



Sales Promotion and Customer's Retention in Selected Foods and Beverages Companies in Lagos State Nigeria

Dr. Kabuoh Margret N.*

Department of Business Administration and Marketing, Babcock University, Ilishan –Remo, Ogun State, Nigeria

Smith Olufolake M.

Department of Business Administration and Marketing, Babcock University, Ilishan –Remo, Ogun State, Nigeria

Dr. Okwu Andy T.

Department of Economics, Babcock University, Ilishan –Remo, Ogun State, Nigeria

Erigbe Patience A.

Department of Business Administration, Mountain Top University, Ogun State, Nigeria

Abstract

Organisations' customers are the greatest asset they have to remain sustained and to retain these customers, effective sales promotion is required to push company's products and services to various customers at satisfaction with view of making profit. However, some organisations especially those in consumable goods pay little attention to customers' satisfaction by not imbibing effective sales promotion leading to poor sales performance and customers' turnover. This study examines the effect of sales promotion on customer retention of selected food and beverages companies in Lagos, Nigeria. Survey research design was adopted for this study. The population of the study comprised of customers of Foods and Beverages (FandB) Companies estimated at 4,209,483 from the selected five local governments in Lagos State, Nigeria. Sample size of 1019 was derived via Krejcie and Morgan method and through simple random sampling technique. Data were elucidated from the respondents via research instrument. The Cronbach's Alpha reliability co-efficient as well as the Kaiser-Meyer-Oklind (KMO) was established for both reliability and validity of the research instrument. Both descriptive and inferential statistics were adopted for analysis and the hypothesis was tested with simple linear regression. Result indicated that sales promotion had positive effect on customer retention of selected Foods and Beverages Companies in Lagos State Nigeria ($R^2=.367$; $t = 22.595$; $P<0.05$). The study concludes that sales promotion has significant effect on customer retention and recommended that adequate promotional budget incentives should be considered by the F&B companies' management to encourage effective sales promotion especially at special periods to boost sales and enhance customer retention. Quality food processing and safety measures should be enforced by the government through regulating agencies like National Foods and Drug Administration Council (NAFDAC), the Standards Organization of Nigeria (SON), and the Ministry of Health.

Keywords: Companies; Customer retention; Food and beverages; Sales promotion.



CC BY: [Creative Commons Attribution License 4.0](https://creativecommons.org/licenses/by/4.0/)

1. Introduction

Globally, the sector of Foods and Beverages (F&B) consists of agriculture, production and distribution of food items, canvassing and selling of goods generally. The growth of any nation cannot be mentioned without the contribution of F&B which has consistently witnessed rise in the growth of food up to 3700 producers with the employment rate of more than 147,000 personnel (Ellen, 2016). The F&B industry in United States of America (USA) consists of about 21,000 firms which engenders income approximately 60 billion dollars. As ascertained by Ellen (2016), California is one out of the major five food producing States in the USA leading in the manufacturing of raw milk, almonds globally, vegetables, fruits, nuts as well as processing of tomatoes controlling well over 6,000 farms in the whole States.

In Kenyan context, the manufacturing sector grew at 3.5 in 2015 and 3.2% in 2014, making a contribution to GDP of 10.3%, while in South Africa, the manufacturing sector accounts for 14% of the country's economy as opposed to 20% in 1994 Kenya National Bureau of Statistics (2018); South African Market Insights (2019).

In Nigeria, foods and beverages industry is made of small, medium and multinational companies which progressively are being looked at as the niche in the whole markets in Africa. It has been observed by F&B companies in Nigeria that processed foods are largely used up at 37.6%, next is protein at 32.4% while cereals has the rate of 30% consumption. To make these food groups and items available to their end users via middle men, effective promotional strategy will be ideal hence the importance of this study.

The output level of food and beverages firms are being affected by the frequent occurrence of gaps in marketing communications amid farmers and final consumers Oni (2013) and Yeboah (2013). This implies that organisations must always create awareness through effective sales promotion of its products and features with their associated

*Corresponding Author

prices to all stakeholders in order to be known in the market place. This no doubt, will encourage loyalty and customers' retention.

Consumer perceptions and attitudes greatly influence their purchasing decisions; even though some of these perceptions and attitudes about the image and products of an organization may be wrong. There is therefore, the need for organizations to influence consumers and customers through any or integration of their marketing communications mix in order to change these wrong perceptions and attitudes.

1.2. Statement of Problem

Sales promotion activities as the means of offering both monetary and non-monetary incentives are important for attracting the attention of customers towards her goods and services thereby encouraging customers' retention while overcoming competitive challenges. Stiff competition amidst the rivals in the F&B establishments has resulted to imbibing different methods of marketing so as to become the market leader (Sakara and Alhassan, 2014).

Several companies in the food and beverages sector adopt sales promotion strategy worldwide in order to outwit their rivals. However sales promotion as good as it is offering various incentives, planned to stimulate fast sales and larger purchases by customers is short termed.

Irrespective of the aforementioned features of sales promotion, many customers find their way to other competitors as a reason of not getting satisfactory services, seeking for better promotional incentives, demonstrating the inability of adequate capacity to adding value to customers' needs thereby enhancing customers' turnover. Kennerly and Nelly (2013) observe that the F&B companies home and abroad are down with some challenges of food manufacturing and processing, poor amenities, purchasing and supply chain, inadequate promotions, safety and quality of goods among others, suggesting the timely intervention of all interested parties such as stakeholders, private and public sector.

