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MODERATING EFFECT OF PROFITABILITY ON THE RELATIONSHIP BETWEEN FIRM STRUCTURAL ATTRIBUTES AND MARKET SHARE PRICE OF QUOTED CONSUMER GOODS FIRMS IN NIGERIA

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Abstract

This research examined the moderating effect of profitability on the relationship between firm structural attributes and market share price of quoted consumer goods firms in Nigeria from the year 2012 to 2021. 14 consumer goods firms were selected purposively for this study using a casual research design. Firm size, asset tangibility and leverage were used to proxy firm structural attributes. Descriptive statistics and panel regression analysis were used as this study data estimation tool. The outcome of this study revealed that only leverage was found to have a significant impact on market share price with t-stat and p-val. Of (5.85, 0.000), FRZ and ATA were found to have no significant effect on MSP. Also, profitability was discovered to have a positive moderating effect on the relationship between FRZ, ATA, LER and MSP evidenced by t-stat and p-val. (3.15, 9.05, 3.75) and (0.000,0.000,0.000) respectively. The conclusion drawn from this study is that POF have a positive significant moderating effect on the relationship between firm structural attributes (FRZ, ATA, LER) and the market share price of listed Nigerian consumer goods firms. The study recommends that companies should aim at increasing their profitability and asset tangibility level to be able to enhance investors' confidence and positively influence market share price. The firm should also boost its financial stability by ensuring that the level of leverage absorbed into the firm is not too high.

Keywords: Firm age, firm size, Leverage, Profitability, Tangibility

Introduction

However, asset tangibility refers to the utilization or pledging of tangible assets as security when companies seek funding (Ibrahim et al., 2023). It denotes the portion of a company's assets that are physical or tangible, such as buildings, machinery, and inventory. Li and Chen (2023) noted

that firms with a higher proportion of tangible assets typically exhibit lower financial risk, as these assets can be used as collateral for debt financing, providing lenders with greater assurance. Leverage measures the degree to which a company relies on debt to finance its operations and investments, reflecting the proportion of debt in the firm's capital structure. Wang et al. (2022) proposed that while higher leverage levels can potentially enhance returns, they also elevate the risk of financial distress, particularly during economic downturns. Finding the optimal level of leverage involves striking a balance between the costs associated with raising debt and the benefits derived from interest payments.

Further, a company's market value serves as a valuable indicator of investors' perceptions regarding its business prospects (Ibrahim et al., 2015). Hirdinis (2019) pointed out that organizations' primary objective is usually to maximize their respective wealth or values. These values are thought to represent the stockholders' negotiating power for each company, so tying the prospects of listed companies to changes in equity and stock market price. Market value, according to Damodaran (2020), is a dynamic metric that expresses a company's value about its prospects, growth, performance, and other elements. It varies in reaction to shifts in the mood of the market, business results, or general economic circumstances. According to Malkiel (2020), a company's market share price is the amount that each shareholder of a firm is trading for on the market, representing the price that investors are ready to pay for the company's ownership at a certain moment in time. Market share prices are ultimately influenced by investors' opinions, risk assessments, and expectations of future performance, all of which are significantly shaped by firm structural qualities. Huang and Ritter (2020) suggest that elevated leverage can exacerbate financial risk and uncertainty, hence elevating investors' perceived risk and consequently depressing market share prices. On the other hand, less leverage may increase market share values while also fostering financial stability.

In addition, businesses that have more tangibility may be perceived by investors as less hazardous, which would enable them to command higher market share prices in comparison to businesses that largely have intangible assets (Chen & Cheng, 2023). In times of financial difficulty, tangible assets can act as a safety net for creditors, boosting investor confidence. In addition, larger companies might have better access to financing markets, economies of scale, and a variety of

revenue streams, all of which could result in greater market share pricing. Larger companies may also command a premium for their market share since they are thought to be more resilient and adept at handling market volatility (Gompers & Lerner, 2022).

