

Marketing Capabilities, Government Policy and Firm Performance of Food and Beverage Firms, Southwest, Nigeria

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Certification

This is to certify that this thesis was carried out by **Jimoh Rotimi RAHMOM** with Matriculation number **LCU/PG/001718**, in the Department of Management & Accounting under my thorough supervision in the Faculty of Management and Social Sciences, Lead City University, Ibadan, Nigeria and that this work had not been previously submitted.

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Dedication

This thesis is dedicated to Almighty Allah, the unique, omnipotent and only deity and creator of the universe.

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I give all praise and adoration to God Almighty for guiding me through the course of study in this noble university, Lead City University, Ibadan. I wish to express my profound gratitude to Lead City University, Ibadan, Nigeria for the opportunity given me to undergo this degree. I appreciate the Vice-Chancellor of the University, Professor K.A. Adeyemo, Provost, Postgraduate College, Prof. Oredein, Heads of Departments, Lecturers and other non-academic staff members of the University. The unquantifiable contribution of my supervisor, Dr. O.O Adepoju, who created an enabling supervision environment towards the completion of this thesis, can never be ignored. He motivated me and helped by mentoring and coaching me throughout this entire process.

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“Even though the above institutions and persons have assisted in the process of this research work, I alone stand responsible for the errors, if any found in this work”.

Abstract

Financial performance is critical to the going concern of a firm. In Nigeria, high tax rates and multiple taxations have a significant impact on the financial performance of the firm. This leads to management-shareholder conflict. All these problems necessitated the need to analyze the connections between marketing capabilities and performance using the impact of government regulations as a moderating variable of chosen food and beverage enterprises in Southwest Nigeria. The specific objectives are to investigate the effect of Product development capabilities on firm performance of food and beverage firms in Southwest, Nigeria; assess the influence of Price competitiveness on the firm performance of food and beverage firms in Southwest, Nigeria; examine the influence of technological capabilities on the firm performance of food and beverage firms in Southwest, Nigeria; investigate the effect of promotion on the firm performance of food and beverage firms in Southwest, Nigeria; investigate the effect of marketing capabilities on firm performance of food and beverage firms in Southwest, Nigeria; investigate the moderating effect of government policy on the relationship between marketing capabilities and performance of food and beverage firms in Southwest, Nigeria. This study adopted a cross-sectional study design; the data were collected simultaneously from people with similar characteristics but different in key factors of interest such as age, income levels, or geographic location. Target sample size comprised 415 staffs (middle-level, and managerial staff) is determined using Raosoft sample size calculator. Simple random sampling technique was used to select the middle-level staff, and purposive technique was used to select the managerial staffs of the selected food and beverages industry. Data was collected through the use of structured questionnaire and validated for the study. The Cronbach's alpha coefficient for the constructs ranges between 0.76 and 0.97. The data were analysed using Statistical Package for Social Science (SPSS). The response rate was 87.40%. Descriptive analysis were used to answer the research questions and simple regression analysis was used to test hypothesis 1-5, and hierarchical multiple regression analysis was used to test the moderating effect of government policy on the interaction between marketing capability and firm performance of food and beverage in Southwest Nigeria. The analysis of the data revealed Government policy has no significant moderating effect on the relationship between Marketing capabilities and performance of food and beverage firms in Southwest, Nigeria ($r = 0.422$, $p > 0.05$); marketing capabilities have a positive but very weak relationship with the sales growth ($r = 0.400$, $p < 0.05$); and Marketing capabilities has no significant impact on the profitability ($r = 0.273$, $p < 0.05$). It also revealed that marketing capabilities have a positive but very weak relationship with the market share ($R^2 = 0.061$, $p < 0.05$); and marketing capabilities have a positive but very weak relationship with the sustainability ($R^2 = 0.093$, $F_{(4, 356)} = 6.812$; $p < 0.05$). The study concluded that there was statistically significant effect of marketing capabilities on firm performance of Food and beverage firm in Southwest, Nigeria. The study recommended that food and beverages should improve its product creation capabilities by rethinking its innovation and marketing strategies to include utilizing its value chain and learning about the market through sensing capability.

Keywords: Marketing Capabilities, Firm performance, and Government Policies.

Word Count: 500

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List of Acronyms

| Acronym | Meaning |
|----------------|--|
| GDP | Gross Domestic Product |
| F&B | Food and Beverage |
| MPMS | Marketing Performance Measurement System |
| SME | Small and Medium Enterprise |
| IT | Information Technology |
| FSP | Financial Service Provider |
| CVP | Customers Value Proposition |
| PDP | Product Development Practice |
| R&D | Research and Development |
| EDLP | Every Day Low Price |
| AMA | American Marketing Association |
| B2B | Business to Business |
| SMS | Short Message Service |
| ROA | Return on Assets |
| CITA | Company Income Tax Act |
| CIT | Company Income Tax |
| PAYE | Pay as You Earn |
| VAT | Value Added Tax |
| DC | Dynamic Capability |
| RBV | Resource Base View |
| RBT | Resource Base Theory |

| | |
|-------|---|
| FMCG | Fast Moving Consumer Good |
| NPD | New Product Development |
| MI | Management Innovation |
| FMOLS | Fully Modified Ordinary Least Square |
| PCR | Private Cost Ratio |
| DRCR | Domestic Resource Cost Ratio |
| FMM | Federation of Malaysian Manufactures |
| SEM | Structural Equation Model |
| WHO | World Health Organisation |
| ECM | Error Correction Model |
| GMM | Generalised Method of Movement |
| MSBPQ | Marketing Strategies and Business Performance Questionnaire |
| SPSS | Statistical Package for the Social Sciences |
| IDMC | International Dynamic Marketing Capabilities |
| MI | Marketing Intelligence |
| MIG | Marketing Intelligence Generation |
| MID | Marketing Intelligence Dissemination |
| CVI | Content Validity Index |