Substantial determination is required by organisations in today's market for enhanced performance and sustainability. There should be consideration of demographic variables applying sales promotion incentives as to retain customers hence customers' needs and behaviours center round their educational levels, income, gender, life style, class among others. The inability of F&B companies to segment their market according to the stated demographic variables, and other factors as; cultural, behavioural, psychological generated key problem which consequently led to poor performance and low customer retention (Shin *et al.*, 2013).

1.3. Objective of the Study

This study investigates the effect of sales promotion on customers' retention in Nigerian Foods and Beverages Companies.

1.4. Hypothesis

There is no significant effect of sale promotion on customers' retention in Nigerian Foods and Beverages Companies.

2. Literature Review

At this section, the study variables are being reviewed conceptually, while empirical and theoretical reviews are subsumed under the literature review.

2.1. Sales Promotion

Sales promotion is seen by Richard (2012) as procedure and apparatus usually adopted temporarily to attract products and services to those who deliver goods to final users. This is done with the provision of more rewards that may come in any form sooner or later. Awareness of superior brand value in the midst of customers as incentive strategy is imbibed by sales promotion'experts. Sales promotion also uses incentive techniques that create a perception of greater brand value among consumers. The resolve is to introduce a short-term sales increase by motivating and encouraging repeat purchase. Sales promotions enhance sales volume, stimulates customers' interest giving way to their retention.

Ismail *et al.* (2012), submit that marketers view sales promotion as a veritable instrument that act as self-protective mechanism in one end while acting at the other end as aggressive weapon to compete in the stiff marketing environment in order to increase customers loyalty and organizational profitability. From this definition, one can perceive sales promotion as being both defensive and offensive in nature all to survive and remain sustained in the market place. Afanda and Maina (2015), affirm that sales promotion is any enticement used by manufacturers or retailers to aggravate trade with other sellers or middle men, or with consumers in order to promote their products, despite inciting the sellers to sell their goods. Saeed *et al.* (2013), define sales promotion as a force that is timely and applied to consumers to inspire the process of experimentation, choice and eventually the purchase of the product/brand. Sales promotion is an element in marketing promotions used to promote a product, package or an idea and consists of related promotional actions such as exhibitions, distribution of trial products to customers, demonstration of products at stores or trade fairs or shows and printed materials used by sales people at point-of-sale displays which aid the performance of a company to achieving her marketing objectives and goals (Oyedapo *et al.*, 2012).

Shimp (2003) stated that sales promotion is a motivation adopted by producers or sales people to provoke trade with other retailers or with other channel members, or with consumers to purchase products or services and as a key

ingredient in marketing campaigns. Kotler (1991), defines sales promotion as a reinforcement to purchase or sell a product or to increase sales at a short term, through coupons, lottery, product samples and contests, among others.

Banabo and Koroye (2011) campaign that sales promotion are those marketing events other than personal selling, advertising, publicity that stimulate consumer purchasing and dealer effectiveness such as display, shows and exhibitions, demonstrations and various non-recurrent selling efforts not in the ordinary routine. Sales promotions as opine by Ismail *et al.* (2012) has superior impact on organisational performance as it arouses and inspires the consumer to purchase a product in greater quantities. One of the advantages of sales promotion as espoused by Odunlami and Ofoegbo (2011) is that it introduces any new product so that it will be accepted into the market, to increase sales of product especially at the time when normal sales are sluggish, to encourage the purchase of large quantity units and clear warehouse before new inventory of taking and restocking. Sales promotion also attracts new customers, maintains existing customers who are contemplating switching brands and gives incentives to customers who are about to use competing products (Shin *et al.*, 2013).

Adversely, sales promotion activities may bring several negative consequences, including confusions as a result of many competing campaigns (Aderemi, 2003). Though sales promotion is an important strategy for producing quick, short term, increase in sales, it does not provide solution for airing goods and services.

The findings of the study of Adeniran *et al.* (2016) on the impact of sales promotions on sales turnover in the Airlines Industry in Nigeria indicated that sales promotions encouragements significantly impacted sales turnover in the airlines industry and air travelers considers non-monetary sales promotional offers and off-line enticements to monetary and online offers. Salelaw and Singh (2016), in their study on the impact of sales promotion on brand equity confirmed brand equity as a multi-dimensional perception that consists of brand loyalty, perceived quality and brand associations. The study further concluded that monetary promotion affects positively the creation of brand equity by influencing brand awareness, brand associations and perceived quality; and non-monetary sales promotion affect positively the creation of brand equity by manipulating brand responsiveness and negatively by affecting perceived quality.

For the purpose of this study, the concept of Ismail *et al.* (2012) and Oyedapo *et al.* (2012) supported by Kotler (1991) are in alignment accepted hence, sales promotion is viewed as an activity to induce and stimulate immediate purchase of product and also to encourage purchase in larger quantities. Sales promotion is not only offensive but also defensive mechanism to fight competition.

2.2. Customer Retention

Shin *et al.* (2013), identify customer retention as a strategy by which customers remain with the firm without switching as a result of value added. Customer retention is attributed to several factors which include relationship with consumers, frequently educating the customers about the products and services of the organization, customer loyalty programmes, premium packages and rewards leading to sustainable marketing. Sustainable marketing involves essentially environmental, social and economic sustenance of a company Asikhia *et al.* (2019).