More so, profitable firms often attract a larger investor base, leading to heightened demand for shares and potentially increasing market share prices. Enhanced profitability signifies strong financial performance and growth prospects, which can positively influence investor sentiment and market valuation. Adenle et al. (2023) highlighted firm attributes as a critical factor that can either bolster or impede a company's success. Companies with well-defined and robust specific attributes are more likely to outperform those with loosely defined attributes. The level of leverage employed by a company can influence how different company characteristics impact profitability. Ahsan and Kiran (2017) emphasized that a company's capital structure decision has a big influence on its profitability, which in turn affects shareholders' goals of maximizing their wealth. It is optimistic that the relationship between market share price and company structural features can be moderated by profitability. According to Enyi's (2021) research, insufficient financial performance is a major risk factor for business failure in Nigeria since it undermines stakeholders' capital, investments, and expected returns. He further noted inappropriate use of internal resources by businesses has resulted in poor corporate growth and diminishing net profit margins for Nigerian listed companies. In developed nations such as the US, UK, and Canada, the challenges associated with firm structural attributes affecting market share prices stem from rigorous regulatory frameworks that impact market dynamics, heightened global competition, and technological disruptions (Glaeser & Shlefier, 2021; Peng, 2020; Brynjolfsson & McAfee, 2017). These challenges introduce complexities into the relationship between firm structural attributes and market share prices in developed nations.

However, various studies, including those by Adedoyin (2011), Githira et al. (2019), Handoko (2016), Ibrahim and Salihu (2015), Jeroh (2020), Debo-Ajagunna and Olurankinse (2021), Rabiu (2019), and Shrestha (2022), have examined the correlation between firm attributes and market share prices across both industrialized and developing nations. However, these studies overlooked the moderating influence of profitability on the relationship between firm structural attributes and market share prices. Due to differences in methodology and scope, these studies have generated

conflicting findings. Additionally, some of these studies failed to consider key structural attributes of firms, such as asset tangibility, business size, and leverage. Therefore, this study fills a research gap by investigating the moderating impact of profitability on the relationship between firm structural characteristics and market share prices. Specifically, this study examines how firm structural attributes (leverage, asset tangibility, and business size) affect the market share prices of listed Nigerian consumer goods firms, with a focus on the moderating role of profitability.

Literature Review

Firm Structural Attributes

Firm characteristics are particular elements that have the potential to have a favourable or unfavourable effect on a business's operations, according to Irom et al. (2018). These distinctive qualities, which set one business apart from another, can be seen from several angles. Companies reveal them in their financial accounts, providing stakeholders with information about their performance (Abdullahi, 2016). Firm attributes are divided into two categories, according to Kazeem (2015): non-financial (such as firm age, managerial abilities, and area of operation) and financial (such as business size, growth, risk, liquidity, tangibility, and leverage). The essential features of an organization are firm hierarchy, division of labour, and routes of communication. These attributes play a critical role in shaping how a company operates and achieves its objectives (Yang & Kozlenkova, 2021). The firm structural attributes examined in this study include firm size, leverage, and tangibility.

Firm size, as a structural attribute, refers to the extent of operations and the magnitude of a company's resources, including assets, revenue, and market capitalization. The size of a firm has implications for its performance, behaviour, and strategic decisions. Ghemawat and Ghadar (2020) revealed in their study that large firms leverage economies of scale to reduce costs and gain competitive advantages in the market. Larger assets help a company get more funding because they offer more secured assets to pay off debt in the case of bankruptcy (Awan et al., 2011). The natural logarithm of assets is commonly represented as the natural logarithm of assets (Ibrahim et al., 2023). When a firm owns tangible assets things that are assets that can be seen, felt, and measured such as real estate, machinery, and inventories. Tangibility significantly influences a firm's structure, affecting financial performance and decision-making processes (Gu & Lev, 2004).

