useful strategy for market penetration that identifies new product markets (Koçoğlu, 2012). This tactic entails introducing current items into new markets while concentrating efforts on competitive circumstances and market prospects (Pearce & Robinson, 2011). This strategy's choices include focusing on certain geographic areas or market segments. If the company's basic strengths are more closely linked to the more specialized product than to its expertise with a particular market sector, then expanding the product's market may be a wise course of action (Machuki, 2012). A market development strategy is usually riskier than a market penetration approach because the company is entering a new market (Yabs, 2010). Market development involves expanding distribution channels or altering the substance of advertising or promotions to reach consumers in adjacent market sectors with current products, sometimes with just minor cosmetic changes (Pearce & Robinson, 2011). By finding new applications, market growth enables businesses to capitalize on some of their historical advantages. Changes in distribution, promotional appeal, and media choices frequently indicate the application of this method.

Product Development

Developing and modifying existing items to improve their quality and boost market activity is part of this growth strategy (Şimşek ve Çelik, 2011). By creating new goods for markets that already exist, it seeks to prolong the growth's lifespan. This approach focuses on creating, releasing, and sustaining product range expansions by introducing new items into the current market (Cole, 1997). If the company's strength is in creating a new product aimed at its current clientele, then this approach is suitable. New product creation is riskier than merely trying to gain market share, much like new market development (Pierce & Robinson, 2011). According to Kottler and Armstrong (2000), a product is anything that may be made available to the public for consideration, purchase, or consumption that could meet a need or want. Quality, design, features, brand name, and size are all important aspects of a product (Adawale & Oyewale, 2013). Furthermore, a product's physical attributes, packaging, and label information may all affect whether a customer notices, inspects, and buys a product in-store (Sun, 2004). According to Kozen and Heijden (2006), previous research has unequivocally indicated that product effects have a major impact on business success. Product development is the process of making significant changes to an existing product or developing a new, related product that may be sold to existing customers via a pre-existing channel. Either to capitalize on a preferred reputation or brand name, or to extend the lives of existing items, the product development strategy is used. The goal is to draw happy consumers who were pleased with the company's first offering to the new product.

Diversification

Creating new goods and introducing them to new markets is the aim of this approach (Timothy, Parpairis, MacDonald, & Tosun, 2013). In other words, it is a tactic for introducing new goods into untapped markets. In contrast to the other three techniques, the diversification plan calls for new establishments, new technology, and new talents rather than utilizing existing stocks (Koçoğlu, 2012). This tactic involves expanding into new markets and product categories. Since it calls for both product and market development and may fall outside of the company's core skills, this plan is the riskiest of the four growth methods (Fink & Kraus, 2009). If the possibility of a high rate of return balances the high risk, then it is a sensible decision. Gaining traction in a desirable area and lowering the total risk of a company's portfolio are two other benefits of diversity. Horizontal diversification, vertical integration, concentric diversification, and conglomerate diversification are other subcategories of the approach (Pasanen, 2007). The goal of diversification strategies is to expand the company's core operations (Thompson, 2001).

Concentric diversification happens when a business acquires a company that shares strong ties with one or more of its characteristics. When a business acquires another in a brand-new product market, this is known as conglomerate diversification. By purchasing new

companies, the diversification strategy seeks to enter new markets and, consequently, new industries (Karaevli, 2008). It enables companies to take advantage of new market possibilities and generate above-average profits (Ülgen ve Mirze, 2004). It is typically used when companies discover untapped markets. There are two types of diversification strategies: conglomerate diversification and concentric diversification. The goal of a concentrated diversification strategy is to direct a company's focus and resources toward a single industry. With this approach, a company either concentrates on new technology-based items in an existing market or on new markets with technical products (Dinçer, 2007). Businesses that use a conglomerate diversification strategy invest in markets and technological areas that differ from their own (Koçoğlu, 2012). It happens in completely different markets with fresh and unique items. Conglomerate diversification techniques are advantageous for businesses when the sales and profit rates in their present industry are poor (Wheelen & Hunger, 2012).

