



Marketing Channel Control Organisms and Marketing Effectiveness of Manufacturers of Fast Moving Consumers Goods in Nigeria

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Abstract: This study focused on channel control systems and marketing effectiveness in Rivers State. A causal study was structured to handle the four (4) hypotheses expressed for the study. The survey research method was adopted for the study on a population comprised of 35 fast moving consumer goods companies domiciled in Rivers State. Afterward, the simple sampling technique was used to draw sixty executives from the sampled companies as the study's respondents. A 5-point likert-scale questionnaire was administered to sixty respondents, of which 53(88%) were returned useful for the study. The study adopted descriptive statistics and the simple regression method for data analysis. The results reveal that direct channel has a very strong, positive and significant influence on customer satisfaction and customer retention, and multi channel has a very strong, positive and significant influence on customer satisfaction, and a strong, positive and significant influence customer retention. The study therefore, concludes that, channel control systems significantly influences marketing effectiveness of fast moving consumer goods companies in Rivers State, and recommends amongst others that fast moving consumer good firms should leverage on the knowledge acquired through their relationship with customers in the use of channel control systems to shape offerings, reap customer's lifetime value and achieve marketing effectiveness for their organizations.

Published by
Africa Research Corps Network (ARCN)

in Collaboration with
International Academic Journal for Global Research (iajgr) Publishing (USA)



ARCN Journals
Africa Research Corps Network
Publication & Research



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INTRODUCTION

The fast-moving consumer goods industry is a significant sector of an economy of a country as it links several industries and services and provides a tactical benefit and continuousness to these industries, which in turn develop their aptitudes in their corresponding fields. The prosperity of the fast moving consumers' goods subdivision is indistinguishably linked to its marketing effectiveness, for the reason that it is significantly relevant to the industry structure of product obtainability which leads to improved marketing effectiveness.

Marketing effectiveness concerns itself with quite a lot of major areas, and explores the coalition between the major areas and improving them, invalidating the trade-offs between reliability, speed and quality in the given areas, scheming of effective strategies in those nucleus areas and smoothing the progress of capability building, redesigning structure, modifying processes. Marketing effectiveness is an expansive notion that reflects on an array of variables at numerous levels, however, in order to guarantee unceasing stream of fast-moving consumer goods and enriching unrelenting product obtainability, the positioning of marketing channel control organisms to manage and improve marketing effectiveness is vital.

Marketing channels comprise clusters of mutually dependent organizations or middlemen that are inherent itineraries for assigning offers to end users (Watson *et al.*, 2015). They are necessary constituent of value chains due to the practicality that earth-shattering magnitudes of economic outputs flow through them (Krafft *et al.*, 2015). Marketing channel control organism refers to a wide group of principles through which a company desires to grasp its distribution purposes by focusing on delineating distribution arrangements and procedures to grasp the comprehensive purposes of the business. To assess this, a business has to construct an assimilated scheme of marketing channels, and appraisal on each channel's straight influence in product sales and its crosswise influence by means of other channel exchanges or options (Kotler, & Keller, 2012).

Making available a plan that links the strategy of marketing channels with peculiar performance is also a priceless utensil in the lessening of conflicts (Kiran, Majumdar & Kishore, 2012). And so, the precise purposes incorporated in the relationship between time, cycle, order and sales availability portrays the impact of marketing channel control organisms on marketing effectiveness that fine-tunes consumer's value.

Marketing channel control organisms' outcomes in the field of distribution ought to normally be in coherence with the policymaking in product area (Barcik & Jakubiec, 2013). The design of a marketing channel's organism ponders on the breakdown of consumers' requirements, setting the intents of the marketing channel, categorizing the foremost alternatives of marketing channels and their assessment. Marketing channel control organism has an enormous influence on cost-effectiveness and hence marketing effectiveness, therefore a business should have an outstanding logistic plan of its supply chain as well as the management of its distribution strategy. The distribution strategy is seriously considered as the confederacy of marketing functions that encircles marketing channels, points of option, purchases and concentrates on the customer relationship management.

Some scholarly inquiries on channel control organism are present in literature. For instance, Karaxha and Karaxha (2015) studied the finest distribution channels strategy in Kosovar enterprises, Mwanza and Ingari (2015) examined the strategic role of distribution as a source of competitive advantage by fast moving consumer goods firms in Kenya, and Mugha, (2012) investigated the cause of diminishing sales volume of auto parts in Pakistan. While channel control organisms research has advanced significantly in recent years, it proposes insufficient discernment and apparatuses to appreciate and look at the channel control organisms linked with modern-day business environments. This gives the impression of a gap in the existing literature in terms of a noticeable hypothetical background to guide channel control organisms' decision making and its impact on marketing effectiveness.