Asset tangibility is often measured as the ratio of non-current assets to total assets (Ibrahim et al., 2023). Leverage involves the use of borrowed funds to amplify the potential return on investment for a firm. It entails using debt to finance a portion of an investment, aiming to enhance returns. Leverage can magnify both gains and losses by allowing investors to control a larger position with a smaller amount of capital. It is commonly assessed as the ratio of debt to equity in a company's capital structure (Acharya & Viswanathan, 2011; Chen et al., 2001; Denis, 2013). Some of the few researchers who have utilized firm size, tangibility, and leverage as indices for measuring firm structural attributes include Ibrahim et al. (2023) and Jeroh (2020).

Market Share Price

According to Malkiel (2020), a company's market share price represents the price at which a single share of its stock is traded on the market, representing the price that investors are prepared to pay to possess a portion of the business at a given time. Ibrahim and Hussaini (2015) emphasized the importance of stock price as a critical indicator of a company's worth. As a result, the valuations attached to them are quite important to both current and potential stock market investors. As per Nita's (2011) assertion, market value functions as a benchmark for evaluating a company's ability to create or diminish value from the viewpoint of investors. It rises solely when the return on capital investment exceeds the cost of capital. This idea was backed by Aloy and Alfred (2014), who emphasized that maximizing market value for investors is a necessary step in producing shareholder value.

Firm Structural Attributes and Market Share Price

The stock market serves as a vital bridge between firms seeking to raise funds for business continuity or expansion and investors looking to invest their surplus resources (Ibrahim & Idris, 2015). The relationship between firm structural attributes and market share prices is influenced by various factors such as financial performance, market sentiment, and industry dynamics. Larger firm size typically correlates with higher market share prices, attributed to factors like perceived stability, market dominance, and resource accessibility (Li & Song, 2021; Wang et al., 2021). However, Kaplan & Minton (2012) countered this perspective, arguing that as firms grow larger, they often become more complex and bureaucratic, leading to operational inefficiencies and decision-making challenges that may erode shareholder value and negatively affect market share prices. Smaller firms, on the other hand, can significantly impact market share prices due to factors

like growth potential, market perception, and operational efficiency, although they may also face numerous challenges compared to larger counterparts.

Also, asset tangibility can influence market prices through various mechanisms such as stability, collateral value, and operational efficiency (Srinidhi & Gul, 2020). Companies with higher tangibility may be perceived as less risky by investors, resulting in higher market share prices compared to those with predominantly intangible assets (Chen & Cheng, 2023). Leverage plays a crucial role in a company's risk profile, cost of capital, and overall financial health. Huang and Ritter (2020) indicated that higher leverage can elevate financial risk and uncertainty, potentially leading to increased perceived risk by investors and lower market share prices. Conversely, lower leverage can promote financial stability and may result in higher market share prices.

Moderating effect of Profitability on the relationship between Firm Structural Attributes and Market share price

To fuel their financial growth, business organizations need to be able to sustain operational stability in line with their unique characteristics (Osazefua, 2019). Every profit-making organization's main goal is to be profitable, and those that are unable to turn a substantial profit-risk going out of business. In addition to other structural characteristics, a company's profitability can impact investors' opinions, risk assessments, and growth expectations, which in turn can affect market share prices. Market share prices are more strongly impacted by asset tangibility in companies that generate higher profits. Furthermore, businesses with larger debt levels may occasionally be more profitable, which would ease the repayment of debt, lower perceived financial risk, and lessen the effect of leverage on market share prices. On the other hand, businesses that generate less profit typically hold smaller market shares than those that generate larger profits. Companies with greater profitability, regardless of size, boost investor confidence and have a beneficial impact on market share prices. Return on Equity (ROE) and Return on Assets (ROA) are two profitability ratios that are frequently employed in research (Rabiu, 2019).