Adaptive Capability

Adaptive capacity is the ability of a firm or system to change its features or behavior in way that allows it broaden or expand its coping range to inculcate current and future environmental uncertainties while maintaining the present conditions. Furthermore, it is the capacity to create and execute effective and efficient adaptable methods or reactions to changing environment in order to ensure that the occurrence of such disruptions does not affect the operations of the firm (Onyokoko & Needorn, 2021). Gupta et al (2010) also noted that adaptive capacity is the characteristics of an institution that empower social actors to respond to short and long term impacts through planned measures or flexible systems to adapt to changes. Adaptive capacity according to Wu et al. (2017) encompasses the basic processes and activities including financial and operational planning, collection of data, event prediction, risk management and efficiency of operations. Similarly, Awuah (2016) posited that adaptive capacity helps firms to stay competitive in the market. Furthermore, adaptive capacity helps management of organizations to follow up with changes in performance and result in order to act accordingly and make informed decision while meeting up with firm's goals and objectives. According to Courbe (2016) adaptive capacity turns firm's valuable decisions to economic advantage and give room for the firm to see ahead and make provisions for economic security. Adaptive capacity makes it possible for firms to make informed decision that result in the firm's growth and expansion because it gives foresight, system thinking, vision and motivation for the firm (Alhamadi, 2020).

According to Alomian et al. (2019), adaptive capacity is the organization's brain; as such, it seeks to comprehend and predict the organization's future and identify strategies for preserving its competitiveness. One latent property of people, groups, or social ecological systems is "adaptive capacity," which is acquired by reacting to a crisis or opportunity (Engle 2011). Any individual, community, or social-ecological system with a high capacity for adaptation is more resilient and, as a result, better able to negotiate a good change or maintain a desired state (Folke 2006). According to Chakravarthy (1982), adaptive capacity is a system in which a company's ability to adapt allows the environment to survive; it may also refer to a company's ability to adapt to environmental changes. Most competitive business conditions require more flexible strategies to adapt to their competitive position and place in the competition, making the organization and its surroundings better suited to them (Rindova & Kotha, 2001).

A system's ability to change its characteristics or behavior to increase its range of capabilities in the face of increased unpredictability is known as its adaptive capacity. To put it simply, adaptive capacity is the ability to plan and implement successful adaptation strategies or to respond to shifting pressures and hazards in order to reduce the likelihood of occurrence and/or the quantity of negative consequences that result from climate-related hazards (Onyokoko & Needorn, 2021). Although Sussman (2004) identified four aspects of adaptable capability, external focus, network connectedness, inquisitiveness, and innovativeness, adaptive capability is widely regarded as a key element for improving organizational performance. However, according to Paliokaite (2012), adaptive capability, which is defined as taking into account three factors: horizon scanning, change management, and resilience, offers firms a competitive edge, particularly in rapidly evolving and cutthroat markets.

Theoretical Framework: Dynamic Capabilities Theory

The theoretical underpinning of this study is the dynamic capabilities theory (DCT). The theory was developed in 1997 by Teece, Pisano and Shuen and has since gained much attention as it gives explanations and analysis to how competitive advantage is being achieved and sustained by successful companies due to their ability to adapt and rebuild their competence in a constantly changing business environment (Qaiyum & Wang, 2018). By stressing not just the presence of valuable resources but also the capacity of enterprises to integrate, construct, and reconfigure these resources in response to rapidly changing surroundings, the theory expands upon the Resource-Based View (RBV). The ability of a company to intentionally build, expand, or alter its resource base in order to maintain a competitive edge is known as dynamic capabilities. Although the foregoing description describes DCs and their functions, Zollo and Winter (2002) contend that it falls short in addressing their origins. Hence they define DCs as established organizational patterns which companies use to systematically develop and alter their operations and practices in order to enhance effectiveness.

In relation to this study, organic growth strategies such as market penetration, product development, service improvement, and geographical expansion are not static. They require continuous adaptation to evolving consumer tastes, economic fluctuations, competitive pressures, and regulatory changes. Dynamic capabilities theory explains how firms adjust their internal competencies and strategic routines to ensure survival and competitiveness amidst these uncertainties. Furthermore, the theory directly supports the study's focus on adaptive capacity, which reflects the organization's ability to absorb shocks, learn, and realign strategies. For fast food firms, adaptive capacity may involve innovating new menus, embracing digital ordering systems, reconfiguring supply chains, and customizing services to local market preferences. Firms with strong dynamic capabilities are more likely to translate their organic growth strategies into sustainable performance and resilience. Thus, this theory provides the theoretical lens for examining how fast food firms' reliance on internal growth mechanisms fosters their adaptive capacity in a turbulent business environment. It suggests that competitive advantage and long-term survival depend not merely on having resources, but on the ability to continually reconfigure them in alignment with changing market demands.