The after purchase evaluation of products or services that are taken into consideration by anticipation is satisfaction as claimed by Kotler and Armstrong (2010). When these expectations are met, customers stay with the organization else they switch to other products. Ranaweera and Prabhu (2013), affirm that the implication of this is that with high quality service, customers are attracted and when they are satisfied, there will be an increase in performance of the company and customers will stay longer with the organization. Satisfied customers are often loyal to a brand. Customer satisfaction is seen as the evaluation of an emotion and proclaims that the higher the satisfaction, the higher the level of retention by the customers towards a specific brand.

Satisfied customers are seen as essential means of creating sustainable recompenses in competitive environments Patterson *et al.* (2007). Anderson and Sullivan (2003), consented that investment in the verge to satisfy customers is like taking out an insurance policy. This is a guarantee because, such satisfied customers stay with the company irrespective of the challenges as they have already formed brand loyalty with such firms

Trust is another factor that encourages customers' retention (Ranaweera and Prabhu, 2013). It is about consumers having confidence in the sellers' dealings. Surprisingly, Gounaris (2013) consented that trust is a vital tool in any type of association that has ever existed. The more trust customers have on a brand or company, the higher repeat purchase or patronage they display with such organisation. Customers' involvement rate with a brand strengthens their loyalty and retention level in any organisation (Richards, 2010). Involvement is perceived as the leading element in loyalty and retention to a brand, as much as they get involved in a given choice, they will carefully choose and stay with such brand. Steele-Johnson *et al.* (2018), stress that if service quality is high, there is always increased customers' loyalty and retention as the reward and other benefits as profits as low staff turnover, improvement in employee morale, cost savings and increased market share and profitability.

Bataineh *et al.* (2015), disclose that customers' retention is a crucial goal in a competitive market place. Lin and Wu (2011), indicated that the impact of relationship quality on customer's retention is the main worry in relationship marketing.

Bataineh *et al.* (2015), expose the effect of relationship marketing on customer retention in the Jordanian's Pharmaceutical Sector. It stressed that relationship marketing has an effect on relationship quality leading to customer retention. This result corroborate with the study by Ramsey and Sohi (1997), if the service provider renders expected service which has added satisfactory value to customers, this leads to positive behavioral outcomes. Sakara and Alhassan (2014), in their study on assessment of sales promotions as effective tool for customer retention at telecommunications industry in Ghana confirm that sales promotion is of prime importance for business organizations and the customer, and that factors such as age, reliable network and effective customer care, plays a

very important role in strengthening customer retention. Customer's retention is a dependent of Long term success and sustainability seen as organisational reputation.

2.3. Theoretical Framework

2.3.1. Communications Theory

Harold Lasswell's model of communications theory was advanced by American political scientist and communications theorist in 1948. Harold Lasswell's communications theory has been denoted to as a linear and uni-directional process, an action model, a media theory classic, widely used segmentation of the communications process, and a simple, linear, and potentially hypodermic conceptualization of communications. The theory organizes the scientific study of the process of communications (Lasswell, 1948).

The focus of the model is broken down by each element of communications: The message was formulated by who? what content is the message, in which medium of transmission, to whom is the audience/recipient, what effect is the analysis, which outcome does the message have. The control analysis is the who, content analysis is the what, medium of transmission is the in which, audience analysis is the whom and effect analysis is the what (Lasswell, 1948).

George Gerbner who is the proponent of Cultivation theory is one of those who criticized the Harold Lasswell's theory. He expanded Lasswell's model in 1956 to focus attention on perception and reaction by the receiver and the consequences of the communications. Richard (1958), was of the opinion that the model be expanded for the consideration of two extra elements overlooked - for what purpose and under what conditions. Michael Real, media scholar stated that successive efforts to include a performing event as well as promotional center was unsuccessful and could not capture the intention of Lasswell but made available major use via television viewers.

Communications scholars (McQuail and Windahl, 1993) refer to Lasswell's model as the most eminent single phrase in communications research. The model was considered by McQuail Windahl as a method which could be transformed to another model. Lasswell's model of communications had been recognized by Greenberg and Salwen (2008) as being widely accepted.

Lasswell's model though attracts attention to numerous crucial features in the mass communications practice; it only describes overall areas of study. There is no concept of a dynamic process as it connects no rudiments together.

The relevance of this theory to this study is that sales promotion is one of communications tools which when properly executed, attracts customer's retention. The theory is made up of advertiser's message, the channel in which such messages are being disseminated and the perception/feedback of receiver to such messages. To achieve a successful sales promotion, and ensure that it creates impact and is valued by the consumers/receiver, the receiver must be aware of the message being sent and from whom. The theory notes that the credibility of the sender (foods and beverages companies) will affect the level of attention/perception of the customer which will impact on the performance of the sender (Foods and Beverages Companies). In achieving this, the theory further suggests a consistent promotional messages or widening of advertising scope when targeting a larger community of audience. The communications can be in form of spoken, written, sign language, or nonverbal message to target audience or population. The attention given to the message is attributed to the perceived value the receiver/consumer places on brand/product and their experience about such brand.

3. Methodology

The survey research design was used to obtain information from the study population through primary data collection. Survey research design allows the study an opportunity to describe the situations in details as they exist. Survey research design is useful in the description of what exists in relation to variables or conditions under investigation. This study adopts a quantitative approach so as to measure the objective facts using variables, statistical analysis and reliability testing.