Theoretical Review

This study is founded on the principles of agency theory, initially introduced by Berle and Means in 1932 and later expanded by Stephen Ross and Barry Mitnick in 1973. Jensen and Meckling (1976) played a crucial role in popularizing this theory. Agency theory arises in business arrangements when there is a conflict of interest between equity holders and corporate managers

in the governance of a corporation (Panda & Leepsa, 2017). The agent's flawed behaviour is the root cause of the agency's problem. A considerable portion of free cash flow is diverted to pay down debt obligations as a result of shareholders' ability to pressure managers to satisfy their debt commitments when debt levels rise (Adenle et al., 2023). The complexity of agency connections may be higher in larger firms since ownership and control are more segregated. Furthermore, because shareholders can readily observe how managers use these assets, a company with a higher percentage of tangible assets may be able to lower agency costs related to managerial opportunism and discretion. As noted by Pouryousefi and Frooman (2017) and Zogning (2017), several critics of agency theory contend that the theory creates the issue of unilateralism by assuming that parties behave in an individually self-centred manner.

Empirical Review

Jeroh (2020) investigated how corporate financial attributes affect firm value by analyzing 32 Nigerian listed financial firms over nine years from 2010 to 2018. Firm value was assessed using Tobin's Q and market share price (MSP), while financial attributes included Return on Assets (ROA), leverage (LER), firm size (FRZ), and asset tangibility (ATA). Panel regression analysis was employed to estimate the collected data. The results indicated that FRZ, LER, and ATA significantly impact Tobin's Q and MSP, with ROA showing a positive correlation with firm value.

Similarly, Githira et al. (2019) explored the relationship between firm attributes and stock returns among selected quoted firms in Kenya over a decade, spanning from 2007 to 2016. OLS regression analysis was used for data estimation. The study findings demonstrated that liquidity, POF, and LER had a positive and noteworthy influence on stock returns.

Rabiu (2019) examined how firm attributes influence the share prices of listed industrial firms in Nigeria by reviewing 11 industrial firms listed on the Nigeria Exchange Group (NGX) over the period from 2007 to 2010. The study employed OLS and GNS regression analysis to estimate the collected data. It was found that board size, board diversity, and profitability significantly impacted MSP. However, FRZ showed no correlation with MSP, while LER exhibited a negative but non-significant effect on MSP.

In a study by Otekunrin et al. (2019) investigating the effect of current market share price on profitability, 18 selected Nigeria agro-allied firms were examined over the period from 2012 to 2016. Multiple regression analysis was used as the data estimation tool. The findings indicated that POF had a positive and noteworthy impact on MSP. Similarly, Snežana and Ivan (2017) conducted a study on 42 firms listed on the Belgrade Stock Exchange, concluding that POF and share price were statistically and significantly related.

Handoko (2016) examined the impact of corporate attributes on the firm value of 10 listed insurance companies in Indonesia over the period from 2008 to 2013. FRS, POF, growth (GWT), ATA and liquidity (LQD) were used as firm attributes indices. The panel regression approach was used to estimate the data gathered. The outcome of the findings revealed that FRZ, ATA, and GWT have a negative significant influence on firm value whereas LQD and POF have a positive and substantial impact on firm value.

Siahaan et al. (2014) investigated the impact of firm size, capital structure, performance, and firm value on selected listed companies in the Indonesia Stock Exchange (ISE) over two years from 2010 to 2012. Generalized Structured Component Analysis (GSCA) was utilized to analyze the collected data. The study found that FRZ had an insignificant association with firm value, while LEV did not significantly impact the firm value of larger cluster firms. However, smaller asset cluster firms were found to have a negative and substantial impact on firm value.

In their study covering 647 listed firms in Taiwan from 2005 to 2007, Chen and Chen (2011) explored the connection between profitability (POF) and firm value, with firm size and leverage as moderators. Regression analysis was employed to estimate the collected data. The results indicated that POF had a positive and noteworthy impact on firm value, while it had a negative effect on LER. Additionally, LER was found to have a negative effect on firm value, and POF was identified to have a mediating connection between LER and FRZ.