Empirical Review

Previous research has been conducted on the factors being examined. The operational adaptability and flexibility of manufacturing companies in South-South Nigeria were studied by Onyokoko and Needorn (2021). Finding out how operational flexibility affects adaptive capabilities was the study's goal. A questionnaire was utilized to gather study data, and 217 respondents were selected as a sample. To determine the relationship between the variables, the partial least squares method was used to analyze the acquired data. According to the study, market-focused adaptive capacities and organizational flexibility were significantly and favorably correlated. The study also revealed a strong correlation between the two factors. According to the study's findings, manufacturing companies should make sure that their technical procedures are strategically aligned to allow for flexibility in response to changes in the business environment. Decoupling the work process was suggested as a way for businesses to preserve fluid volume flexibility.

The operational performance and entrepreneurial growth methods of SMEs in Rivers State were investigated by Ndu-Ahiakwo and Wegwu (2023). The purpose of the study was to look into ways that entrepreneurial development methods may improve the operational performance of SMEs. The study data was acquired utilizing 300 respondents from 10 SMEs in rivers state with the use of structure questionnaire intended to extract data from the respondents. To determine the link between the variables, correlation analysis was used to analyze the data. The study's conclusions showed that performance is greatly impacted by market penetration. Additionally, it was demonstrated that the financial and non-financial success of organizations is also greatly impacted by product/service diversity. Adopting successful growth methods was advised by the research as a way to improve business performance.

Wanjiru and George (2015) examined how organic growth tactics affected SMEs' performance in Kenya's Thika sub-county. It was a correlational investigation. 36 SMEs were sampled using a proportional stratified random sampling approach. Data was acquired via questionnaire. The mean, percentage, Pearson-Product correlation coefficient, and linear regression were used to examine the quantitative data, which was displayed in frequency distribution tables. The study discovered that initiatives for diversification, product development, market expansion, and penetration had a beneficial impact on SMEs' success. According to the study's findings, SMEs should adopt organic growth techniques in order to accelerate the expansion of their businesses. According to the study, the government ought to establish a Ministry of Micro, Small, and Medium-Sized Enterprises to finance the execution of the organic growth plans formulated by SMEs and offer technical assistance in conducting market research, fostering ideas, and enhancing the capabilities of the CEOs and owners of the SMEs. The study concluded by recommending that comparable research be conducted in other Kenyan counties. It is also necessary to carry out further research to examine how inorganic tactics affect SMEs' success.

Ahiazu and Eketu's (2015) study uses primary data from a few public universities in south-south Nigeria to empirically examine the relationship between product innovation and company resilience. The study examined how three different aspects of a company's resilience—keystone vulnerability, situation awareness, and adaptive capacity—relate to product innovation. The Spearman rank order correlation was used to evaluate three hypotheses that were presented in null form. The results showed a significant correlation between organizational resilience and product innovation. The results also demonstrate that product innovation had a significant impact on the institutions' awareness, susceptibility, and ability to respond.

3.0 Methodology

In order to accomplish its goals, this study used a cross-sectional approach, which gathers data using a single survey questionnaire. The whole Port Harcourt fast food industry was the study's target population. Employees at a variety of listed fast food restaurants in Port Harcourt, however, were the study's accessible population. Ten (10) fast food restaurants in Port Harcourt were chosen for the study using information from Businesslist.com.ng (2024). These companies were chosen on the basis of their accessibility. According to the researcher's investigation, there are 141 individuals working for these particular fast food companies, which made

up the study's population size. The idea that the sample size should fairly represent the total population guided its selection. Based on the information gathered from the chosen companies, the ten fast food establishments in Port Harcourt employ 141 people in total. Furthermore, Taro Yamen's method was used to get the sample size of 104 from the entire population that was accessible. The research then used a basic random sampling procedure to ensure that each responder had an equal chance of being chosen.