Therefore, this study is embarked upon, to disinter the influence of channel control organisms on marketing effectiveness, and to add to the extant body of knowledge in this sphere of influence, by espousing a unique line of attack which is indispensable to tackle channel control organisms' supplementation. Specifically, this present study investigates the influence of marketing channel control organisms on marketing effectiveness in the Nigerian FMCG sector.

LITERATURE REVIEW ANDHYPOTHESES

Marketing Channel Control Organisms

Marketing channel decisions are among the most important decisions that management faces today, because they are those decisions linking the growth of new marketing channels where none had subsisted preceding to the modification of obtainable channels (Ikegwuru & Acee_Eke, 2020). When imagining the major strategy of the marketing mix (product, price, promotion and distribution), the greatest potential for achieving a competitive advantage now lies in distribution (Obaji, 2011). Distribution itself, being an aspect of the four components of marketing mix, is an inseparable fragment of marketing decisions which contains all the decisions concerning distribution of products to the ultimate consumer. The very most basic formal formations of marketing channels spotlighted on the functions executed by a distribution system and the attendant usefulness of these functions and the inclusive system. Hitherto crafting ideal marketing channel systems to lift sales, articulating pioneering distribution strategies and handling channels system successfully is no modest undertaking. (Obaji, 2011) by channel members and management. A channel member is an individual organization unit institution or agency that performs one or more of the marketing functions and by doing so has an active role in the channel of distribution (Lambert, 1978). Channel management engrosses fashioning operational strategies that go further than a single organization. Channel management strategies bring together partners in a supply chain, as well as material suppliers, manufacturers, distributors and resellers, in an attempt to lessen costs and boost operational efficiency right through the chain. This is feasible through an efficient marketing channel control organism.

Marketing channel control organism refers to a broad assemblage of standards through which a company desires to accomplish its distribution objectives by spotlighting in sketching distribution systems and schemes to accomplish the general goals of the venture (Mehta, Dubinsky & Anderson, 2001). Marketing channel control organism is an entity which can be perceived as a unique fraction of the broad marketing strategy with which the company imagines to accomplish its distribution aspirations in its target markets. This way, the strategy of marketing channel is linked with the aspect of marketing strategy of country (Bert, 2013). One channel refers to different measures for making a product or service accessible for the market. In this context, a channel does out as a conduit between the producer and the consumer through which the products get to the target market (Jokinen, 2012).

The company has to build up an integrated strategy of marketing channels. It has to weigh up each channel's straight influence in product sales and its crosswise effect through other channel connections or alternatives (Kotler, & Keller, 2012). Making available a plan that hooks up the strategy of marketing channels with individual performance is as well a helpful apparatus in the lessening of conflicts (Kiran, Majumdar & Kishore, 2012). The detailed objectives incorporated in the interaction between time, cycle, order and sales availability explain the influence of marketing channel strategies in consumer's value (Ailam *et al.*, 2012). An indispensable constituent towards firm's success is the selection of a suitable marketing channel strategy which will boost sales and profit (Nguyen, 2013). The producers differentiated based on their aptitude to lure marketing mediators. When the mediators are chosen, the firm has to classify what distinctiveness differentiates the very best (Kotler & Armstrong, 2011). Marketing channel control organism is functional in the distribution of valuable goods and services with the targeted customers. The firm can decide to execute the direct marketing channel strategy or the multi-channel strategy. The control of marketing channels necessitates the selection, management and motivation of individual channel members and the evaluation of their performance over time.

Direct Channel

A direct chain of distribution possibly will entail face-to-face sales, computer sales or mail order but does not entail any form of distributor other than the unique producer. Chains of distribution that absorb non-allied retailers or wholesalers cannot be portrayed as direct channels of distribution and are as an alternative pigeonholed as indirect chains of distribution. Employing a direct channel of distribution to link consumers with company product, can have numerous benefits. For the reason that no intermediaries share the profits, nearly every direct marketing channel are inclined to have higher rates of profit than indirect marketing channels.

Multi-Channel

Multichannel retailing is declared as a distribution system to get to more than one market segments by more than two marketing channels (Kotler & Armstrong, 2013). The multichannel notion entails more than one marketing channel controlled by the marketer to get to consumers (Sesame Mish, 2017). Multichannel distribution is a method embracing both online and offline channel to access customer of a firm through diverse routes, whereby the customer and the firm can intermingle

mutually. A Multi-channel is therefore a conduit which a firm uses to reach customers by means of more channels.