Methodology

This research employed a causal research design, focusing on 14 consumer goods (CG) firms out of the 21 listed CG firms on the Nigerian Exchange Group (NGX). The sample size was determined using purposive sampling. The study spanned a decade, from 2012 to 2021, and

utilized data extracted from the annual reports of these firms. The data was analyzed using descriptive statistics, correlation analysis, and panel regression analysis. Firm structural attributes included firm size (FRZ), asset tangibility (ATA), and leverage (LER). Profitability (POF), the moderating variable, was measured using return on assets, calculated as the ratio of the firm's net income to its total assets (Rabiu, 2014). Firm size was assessed using the natural logarithm of total assets (Olagunju et al., 2024), while leverage was determined as the percentage of total debt to total assets (Adenle et al., 2023). Asset tangibility (ATA) was expressed as the ratio of non-current assets to total assets (Ibrahim et al., 2023). Additionally, the control variable, firm age (FAG), was measured by the number of years since the firm's incorporation (Adenle, 2023).

Model Specification

The model shows the moderating effect of profitability on the relationship between firm structural attributes and the market share price of listed consumer goods firms in Nigeria.

MSP_{it} = F (FRZ, ATA, LER, FRZ*POF, ATA*POF, LER*POF, FAG)

$$MSP_{it} = \beta_0 + \beta_1 FRZ_{it} + \beta_2 ATA_{it} + \beta_3 LER_{it} + \beta_4 FRZ * POF_{it} + \beta_5 ATA * POF_{it} + \beta_6 LER * POF_{it} + \beta_7 FAG_{it} + \mu_{it} \dots\dots\dots\dots\dots\dots\dots\dots\dots . \dots\dots\dots\dots\dots\dots\dots\dots .. \dots\dots\dots 1$$

MSP= Market Share Price

FRZ= Firm Size

ATA=Asset Tangibility

LER= Leverage

POF = Profitability (ROA)

FAG=Age of firm

β_0- β_7 $\quad estimated\ parameters$

$\mu_t - stochastic\ error\ term$

4. Results and Discussions

Table 1: Descriptive Statistics

	MSP	FRZ	ATA	LER	FAG	POF
Mean	98.4	7.068	0.715	0.745	32.43	0.25
Median	11.7	7.497	0.839	0.833	37.00	0.154
Maximum	15.56	8.672	1.689	3.518	59.00	3.192
Minimum	0.46	0.234	-12.18	-12.550	2.00	-0.198
Stand Dev.	30.47	1.554	1.183	1.340	15.571	0.381
Observation	140	140	140	140	140	140

Source: Authors' Computation (2024)

The results from the descriptive statistics indicate that the MSP has an average value of 98.4, a median of 11.7, a max. of 15.56, and a min. of 0.46. As regards the independent variables, BIN FRZ, ATA and LER exhibit mean, median, maxi., and min. values of (7.068, 0.715, 0.745), (7.497,0.839, 0.833), (8.672, 1.689, 3.518) and (0.234, -12.18, -12.550) respectively. The moderating variable POF has a mean, median, max. and min. values of (0.25, 0.154, 3.192 and -0.198) respectively. Control variable FAG has a mean, median, max and min. values of (32.43, 37, 59 and 2) respectively.

Correlation Analysis

Table 3: Correlation and test of Multi-collinearity

	MSP (1)	FRZ (2)	ATA (3)	LER (4)	FAG (5)	POF (6)	VIF	1/VIF
(1)	1.000							
(2)	0.647	1.000					1.72	0.530
(3)	0.346	0.284	1.000				1.02	0.979
(4)	0.336	0.337	0.088	1.000			1.89	0.530
(5)	0.386	0.134	-0.066	0.370	1.000		1.02	0.979
(6)	0.479	0.204	0.314	0.383	0.186	1.000	1.16	0.865

Source: Authors' Computation (2024)

The correlation analysis table's results revealed a positive relationship between MSP and FRZ, as indicated by a coefficient of 0.647. Also, ATA exhibited a positive correlation of 0.346 with MSP. Furthermore, LER and FAG showed a positive connection with MSP, reflected in coefficient values of 0.336 and 0.386. The moderating variable, POF, demonstrated a positive correlation with MSP, represented by a coefficient value of 0.479. These findings suggested that there is no significant multicollinearity among the explanatory variables, allowing for the isolation of each variable's impact in the regression equation. The VIF values in the table, ranging from 1.02 to 1.89, confirm the absence of multicollinearity among the factors under examination.