This study used the primary source of data. Multiple-choice questions from a structured questionnaire were used to gather the study's primary data. The questionnaire was broken up into two sections: one for demographic and personal data and another for questions on how the variables under research relate to one another. Four dimensions, market penetration, market development, product development, and diversification, were used to operationalize the predictor variable (organic growth methods). Adaptive capacity, the criteria variable, was operationalized as a loan variable. The research items' responses were scored using a 4-point Likert scale, which goes from 1 to 4. Where 1 = Strongly disagree, 2 = Disagree 4 = Strongly agree, and 3 = Agree. The validity of the research instrument was assessed in this study using face and content validity. Using Cronbach alpha, the instrument's dependability was determined. Items were only utilized if the Cronbach alpha test yielded an alpha value of 0.7 or above. The Spearman's Rank Order Correlation Coefficient was used to examine the data gathered for this study in order to determine the association between organic growth techniques and adaptive ability. Version 26 of the Statistical Package for Social Sciences (SPSS) was used to assist in these analyses. Since the study looked at the link between two variables and the data were on an ordinal scale, the Spearman's rank order correlation coefficient is preferred.

4.0 Results and Discussion

To determine the relationship between the study variables, the Spearman's Rank Order Correlation test was employed. If $p < 0.05$, reject the null hypotheses, if $p > 0.05$, accept the null hypotheses. All the hypotheses were tested in their null form.

Table 1: Market Penetration and Adaptive Capacity

Correlations

			Market Penetration	Adaptive Capacity
Spearman's rho	Market Penetration	Correlation Coefficient	1.000	.503**
		Sig. (2-tailed)	.	.000
		N	102	102
	Adaptive Capacity	Correlation Coefficient	.503**	1.000
		Sig. (2-tailed)	.000	.
		N	102	102

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

Source: SPSS version 26.0 output extracts

Ho_1: Market penetration does not have a significant relationship with adaptive capacity.

Table 1 presents a strong positive correlation (0.503) between market penetration and adaptive capacity of fast food firms in Rivers State. The significant p-value (0.000) confirms that the relationship is statistically meaningful. This indicates that as companies strengthen their market penetration strategy are most likely to have higher adaptive capacity. Consequently, the null hypothesis (Ho_1) is rejected, confirming a strong link between market penetration and adaptive capacity.

Table 2: Market Development and Adaptive Capacity

Correlations

			Market Development	Adaptive Capacity
Spearman's rho	Market Development	Correlation Coefficient	1.000	.457**
		Sig. (2-tailed)	.	.000
		N	102	102
	Adaptive Capacity	Correlation Coefficient	.457**	1.000
		Sig. (2-tailed)	.000	.
		N	102	102

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

Source: SPSS version 26.0 output extracts

Ho_2: Market development does not have a significant relationship with adaptive capacity.

Table 2 presents a moderate positive correlation (0.457) between market development and adaptive capacity of fast food firms in Rivers State. The significant p-value (0.000) confirms that the relationship is statistically significant. This suggests that stronger market development is associated with improved adaptive capacity. Consequently, the null hypothesis (Ho_2) is rejected, confirming a significant link between market penetration and firm's adaptive capacity.

Table 3: Product Development and Adaptive Capacity

Correlations

			Product Development	Adaptive Capacity
Spearman's rho	Product Development	Correlation Coefficient	1.000	.428**
		Sig. (2-tailed)	.	.000
		N	102	102
	Adaptive Capacity	Correlation Coefficient	.428**	1.000
		Sig. (2-tailed)	.000	.
		N	102	102

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

Source: SPSS version 26.0 output extracts

Ho_3: Product development does not have a significant relationship with adaptive capacity.

Table 3 presents a moderate positive correlation (0.428) between product development and adaptive capacity of fast food firms in Rivers State. The significant p-value (0.000) confirms that the relationship is statistically significant. This suggests that as companies improve their ability develop new products effectively, their adaptive capacity also improves to adapt to environmental changes. Consequently, the null hypothesis (Ho_3) is rejected, confirming a significant link between market penetration and adaptive capacity.

Table 4: Market Penetration and Adaptive Capacity

Correlations

			Divarication	Adaptive Capacity
Spearman's rho	Diversification	Correlation Coefficient	1.000	.721**
		Sig. (2-tailed)	.	.000
		N	102	102
	Adaptive Capacity	Correlation Coefficient	.721**	1.000
		Sig. (2-tailed)	.000	.
		N	102	102

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

Source: SPSS version 26.0 output extracts

Ho_4: Diversification does not have a significant relationship with adaptive capacity.