3.1. Research Population Sample Size and Sampling Technique

The primary population for this study comprises customers and consumers of the products of foods and beverages companies in five selected local government areas in Lagos State since everybody consumes one product or the other of foods and beverages companies in Lagos. The five selected local government areas are Apapa, Ikeja, Lagos Mainland, Oshodi-Isolo, and Surulere local government areas. The population for the study was estimated at 4,209,483. (Lagos State Local Governments Population, 2006). The selected foods and beverages companies are registered with NAFDAC, NSE and SON in Lagos State namely: Friesland Foods Wamco Nigeria Plc producers of Peak Milk, Hollandia Evaporated Milk, Peak Choco, and various milk products; De-United Foods Industry Limited (DUFIL), producers of the popular Indomie Instant Noodles; Nestle Nigeria Plc, producers of Maggi cubes, Milo beverage drink, Choco Milo; Dangote Flour Mills Plc, producers of Semolina, wheat products; Cadbury Nigeria Plc, producers of Bournvita, Tom-tom, trebor, butter mint and biscuits products and Honeywell Flour Mills Plc, producers of Honeywell Semolina, Honeywell Wheat, Honeywell Pasta, and Honeywell Noodles. The reason for choosing these companies was that they are registered and listed under Foods and Beverages Companies in Nigeria and are registered with NAFDAC, NSE and Standard Organisation of Nigeria (SON). They all have been in business for years; and their products are consumed in every house hold.

The study adopts a simple random sampling to select the respondents that corresponded with the sampling size. A well-structured questionnaire was used to obtain data for the study. The sample size for this study is customers and consumers of the products of the selected Foods and Beverages Companies in the five selected local government

areas in Lagos State. The five selected local government areas were Apapa, Ikeja, Lagos Mainland, Oshodi-Isolo and Surulere local government areas. The sample size for this study was determined using the table of sample size determination developed by Krejcie and Morgan (1970). At 0.035 margins of error and 96.5% confidence level, the sample size for this study was 784. However, for more adequate representations and to provide for the instruments that might not be returned, 30% of the sample size was added and that brought the sample size to approximately 1019 (Israel, 1992). The sample size for each stratum (locations) or number of consumers sampled from each local government was determined using Bowley’s proportional allocation statistical techniques as stated below.

$$n_h = (N_h/N)^n$$

Where:

n_h = the sample size for stratum h,

n= total sample size,

N_h = the population size for stratum h,

N= the total population

Hence, distribution presented in Table 3

Apapa		$\frac{522,384}{4,209,483}$	x 1019	=	126
Ikeja		$\frac{648,720}{4,209,483}$	x 1019	=	157
Lagos Mainland	-	$\frac{629,469}{4,209,483}$	x 1019	=	152
Oshodi-Isolo		$\frac{1,134,548}{4,209,483}$	x 1019	=	275
Surulere	-	$\frac{1,274,362}{4,209,483}$	x 1019	=	308

Table-1. Summary of Sample Size

S/N	Local Govt. Area	Population	Sample Size
1.	Apapa	522,384	126
2.	Ikeja	648,720	157
3.	Lagos Mainland	629,469	152
4.	Oshodi-Isolo	1,134,548	275
5.	Surulere	1,274,362	308
	Total	4,209,483	1019

Source: Lagos State Local Government Population, (2006)

This study adopts Purposive and Convenience random sampling techniques. The primary data were collected through the use of Questionnaire. Two sets of questionnaires were used in this study: one set for consumers and the other set for customers of the products of food and beverages companies in Lagos. The total numbers of questionnaires administered were one-thousand and nineteen (1019) to both consumers and customers and 883 were retrieved which represented 86.7.

3.2. Validity and Reliability of the Research Instrument

To determine the validity of the instrument, content validity was also carried out on the research instrument through the expert knowledge of the researchers in the Department of Business Administration and Marketing, Babcock University, Shagamu Nigeria. However, the construct validity of The two variables involved in the study were ascertained using Kaiser-Meyer-Oklin and Bartlett’s tests as shown below:

Table-2. KMO and Bartlett Test for each Variable in the Research Instrument

S/N	Variables	Number of Items	KMO	Bartlett’s Value (p-value)	Remark
1.	Sales Promotion	9	0.545	0.000	Accepted
2.	Customer Retention	8	0.701	0.000	Accepted

Source: SPSS Output Result

The Cronbach alpha test was used to analyse the data to measure the internal constancy of the instrument. The respondents were selected from consumers of foods and beverages different from the State of the proposed study. A high measure of constancy and resemblance of results indicated a high measure of reliability. The Cronbach’s Alpha reliability co-efficient for all the construct items in the study were determined through the end result of the pilot study. Result of the pilot study are given below:

Table-3. The Variables Items and their Cronbach's Alpha

S/N	Variables	Number of Items	Cronbach's Alpha Coefficient	Remarks
1	Sales Promotion	9	0.849	Reliable
2	Customer Retention	4	0.86	Reliable

Source: SPSS

4. Data Analysis and Findings

The study was analysed using descriptive and inferential statistics with the aid of Statistical Package for Social Sciences (SPSS version 20). The hypothesis was tested at 5% level of significance ($\alpha = 0.05$) while the effect of sales promotion on customers' retention was analysed using descriptive statistics (simple percentage, frequency and table) to describe the responses of the consumers of foods and beverages companies in Lagos State. The inferential statistics were tested through regression analyses at 0.05% significant level.