Panel Regression Result

Hypothesis: Profitability does not moderate the relationship between firm structural attributes and market share price of quoted consumer goods firms.

Table 5: Estimated Panel Regression Analysis Results

Variables	Coefficient	Std. Error	T-statistics	Prob.
C	-44.08	144.11	-0.13	0.760
FRZ	9.756	21.793	0.45	0.655
ATA	132.05	22.568	5.85	0.000
LER	44.745	37.411	1.20	0.234
FAG	0.762	1.226	0.62	0.535
POF	68.896	725.83	0.09	0.925
FRZ*POF	184.98	98.085	3.15	0.000
ATA*POF	1745.2	192.91	9.05	0.000
LER*POF	215.82	57.499	3.75	0.000
R-square	0.53			
F-Statistics	18.40			
Prob>F	0.0000			

Source: Authors' Computation (2024)

The panel regression table presents the findings of the analysis on the moderating influence of profitability on the correlation between firm structural attributes and the market share price (MSP) of quoted consumer goods firms. The analysis indicated that firm size (FRZ) and leverage (LER) showed a positive yet statistically insignificant association with MSP, as denoted by the t-statistics and p-values of (0.45, 1.20) and (0.655, 0.234), respectively. This suggests that while FRZ and LEV have a positive connection with MSP, it is not statistically significant. On the other hand, ATA exhibited a positive and significant impact on MSP, supported by the t-statistic and p-value of (5.85, 0.000), indicating that higher ATA corresponds to higher MSP. The control variable FAG showed an insignificant association with MSP, with t-stat. and p-val. of 0.62 and 0.535, respectively. Similarly, the moderating variable POF demonstrated no significant connection with MSP, with t-stat. = 0.09 and p-value. = 0.925.

Regarding the moderating effect of profitability on the relationship between firm size, asset tangibility, and leverage, the results revealed a positive moderating effect of profitability on the

association between firm structural attributes (FRZ, ATA, LER) and MSP of listed Nigerian consumer goods firms. The t-stat. and p-values of FRZ, ATA, and LER were (3.15, 9.05, 3.75) and (0.000, 0.000, 0.000), respectively. This indicates that higher values of firm structural attributes (FRZ, ATA, and LER) correspond to higher market share prices, ultimately leading to increased profitability.

Discussion of Findings

This study investigated the moderating effect of profitability on the relationship between firm structural attributes and market share value among quoted consumer goods firms in Nigeria. According to Hassan and Bello (2013), firm structural attributes are pivotal in a firm's adherence to standards and values. The firm structural attributes examined in this study include FRZ, ATA, and LER. FRZ exhibited a positive yet statistically insignificant association with market value, as indicated by the t-statistic and p-value of (0.45, 0.655). This suggests that firm size does not have a statistically significant effect on market share price. This finding contradicts the assertion made by Gompers and Lerner (2022), who highlighted that higher FRZ can lead to economies of scale, increased access to capital, and revenue diversification, ultimately contributing to higher market share prices. Conversely, Handoko (2016) found a negative influence of FRZ on market share price, while Rabiu (2019) and Siahaan et al. (2014) supported the present study's findings by indicating that FRZ does not have a statistically significant impact on MSP.

Additionally, ATA demonstrated a significant positive impact on MSP, with t-stat and p-val. of (5.85, 0.000), indicating that higher asset tangibility correlates with higher market share prices. This aligns with the findings of Chen and Chen (2023), who suggested that firms with higher tangibility may be perceived as less risky by investors, resulting in a higher market share price compared to firms with primarily intangible assets. Moreover, higher tangibility provides a safety net for creditors during financial distress, positively influencing investor confidence. Jeroh's (2020) findings also support this study's outcome. Conversely, Handoko (2016) discovered a negative significant influence of ATA on MSP.