The Concept of Marketing Effectiveness

The concept of marketing effectiveness first came to prominence in the 1990s (Shaw, 1998). Marketing effectiveness is the evaluation of how operational a known marketer's go to market strategy is in the direction of meeting the objective of making the most of their expenditure to accomplish affirmative outcomes in both the short- and long-term. Marketing effectiveness is a concept organizations use to estimate how effective they are at realizing projected results (Etzioni, 1964), and it epitomizes the extent to which companies realize the goals they have decided upon, involving an enquiry that draw on a number of dissimilar factors

Empirical Review

Nguyen (2019) compared single channel distribution and multi-channel distribution and apprehends the customer behaviors linked to the multichannel distribution association with the fast fashion companies. Data was congregated from the online survey and interviews, the findings demonstrate that a positive influence of multi-channel distribution on brand awareness, customer attraction as well as on consumer buying behavior. However, there is a negative influence on profits growth rate while paralleling fast fashion firms to e-commercial retailers.

Affran (2019) empirically examined the impact of new distribution strategies (*inten-electro aggressive strategy*) on sales performance of fast moving consumer goods industry and the service industry in Ghana by means of a two-stage process of literature review and empirical survey. By means of a structured questionnaire 415 randomly sampled members in the target population gathered. Data was analyzed through Multiple regression analysis using SPSS version 24. The study revealed that inten-electro aggressive strategy with an average mean of 4.02 is the most adopted strategy by the Fast-Moving Consumer Goods. The study yet again show that there is a positive significant relationship between inten-electro aggressive strategy and sales performance ($= .490, p < 0.05$); Selec-electro aggressive distribution strategy has a positive significant impact on sales performance thus ($= .532, p < 0.01$).

Mwanza and Ingari (2015) examined the strategic role of distribution as a source of competitive advantage by fast moving consumer goods firm in Kenya by means of a structured questionnaire as primary data collection device. The findings designate that 85.7% of the responses were of the opinion that the strategies used guaranteed obtainability of the products to the projected customers while 14.3% were of the view that the strategies used did not guarantee obtainability of the products to the projected customers. The study findings also revealed that intensive distribution guarantees customer convenience products as a spring of competitive advantage. With respect to the extent to which intensive distribution influenced competitive advantage; majority

were of the view of moderate. organization moderately learned speedily and fine-tune their distribution strategy in order to realize competitive advantage.

From the review of literature, the study designed the following research model:

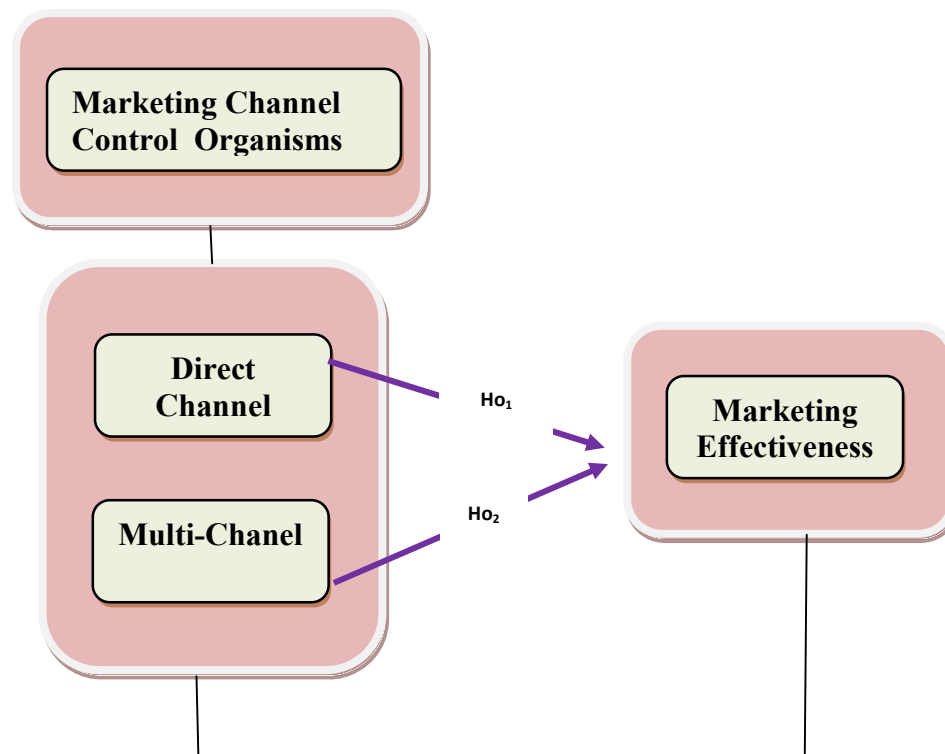


Figure 1 : Research Model of Channel Control Organisms and Marketing Effectiveness

Sources: Designed by the Researchers, 2022)

From the research model, the following Hypotheses were formulated:

H₀₁: Direct channel does not significantly influence marketing effectiveness of manufacturers of fast moving consumers' goods in Nigeria.