Table 4 presents a strong positive correlation (0.721) between diversification and adaptive capacity of fast food firms in Rivers State. The significant p-value (0.000) confirms that the relationship is statistically meaningful. This indicates that as companies that strategize towards diversification are most likely to have higher adaptive capacity than those that do not. Consequently, the null hypothesis (Ho_1) is rejected, confirming a strong link between diversification and adaptive capacity.

Discussion of Findings

Market Penetration and Adaptive Capacity

The result shows a strong positive and significant relationship between market penetration and adaptive capacity ($\rho = .503$, $p < 0.01$). This aligns with the findings of Ndu-Ahiakwo and Wegwu (2023) who reported that market penetration significantly influenced SME performance in Rivers State. The result also agrees with the study of Wanjiru and George (2015) who established that penetration strategies positively impacted firm performance in Kenya. The implication is that firms that intensify their penetration strategies, by attracting more customers and increasing market share are better equipped to adapt to environmental changes.

Market Development and Adaptive Capacity

The analysis reveals a moderate positive and significant correlation between market development and adaptive capacity ($\rho = .457$, $p < 0.01$). This result is consistent with Wanjiru and George (2015)**,** who found that market development strategies contributed significantly to firm performance. Similarly, Machuki (2012) observed that internal growth strategies, including market development, were linked to better performance in Kenya. This implies that by venturing into new markets, fast food firms improve their adaptive capability to remain relevant in dynamic business environments.

Product Development and Adaptive Capacity

Findings indicate a moderate positive relationship between product development and adaptive capacity ($\rho = .428$, $p < 0.01$). This resonates with Ahiazu and Eketu (2015), who found that product innovation significantly influenced firms' resilience dimensions, particularly adaptive capacity. It also supports Wanjiru and George (2015), who emphasized that product development strategies enhanced performance. Hence, the ability of fast food firms to create and refine new products enhances their resilience and adaptability in responding to customer preferences and market shifts.

Diversification and Adaptive Capacity

The result reveals a strong positive and significant relationship between diversification and adaptive capacity ($\rho = .721$, $p < 0.01$). This finding corroborates Ndu-Ahiakwo and Wegwu (2023) who highlighted that diversification strategies significantly affect both financial and non-financial performance of SMEs. Similarly, Wanjiru and George (2015) reported that diversification enhanced firm growth in Kenya. This suggests that firms adopting diversification strategies are more adaptive, as they spread risks and exploit multiple opportunities in turbulent markets.

5.0 Conclusion

This study investigated the relationship between organic growth strategies and adaptive capacity of fast food firms in Rivers State, using four dimensions of organic growth strategies: market penetration, market development, product development, and diversification. The findings reveal that all four dimensions have significant positive relationships with adaptive capacity, although the strength of the relationships varies. Specifically, diversification exhibited the strongest correlation with adaptive capacity, followed by market penetration, market development, and product development respectively. The results imply that fast food firms in Rivers State that intensify market penetration efforts, expand into new markets, develop innovative products, and adopt diversification strategies are more likely to enhance their adaptive capacity.

Conclusively, organic growth strategies are critical drivers of adaptive capacity among fast food firms. By pursuing these strategies, firms not only strengthen their ability to adjust to environmental uncertainties but also position themselves for sustainable growth. Therefore, managers and decision-makers of fast food firms in Rivers State should prioritize a balanced approach to organic growth, particularly by leveraging diversification alongside other strategies, to improve their adaptability and long-term survival in the highly competitive and dynamic business landscape.

6.0 Recommendations

Based on the findings of this study, the following recommendations are made:

1. Fast food firms should intensify efforts to attract and retain more customers by improving service quality, pricing strategies, and promotional activities, as this enhances their adaptive capacity.
2. Firms should explore new customer segments and geographic markets within Rivers State to strengthen their adaptive ability in dynamic environments.
3. Continuous innovation in menu offerings and product refinement should be encouraged to enable firms to better respond to changing customer preferences and market demands.
4. Since diversification showed the strongest influence on adaptive capacity, fast food firms should adopt related diversification strategies, such as expanding into complementary food services, to spread risks and improve adaptability.

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