Table-4a. Sales Promotion in selected Foods and Beverages Companies in Lagos State

S/N	Statement	SA	A	PA	PD	D	SD	Total
1	Sales promotions activities attracts customers to company's product	331 (37.5)	291 (33.0)	136 (15.4)	104 (11.8)	17 (1.9)	4 (0.5)	883 (100%)
2	Company launches new products through sales promotions.	256 (29.0)	373 (42.2)	155 (17.6)	50 (5.7)	41 (4.6)	8 (0.9)	883 (100%)
3	Sales promotions encourages purchase in larger quantities	291 (33.0)	204 (23.1)	217 (24.6)	96 (10.9)	60 (6.8)	15 (1.7)	883 (100%)
4	Sales promotions increase consumers purchase decision.	333 (37.7)	335 (37.9)	135 (15.3)	67 (7.6)	10 (1.1)	3 (0.3)	883 (100%)
5	Consumers value monetary discount more than non-monetary incentives	324 (36.7)	294 (33.3)	169 (19.1)	77 (8.7)	19 (2.2)	0 (0.0)	883 (100%)
6	Combinations of more than one sales promotion help to achieve increase sales goals	326 (36.9)	307 (34.8)	140 (15.9)	78 (8.8)	32 (3.6)	0 (0.0)	883 (100%)
7	Price discount has impact on consumer purchase decision.	383 (43.4)	279 (31.6)	129 (14.6)	35 (4.0)	53 (6.0)	4 (0.5)	883 (100%)

Note: SA (Strongly Agree), A (Agree), PA (Partially Agree), PD (Partially Disagree), D (Disagree), SD (Strongly Disagree)

Source: Field Survey, 2019

A summary of the data presented in Table 4.a reveals that 622 (70.4%) of the respondents agreed that, sales promotions activities attract customers to a company's product, 136 (15.4%) partially agreed and 104 (11.8%) partially disagreed. 21 (2.4%) disagreed. 629 (71.2%) agreed that company launches new products through sales promotions, 155 (17.6%) partially agreed and 50 (5.7%) partially disagreed, while 49 (5.5%) disagreed.

For the statement, Sales promotions encouraged purchase in larger quantities, 495 (56.1%) agreed, 217 (24.6%) partially agreed and 96 (10.9%) partially disagreed, while 75 (8.5%) disagreed. Also 668 (75.7%) of the respondents agreed that sales promotions increases consumers' purchase decision, 135 (15.3%) partially agreed and 67 (7.6%) partially disagreed but 13 (1.4%) disagreed. On whether consumers value monetary discounts more than non-monetary incentives 618 (70.0%) agreed, 169 (19.1%) partially agreed and 77 (8.7%) partially disagreed, while 19 (2.2%) disagreed.

Additionally, 633 (71.7%) agreed that combinations of more than one sales promotion help to achieve increase in sales, 140 (15.9%) partially agreed and 78 (8.8%) partially disagreed as 32 (3.6%) disagreed. 662 (75.0%) respondents agreed that price discounts have impact on consumer purchase decision. 129 (14.6%) partially agreed and 35 (4.0%) partially disagreed, while 57 (6.5%) disagreed.

Therefore, answering the question on effect of sales promotion in foods and beverages companies, respondents agreed that Sales Promotion activities attract customers to companies' products (70.4%), as the company launches new products through sales promotions (71.2%). Also, the result shows that sales promotion encourages purchase in larger quantities (56.1%) although about 24.6% partially agreed. Furthermore, the result shows that consumers value monetary discount more than non-monetary incentives (70.0%). As price discount has impact on consumer purchase decision (75.0%) and that combinations of more than one sales promotion help to achieve increased sales goals (71.7%), even as sales promotions increase consumers purchase decision (75.7%). The researcher concurs with the findings as presented in Table 4.a.

Table-4b. Customer retention in Foods and Beverages Companies

S/N	Statement	SA	A	PA	PD	D	SD	Total
1	Customer retention is an indication of customers' satisfaction with company's products.	360 (40.8)	361 (40.9)	103 (11.7)	48 (5.4)	7 (0.8)	4 (0.5)	883 (100%)
2	Customer retention provide feedbacks on company's product	367 (41.6)	324 (36.7)	120 (13.6)	44 (5.0)	28 (3.2)	0 (0.0)	883 (100%)

3	Good customer relationship enhances customer retention	378 (42.8)	344 (39.0)	62 (7.0)	54 (6.1)	45 (5.1)	0 (0.0)	883 (100%)
4	Sales promotions increase customer retention	340 (38.5)	271 (30.7)	184 (20.8)	51 (5.8)	33 (3.7)	4 (0.5)	883 (100%)

Note: SA (Strongly Agree), A (Agree), PA (Partially Agree), PD (Partially Disagree), D (Disagree), SD (Strongly Disagree)

Source: Field Survey, 2019

Analysis of the data in Table 4.b reveals that 721 (81.7%) respondents agreed that customers’ retention is an indication of customers satisfaction with company’s products. 103 (11.7%) partially agreed and 48 (5.4) partially disagreed, while 11 (1.3%) disagreed. 691 (78.3%) agreed that, customer retention provides feedbacks on company’s products, 120 (13.6%) partially agreed, 44 (5.0%) partially disagreed and 28 (3.2%) disagreed.