H₀₂: Multi-channel does not significantly influence marketing effectiveness of manufacturers of fast moving consumers' goods in Nigeria.

RESEARCH METHODOLOGY

This study adopts the positivist stance of research philosophy. This stance posits that, sociological positivism reflects the attempt to apply models and methods derived from the natural sciences to the study of human affairs. The research approach found to be appropriate in this study is the quantitative approach because, it involves a survey approach and hypotheses testing in a non-contrived study setting (environment) with firms and managerial executives as unit of analysis. The population of the study consists of 35 manufacturers of fast moving consumers' goods in Nigeria, whose authentic list was derived from the Nigerian Stock Exchange, Port Harcourt, and through the Taro Yamane's formula a sample size of 20 manufacturers of fast moving consumers' goods was arrived at for the study. Data was assembled by means of a structured questionnaire and analyzed through the use of the simple regression method.

Reliability of the Instrument

Cronbach Alpha method was used to establish the reliability standing of the research instrument. The data acquired was used to calculate reliability coefficient and all items were found to be reliable as publicized in Table 1.

Table 1: Reliability Analysis of the Research Instrument.

S/N	Variables	Number of Items	Cronbach's Alpha
1.	Direct Channel	7	0.845
2.	Multi-Channel	7	0.827
3.	Marketing Effectiveness	5	0.875

Source: Research data, 2022

Statistical Test Hypotheses

Decision Rule

Significant/probability value (Pv) < 0.05 (level of significance = conclude significant Influence.

Significant probability value (Pv) > 0.05 (level of significant = conclude insignificant Influence.

Effect of Direct Channel on Marketing Effectiveness**Table 2: Regression Model for Direct Channel on Marketing Effectiveness**

Model	R	R Square	Adjusted R Square	Standard error of the Estimate
1	.856 ^a	.733	.834	.858

a. Predictor: (Constant), Direct Channel

Model	R	R Square	Adjusted R Square	Std. Error of the estimate
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b. Dependent Variable: Marketing Effectiveness

Source: SPSS Window Output, 2022.

The sum of marketing effectiveness was regressed with the sum of direct channel. The value of R is 0.856. The R value of 85.6% represents the correlation between direct channel and marketing effectiveness. It represents a very strong correlation between direct channel and marketing effectiveness. The R² is 0.733. This means that 73% of the change in marketing effectiveness is spelt out by the independent variable. It shows that direct channel makes a contribution of 73% to every change in marketing effectiveness, while 27% of the changes are not spelt out.

Table 3: Coefficients of Direct Channel and Marketing Effectiveness

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. error	Beta	T	Sig.
Constant	-643	.388		-1.627	.000
Direct Channel	.834	.016	.856	44.535	.000

a. Dependent Variable: Marketing Effectiveness

Source: SPSS Window Output, 2022.

The model illustrates that: Marketing Effectiveness = -643 + 0.834 Direct Channel. For a known element of direct channel, marketing effectiveness is increased by 0.834. The result reveals that direct channel is significantly correlated with marketing effectiveness based at 1% ($p = 0.01$),

while beta and t-value of independent variable value are 0.856 and 44.535, respectively. This implies that direct marketing brings about (positive) increase in marketing effectiveness.

Decision:

Ho₁: Direct channel does not significantly influence marketing effectiveness of manufacturers of fast moving consumers' goods in Nigeria is rejected (P-value < 0.05), and the alternative hypothesis, which states that direct channelsignificantly influences marketing effectiveness of manufacturers of fast moving consumers' goods in Nigeria., is accepted. Therefore, the study can conclude that direct channel significantly influences marketing effectiveness.

.Effect of Multi-Channel on Marketing Effectiveness

Table 4: Regression Model for Multi-Channel on Marketing Effectiveness

Model	R	R Square	Adjusted R Square	Standard error of the Estimate
1	.862 ^a	.743	.745	1.124

a. Predictors:(Constant), Multi-Channel

b.DependentVariable: Marketing Effectiveness

Source: SPSS Output, 2022.