LER exhibited an insignificant positive influence on MSP, with t-stat and p-val. of (1.20, 0.234), suggesting that LER does not significantly impact MSP. This contradicts Huang and Ritter's (2020) assertion that higher LER can increase financial risk and uncertainty, potentially leading to lower

MSP due to perceived higher risk by investors. Conversely, lower LER may lead to financial stability and higher MSP. Huang and Ritter (2020) also suggested a negative significant influence of LER on MSP. In contrast, Githira et al. (2019) found a significant positive impact of LER on MSP. Chen and Chen (2022) reported a significant negative impact, while Rabiu (2019) and Siahaan et al. (2014) align with this study's findings, indicating no significant impact of LER on MSP.

The control variable FAG exhibited an insignificant connection with MSP, with t-stat and p-val. of 0.62 and 0.535, respectively, suggesting that FAG does not influence MSP. Similarly, the moderating variable POF showed no significant connection with MSP, with t-stat. = 0.09 and p-val. = 0.925, indicating that POF does not significantly impact MSP. In contrast, Chen and Chen (2022), Githira et al. (2019), Handoko (2016), Jeroh (2020), Otekunrin et al. (2019), and Snežana & Ivan (2017) reported a significant positive impact of POF on MSP.

The outcomes of the moderation analysis revealed a significant and positive relationship between firm structural attributes and market share price, moderated by profitability listed Nigerian consumer goods firms. FRZ moderated by POF exhibited a positive relationship with MSP, indicated by t-stat. and p-val. of (3.15, 0.000), suggesting that a larger firm size can contribute to an increase in market share price, subsequently leading to enhanced profitability. Higher profitability signifies robust financial performance and growth prospects, positively influencing investor sentiment and market valuation. Regardless of their size, companies with higher profitability instil greater investor confidence and positively impact market share prices. This aligns with the findings of Chen and Chen (2011), who also observed a positive influence of FRZ on POF.

Furthermore, POF showed a significant and positive influence on the relationship between ATA and MSP, with t-stat. and p-val. of (9.05, 0.000), indicating that higher asset tangibility correlates with higher MSP, leading to increased firm profitability. Additionally, POF exhibited a positive and noteworthy impact on the relationship between LER and MSP, with t-stat. = 3.75 and p-val. = 0.000. This suggests that firms with higher profitability tend to experience a stronger impact of asset tangibility on the market share price. In some cases, companies with higher debt levels may generate higher profits, facilitating easier debt servicing, reducing perceived financial risk, and

mitigating the impact of leverage on market share price. As highlighted by Musa et al. (2016), the capital mix choice significantly affects profitability, which in turn influences shareholders' wealth maximization objectives.

The findings of this study concluded that profitability moderates the relationship between firm structural attributes (FRZ, ATA, LER) and market share prices, suggesting that higher profitability levels strongly influence the level of firm structural attributes, subsequently leading to an increase in market share price.

Conclusion and Recommendations

Firms' profitability plays a crucial role in shaping investors' perceptions, risk assessments, and growth projections, ultimately influencing market share prices alongside other structural attributes. This study explored how profitability moderates the relationship between firm structural attributes and market share prices. Profitability was found to exert a positive and significant impact on the association with firm size, asset tangibility, and leverage, which serve as indicators of firm structural attributes. In conclusion, the study revealed that only asset tangibility significantly influences MSP, while LER and FRZ do not have a statistically significant impact on MSP. The study concluded that POF has a positive and significant moderating effect on the relationship between firm structural attributes (FRZ, ATA, LER) and market share prices of listed Nigerian consumer goods firms. Based on these findings, the following recommendations are proposed: Companies should strive to increase their profitability levels to enhance investor confidence and positively influence market share prices. Additionally, firms should exercise caution in leveraging to maintain financial stability and increase market share prices, ensuring that the level of leverage is not excessively high. Furthermore, firms should aim to increase asset tangibility, which can boost investor confidence in the firm's stability, subsequently leading to increased market share prices and profitability.

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