Respondents agreed as represented by 722 (81.8%) responded that good customer relationship enhances customers’ retention, though 62 (7.0%) partially agreed, 54 (6.1%) partially disagreed and 45 (5.1%) disagreed. As regards whether sales promotions increase customer retention, 611 (69.2%) agreed, 184 (20.8%) partially agreed, and 51 (5.8%) partially disagreed, while 37 (4.2%) disagreed.

Findings in Table 4.a which focuses on effect of customer retention in foods and beverages companies reveal that respondents agreed that customer retention is an indication of customers’ satisfaction with company’s products (81.7%) as it provides feedbacks on company’s products (78.3%), and it shows that good customer relationship enhances customer retention (81.8%); as sales promotions increase customers’ retention (69.2%).

Therefore, answering research question two on assessing the effect of sales promotion on customer retention in foods and beverages companies; the data presented in Tables 4.a and 4.b reveal that respondents claimed that sales promotions activities attract customers to company’s products, because a company launches new products through sales promotions. On the other hand, customer retention is an indication of customer satisfaction with company’s products, because it provides feedbacks on company’s product, and good customer relationship enhances customers’ retention. The data also show that sales promotions increase customer retention.

Table-4c. Simple Regression Analysis Results for the Effect of Sales Promotion on Customer retention (Model Summary)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.606 ^a	.367	.366	.56861

a. Predictors: (Constant), Sales Promotions

Table-4.5.2b. Overall Significance (ANOVA^a)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	165.068	1	165.068	510.545	.000 ^b
	Residual	284.843	881	.323		
	Total	449.911	882			

a. Dependent Variable: Customer Retention

b. Predictors: (Constant), Sales Promotions

Table-4d. Regression Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.994	.137		14.551	.000
	Sales Promotions	.627	.028	.606	22.595	.000

a. Dependent Variable: Customer Retention

Table-4e. Summary of Evaluation Statistics of Simple Regression Analysis between Sales Promotions and Customer Retention in Foods and Beverages Companies in Lagos State

Variable	Correlation Coefficient (R)	Coefficient of Determination (R ²)	P value	T-Statistic	Constant	Parameter estimate
Sales Promotions	0.606a	0.367	0.000 ^a	22.595	1.994	0.627

a. Predictors: (Constant), Sales Promotions

b. Dependent Variable: Customer Retention

Source: Results extracted from Regression Tables 4.c, 4.d & 4.e

Number of respondents: 883

Level of significance 0.05 (5%)

Significant at P < 0.05

CR = $\alpha + \beta_1 SP + \mu$.

4.1. Interpretation

In order to predict whether sales promotion has no significant effect on Customer retention among foods and beverages companies, the researcher conducted a simple regression analysis as summarized statistically in Table 4.

Statistical result shows that the coefficient of determination (R²) = 0.367 which indicates that 36.7% of customer retention among foods and beverages companies is explained by the effect of Sales Promotion. The statistical Figure

of 36.7% indicates that, a lower explanatory power model exists between Sales Promotion and Customer retention. The result further implies that, statistically, about 36.7% variation in sales promotion of Foods and Beverages Companies is explained by variation in sales promotion. The model failed to explain 63.3% of the variation, meaning that there are other factors associated with sales promotion which were not fitted in the model. Hence, although sales promotion has effect on customer retention the effect is low in the foods and beverages companies in Lagos State.

In addition, the correlation coefficient (R) value of 0.606 which reveals the relationship between the variables indicates that moderately strong positive relationships exist between Sales Promotion and Customer retention among foods and beverages companies in Lagos State.

In order to further elaborate on the effect of the independent variable on the dependent variable, the researcher presented the following simple regression equation results as obtained from Table 4.e which reveals that:

$$CR = 1.994 + 0.627 SP$$

Where SP = Customer Retention and SP = Sales Promotion

The equation indicates that, α is 1.994 when $X = 0$. This implies that the value 1.994 suggests statistically that, when there is no Sales Promotion among foods and beverages companies about 1,994 units of customer retention among foods and beverages companies can be predicted. Therefore, about 1,994 customer retention among foods and beverages companies can be obtained when there is no sales promotion.

However, the coefficient (parameter estimate) i.e. (0.606), is predicted. The result specifies a positive relationship between the variables (Sales Promotion and Customer retention). Inferring that statistically one unit increase in Sales Promotion induces a corresponding increase in Customer retention among foods and beverages companies by about 0.606 units (that is; 606 more units of customer retention among foods and beverages companies can be expected for each unit increase in Sales Promotion). Hence this study submits that Sales promotion has effect on customer retention.

Findings above is further substantiated by the p-value of $0.000 < \text{sig. value of } 0.05$ and T-test value of 22.595 ($T_{\text{cal}} = 22.595$, $p < 0.05$), which indicate that both variables are significantly related, indicating that statistically, between (sales promotion) and (customer retention) of foods and beverages companies in Lagos State. Therefore, the null hypothesis which states that sales promotion has no significant effect on customers' retention among foods and beverages companies in Lagos State is rejected while the alternate is accepted.