The sum of marketing effectiveness was regressed with the sum of multichannel. The value of R is 0.862. The R value of 86% represents the correlation between multi-channel and marketing effectiveness. It represents a very strong correlation between the two variables. The R² is 0.743. This means that 74% of the change in marketing effectiveness is spelt out by the independent variable. It illustrates that multi-channel makes a contribution of 74% to every change in marketing effectiveness, while 26% of the changes are not spelt out.

Table 5: Coefficients of Multi-Channel on Marketing Effectiveness

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. error	Beta	T	Sig.
Constant	-6.561	.457		-15.030	.000
Multi-Channel	1.035	.019	.862	45.857	.000

a. Dependent Variable: Marketing Effectiveness

Source: SPSS Window Output, 2022.

The model illustrates that: Marketing Effectiveness = $-6.763 + 1.031$ Multi-channel. For a known element of multi-channel, marketing effectiveness is increased by 1.031. The result reveals that multi-channel is significantly correlated with marketing effectiveness based at 1% ($p = 0.01$), while beta and t-value of independent variable value are 0.862 and 47.617, respectively. This implies that multi-channel brings about (positive) increase in marketing effectiveness.

Decision:

Ho₂: Multi-channel does not significantly influence marketing effectiveness of manufacturers of fast moving consumers' goods in Nigeria is rejected ($P\text{-value} < 0.05$), and the alternative hypothesis, which states that multi-channel significantly influences marketing effectiveness of manufacturers of fast moving consumers' goods in Nigeria., is accepted. Therefore, the study can conclude that direct channel significantly influences marketing effectiveness.

DISCUSSIONS OF FINDINGS

The results of the statistical test of hypotheses proved that components of marketing channel organisms studied, direct channel ($r=0.856$; $p = 0.00$) and multi-channel ($r=0.862$; $p = 0.00$) recorded a very strong influence on marketing effectiveness. Indicating that, marketing channel control organisms are substantial as needles that boost marketing effectiveness. From this article, the researchers have learned a profound understanding on the fast moving consumer goods industry in Nigeria, and marketing channel control organisms. In recent years, marketing channel control organisms and also marketing effectiveness have experienced a high-speed advancement Marketing channel control organism is aimed to transport value, hence, it is indispensable to learn about demand from customers. Understanding the marketing channel control organisms for

decision-making is not only beneficial for yet to come distribution logistics but also for snowballing marketing effectiveness. In the Nigerian market, all the same Nigeria even now has an enormous market, multiplicity of new entrances into the fast moving consumers' goods industry creates the extraordinary competition. Just how to satisfy firm's customer is the fundamental for businesses? Marketing channel control organism is like a bridge linking retailer and customer, and it is equally a veritable aspect of supply chain in terms of shrinking over heads. Thus, in this contemporary time, under dynamic macro-setting in the Nigerian market, it is a fitting period for manufacturers of fast moving consumers' goods to network their marketing channel control organisms based on the aspects that have the significant influence on decisions regarding marketing effectiveness. Our finding approves and backs the findings of Mwanza and Ingari (2015) whose findings reveal that the utilization of direct distribution policy by firms has brought about achievement in competitiveness for firms. Our study also, finding is sustains Nguyen (2019) who found that a positive influence of multi-channel distribution policy on brand awareness, customer attraction and consumer buying behavior.

CONCLUSION AND RECOMMENDATION

This research was conducted to investigate marketing channel control organisms on marketing performance from the perspective of manufacturers of fast moving consumers' goods. The results indicate that there are significant influences of direct channel and multi-channel on marketing effectiveness. These results indicate that direct channel and multi-channel, which are leading two dimensions of marketing channel control organisms, still sustain their importance in supply chain and logistics management. Through its empirical testing, the results in Model 1 and 2, extends the understanding of marketing channel control organisms and marketing effectiveness in the era of supply chain and logistics management. This study therefore, concludes that, marketing channel control organisms significantly influences marketing effectiveness of manufacturers of fast moving consumers' goods in Nigeria, and recommends that, manufacturers of fast moving consumer goods should position tactically, direct channel and multi-channel as catalytic agents of marketing effectiveness for the reason that the plan empowers businesses to be resourceful and thus proficient of conveying grander value and dependable products at condensed cost with negligible troublesomeness. The plan helps to generate a lean and competent value transfer system and works to attend to customers who require unfailing and good quality products or service at abridged prices.

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