5. Discussion

Summary of findings in Tables 4.a and 4.b reveal that respondents claimed that sales promotions activities attract customers to company's products, because as a company launches new products through sales promotions more customers are attracted. Sales promotion also attracts new customers, maintains existing customers who are contemplating switching brands and gives incentives to customers who are about to use competing products (Shin *et al.*, 2013). On the other hand customer retention is an indication of customers' satisfaction with company's products, because it provides feedbacks on company's product, and good customer relationship enhances customers' retention. The result also shows that sales promotions increase customers' retention as indicated from the hypothesis result; Correlation coefficient (R) value of 0.606 indicates a moderately strong positive relationship between Sales Promotion and Customer retention which corroborates with the study of Sakara and Alhassan (2014) on assessment of sales promotions as effective tool for customers' retention in the telecommunications industry in Ghana.

This research also investigates the relationship and effect of sales promotion on customer retention. It confirms that there are positive relationships between sales promotion and customer retention that as sales promotion expenditure increases so also does customer loyalty and retention increase.

Oyedapo *et al.* (2012), examine the impact of sales promotion on organizational effectiveness in the Nigerian manufacturing industry. The study focused on how sales promotion generated higher sales, increased profitability and greater market share. This research is significant because, it contributes to new knowledge by filling and reducing the gap that existed in the understanding of sales promotion by management and other stakeholders in the manufacturing sector. It also preserved as a source of reference for other researchers in this field. The results of the study indicated that beverages companies increasingly made use of sales promotions and use sales promotion strategies significantly to influence the effectiveness of the beverage industry and contributed greatly to the sales performance of the organizations. From the analysis of the data collected and interpreted, it confirms that there has been an increase in the usage of sales promotion by beverages companies and that sales promotion is normally used to boost sales, retain customers and enhance the profit performance.

Based on the discussion, the researchers submits that the use of monetary discount is more effective than non-monetary discount; and that combinations of more than one sales promotional technique would increase the performances of foods and beverages companies in Lagos State.

6. Conclusion and Recommendations

Summary of findings in Tables 4.a and 4.b reveal that sales promotions activities attract customers to company's products, because as a company launches new products through sales promotions more customers are attracted. Customer's retention is an indication of customers' being satisfied with company's products/services. The result also shows that sales promotions increase customers retention and results from the hypothesis (R) value of 0.606 indicates a moderately strong positive relationship between Sales Promotion and Customer retention which is corroborated by the study of Sakara and Alhassan (2014). This study confirms that sales promotion has impact on

the performances of some selected foods and beverages companies in Lagos State. Therefore the study challenges marketing managers to have deeper knowledge of customers' retention. Other marketing professionals and organizations can also make use of the outcome of this study so as to expand their marketing practices. In so doing, customers will be satisfied with the products and services which results to significant improvement in organisational performances with associated customers' retention.

The decision makers in foods and beverages companies should realize that building a positive image in the eyes of customers can be affected by internal communications such that some employees are the link between the company and customers, thus, the company's image is formed by them. The Nation's economic growth and employment opportunities is visible through the F&Bs as one of the contributors, therefore the National economic policy decision makers should take cognisance of this sector. The attention of all interested groups both from the private and public sector are required for the purpose of investment in foods and beverages industry.

The government through regulatory agencies as National Foods and Drug Administration Council (NAFDAC), the Standards Organization of Nigeria (SON), and the Ministry of Health. should ensure safety standards in quality food processing. There is need to design export incentives for the alleviation of some critical issues in the industry. The Federal government should ensure that an enabling environment is put in place through the Nigerian Agricultural and Rural Development, Bank of Industry where bank loans at reduced interest rates are to be given to the agricultural sector.

Sufficient promotional budget incentives should be put in place by the F&B companies' management to encourage effective sales promotion especially at special periods to boost sales and enhance customer retention. We also recommend enhanced monetary discounts as one of the sales promotion activities as it encourages purchase in larger quantities and it has impact on consumers purchase decision.

References

- Adeniran, J. A., Egwuonwu, T. K. and Egwuonwu, C. O. K. (2016). The impact of sales promotions on sales turnover in airlines industry in Nigeria. *International Journal of Marketing Studies*, 8(3): 99-110.
- Aderemi, S. A. (2003). *Marketing principles and practice*. Concept Publication Limited: Mushin, Lagos.
- Afanda, F. O. and Maina, M. P. (2015). Effect of promotional mix elements on sales volume of financial institutions in Kenya: Case study of Kenya post office savings. *Journal of Marketing and Consumer Research*, 11: 64-91. Available: <https://www.iiste>
- Anderson, R. E. and Sullivan, S. S. (2003). Modelling the determinants of customer satisfaction for business-to-business professional service. *Journal of Academy of Marketing Science*, 25(1): 4-17.
- Asikhia, O. U., Adefulu, A. D., Kabuoh, M. N. and Adetunji, L. O. (2019). Effect of sustainable marketing on competitive advantage of deposit money banks in ogun state, Nigeria *The International Journal of Business & Management*, 7(3): Available: www.theijbm.com
- Banabo, E. and Koroye, B. H. (2011). Sales promotion strategies of financial institution in Bayelsa State. *Asian Journal of Business Management*, 3(1): 203-09.
- Bataineh, A. Q., Al-Abdallah, G. M., Salhad, H. A. and Shoter, A. M. (2015). The effect of relationship marketing on customer retention in the Jordanian's pharmaceutical sector. *International Journal of Business and Management*, 10(3): 117-31.
- Ellen, M. (2016). Challenges and trends facing foods and beverages manufacturers. Available: <http://www.cmtc.com/2017/10>
- Gounaris, S. P. (2013). Trust and commitment influences on customer retention: Insights from business-to-business Services. *Journal of Business Research*, 58(2): 126-40. Available: <https://www.sciencedirect.com/science/article/abs/pii/S014829630300122x>
- Greenberg, J. and Salwen, H. (2008). Supporting Lasswell's model of communication - Wikipedia. Available: https://en.wikipedia.org/wiki/Lasswell's_model_of_communication
- Ismail, K., Hussain, J., Shah, F. A. and Hussain, A. (2012). Effect of marketing communications on sales performance of multinational companies: A case study of proctor and gamble company. *Research Journal of Recent Sciences*, 1(12): 44-48.
- Israel, G. D. (1992). *Determining sample size: Evaluation and organizational development, florida cooperative extension service*. Institute of Food and Agricultural Sciences, University of Florida.
- Kennerly, M. and Nelly, A. (2013). Measuring performance in a changing business environment. *International Journal of Operations and Production*, 23(2): 213-29.
- Kenya National Bureau of Statistics (2018). Consumer price indices and inflation rates. Available: <http://www.knbs.or.ke/wpcontent/uploads/2018/11/cpi112018.pdf>
- Kotler, P. (1991). *Marketing management: Analysis, planning, implementation and control*. 9th edn: Prentice-Hall: New Jersey.
- Kotler, P. and Armstrong, G. M. (2010). *Principles of marketing*. 11th edn: Prentice-Hall of International: New York.
- Krejcie and Morgan (1970). Table of sample determination. Available: www.kenpro.org/
- Lasswell, H. (1948). *The structure and function of communications in society*. Harper: New York.
- Lin, J. S. C. and Wu, C. Y. (2011). The role of expected future use in relationship-based service retention. *Managing Service Quality*, 21(5): 535-51.
- McQuail, D. and Windahl, S. (1993). *Communications models for the study of mass communications*. 2nd edn: Longman: New York.

- Odunlami, I. B. and Ofoegbo, O. E. (2011). Effect of marketing communications in promoting organizational sales. A case study of sunshine company. *Journal of Emerging Trends in Economics and Management Sciences*, 2(5): 408-12.
- Oni, T. O. (2013). Challenges and prospects of agriculture in Nigeria: the way forward. *Journal of Economics and Sustainable Development*, 4(16): 37-45.
- Oyedapo, W. O., Akinlabi, B. H. and Sufian, J. B. (2012). The Impact of sales promotion on organization effectiveness in Nigerian manufacturing industry. *Universal Journal of Marketing and Business Research*, 1(4): 123-31.
- Patterson, P. G., Johnson, L. W. and Speng, R. A. (2007). Modelling the determinants of customer satisfaction for business -to- business professional services. *Journal of Academy of Marketing Science*, 25(1): 4-17.
- Ramsey, R. and Sohi, R. (1997). Listening to your customers: The effect of perceived salesperson listening behaviour on relationship outcomes. *Journal of the Academy of Marketing Science*, 25(2): 127-37.
- Ranaweera, C. and Prabhu, J. (2013). The influence of satisfaction, trust and switching barriers of customer retention in a continuous purchasing setting. *International Journal of Service Industry Management*, 14(4): 230-48.
- Richard (1958). An extension of the "Laswell formula. *Journal of Communication*, 8(2): 88-93. Available: <https://doi.org/10.1111/j.1460-2466.1958.tb01138.x>
- Richard (2012). *Promotion and integrated marketing communications*. Eastern Press Ltd: Bangalore.
- Richards, T. (2010). Using the conversion model to optimize customer retention. *Managing Service Quality*, 6(4): 48-52.
- Saeed, R., Nisar, F., Lodhi, R. and Ahmad, M. (2013). Impact of sales promotion on the consumer loyalty in the telecommunications industry in Pakistan. *Journal of Basic and Applied Scientific Research*, 3(5): 901-07.
- Sakara, A. and Alhassan, F. (2014). An assessment of sales promotion as effective tool for customer retention in telecommunications industry of Ghana: A case study of University for development studies, Ghana. *International Journal of Economic, Commerce and Management*, 11(10): 1-22.
- Salelaw, G. T. and Singh, A. (2016). The impact of sales promotion on brand equity: The case of brewery industry. *Journal of Marketing and Consumer Research*, 22: 68-81. Available: <https://www.tandfonline.com/doi/full/10.1080/14783363.2017.1303>
- Shimp, T. A. (2003). *Advertising promotion and supplemental aspects of integrate marketing communications*. 6th edn: Thomson South-Western: USA.
- Shin, Y., Jeon, H., Choi, M., Han, E. and Jung, S. (2013). An empirical analysis on a predictive method of systematic segmentation in volatile high-tech markets. *ETRI Journal*, 35(2): 321-31.
- South African Market Insights (2019). News about South Africa Market Insights. Available: <http://bing.com/news>
- Steele-Johnson, D., Beauregard, R., Hoover, P. and Schmidt, A. (2018). Goal orientation and task demand effects on motivation, affect, and performance. *Journal of Applied Psychology*, 1(85): 724-38.
- Yeboah, A. (2013). Integrated marketing communications: How can it influence customer satisfaction? *European Journal of Business and Management*, 5(2): 41-57.